29th ANNUAL REPORT

2021-2022

VIDHI

Vidhi Specialty Food Ingredients Limited

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Corporate Information

BOARD OF DIRECTORS

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

Mr. Mihir B. Manek (DIN: 00650613)
Joint Managing Director

Mrs. Vidhi H. Parekh (DIN: 07584061)
Whole-time Director

Mrs. Pravina B. Manek (DIN: 00416533)
Non-Executive Director

Mr. Vijay K. Atre (DIN: 00416853)
Non-Executive Director
(Resigned w.e.f. August 31, 2022)

Mr. Prafullachandra A. Shah (DIN: 00417022)
Independent Director

Mr. Nirenbhai D. Desai (DIN: 01978382)
Independent Director

Mr. Rahul C. Berde (DIN: 06981981)
Independent Director

Mr. Ashit K. Doshi (DIN: 08486679)
Independent Director

Ms. Jyoti S. Modi (DIN: 08699101)
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Mitesh D. Manek

COMPANY SECRETARY

Mr. Awdhesh Kumar Pandey
Compliance Officer
(Resigned w.e.f. May 12, 2021)

Ms. Priyanka Suresh Soni
(Appointed w.e.f. November 08, 2021)

STATUTORY AUDITORS

M/s. JMR & Associates
Chartered Accountants

SECRETARIAL AUDITORS

M/s. Hemanshu Kapadia & Associates
Practicing Company Secretaries

INTERNAL AUDITORS

M/s. Jayesh Kothari & Co.
Chartered Accountants

BANKERS

HDFC Bank
Bank of Baroda
Union Bank of India

REGISTRAR & SHARE TRANSFER AGENTS (R & TA):

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.
Tel: 022- 4918 6270 Fax: 022- 4918 6060
Website: www.linkintime.co.in
E-mail: rnt.helpdesk@linkintime.co.in

REGISTERED OFFICE:

Vidhi Specialty Food Ingredients Limited
CIN: L24110MH1994PLC076156
E/27, Commerce Centre,
78, Tardeo Road,
Mumbai – 400034
Tel: + 91 22 6140 6666
Fax: + 91 22 2352 1980
E-mail:mitesh.manek@vidhifoodcolors.com
Website: www.vidhifoodcolors.com

CORPORATE OFFICE:

Vidhi Specialty Food Ingredients Limited
E/28 & 29, Commerce Centre,
78, Tardeo Road,
Mumbai – 400034
Tel: + 91 22 6140 6615

LOCATIONS OF PLANTS:

Factory I:

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

Factory II:

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

About Us:

Established in 1994, Vidhi Specialty Food Ingredients Limited (Formerly known as 'Vidhi Dyestuffs Manufacturing Limited') [‘Vidhi’] is a leading manufacturer of Superior Synthetic and Natural Food Grade Colours; providing customers with world class color solutions in applications of Foods & Beverages, Confectionaries, Pharmaceuticals, Feeds, Cosmetics, Inkjet Inks and Salt Free Colors. Our colors are being distributed and consumed in over 80 countries across 6 continents.

At Vidhi, we have a transcendental combination of highly experienced and young and dynamic force of qualified chemists dedicated towards partnering the efforts of our discerning customers in developing superior colour solutions for their products. A fully equipped & functional laboratory accredited by The Bureau of Indian Standards forms the core of Quality Control Department. Our technical team works closely with the end user, right from the stage of envisioning the product to commercial production and after sales support. Stringent procedures and fail-safe methods of testing are adopted, right from the stage of sampling of all raw materials, in process checks at various stages of the reactions and thorough testing of all finished products is carried out by our team of highly qualified and trained chemists. We share up to date information and news developments, regarding regulatory procedures and new standards being implemented across all global markets thereby securing the interests of our valued customers.

Our manufacturing facilities are spread over an area of 1,76,000 square feet, located in Dhatav Village of Raigad District in the state of Maharashtra - India. Today Vidhi is an ISO 9001:2000, ISO 22000:2005 and HACCP certified company. Our Manufacturing facilities have been audited and found satisfactory by the U.S. FDA. All our products carry HALAL and Kosher certification. Vidhi is steadfastly working towards adoptions of standards like CEDEX and GFSI compliance.

Product Portfolio:

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

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

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

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

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

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

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

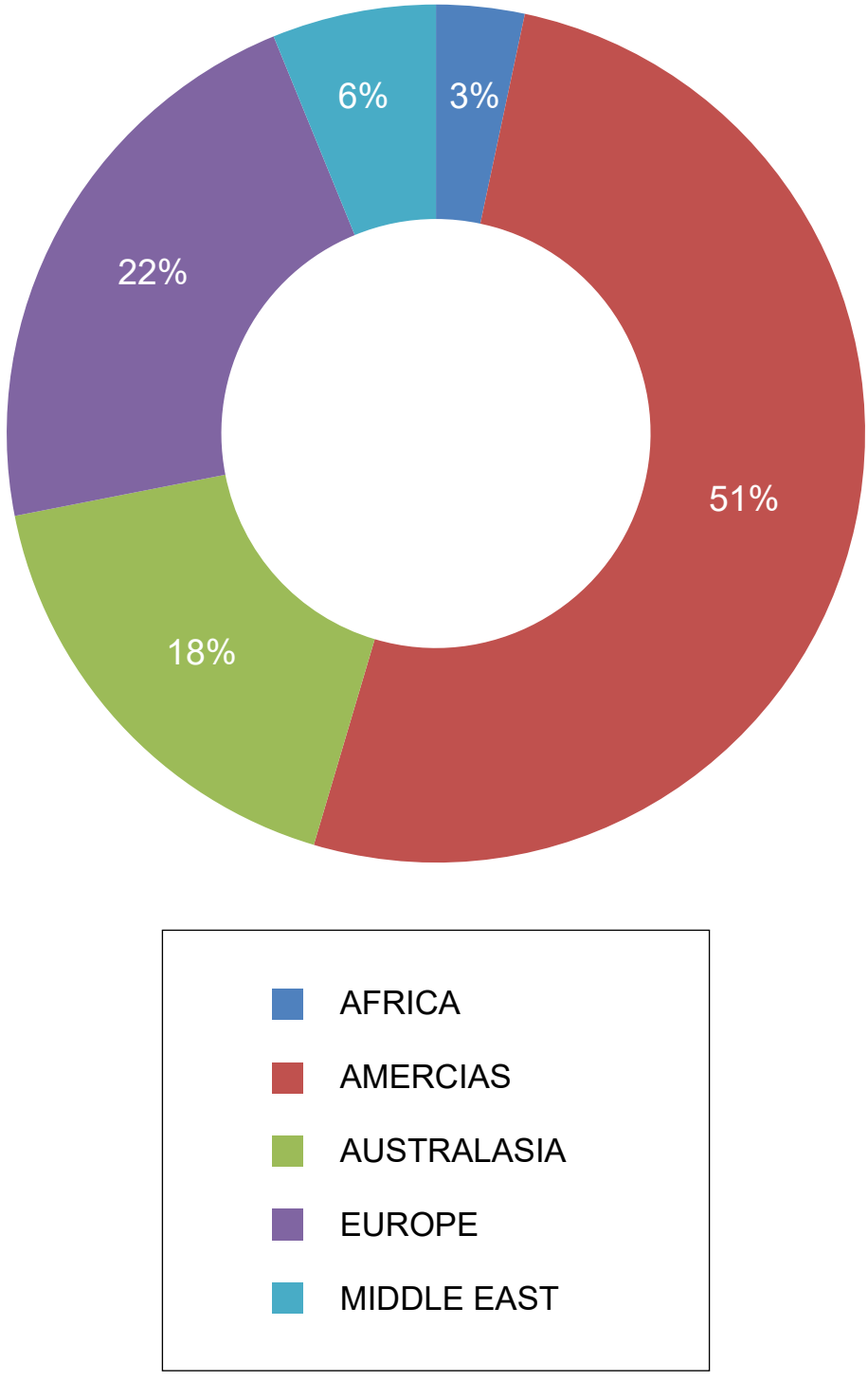
Natural Colours: (European Commission, JECFA & U. S. FDA Approved)
Natural colour formulations tailor made to suit any product applications.

A Truly Global Foot Print

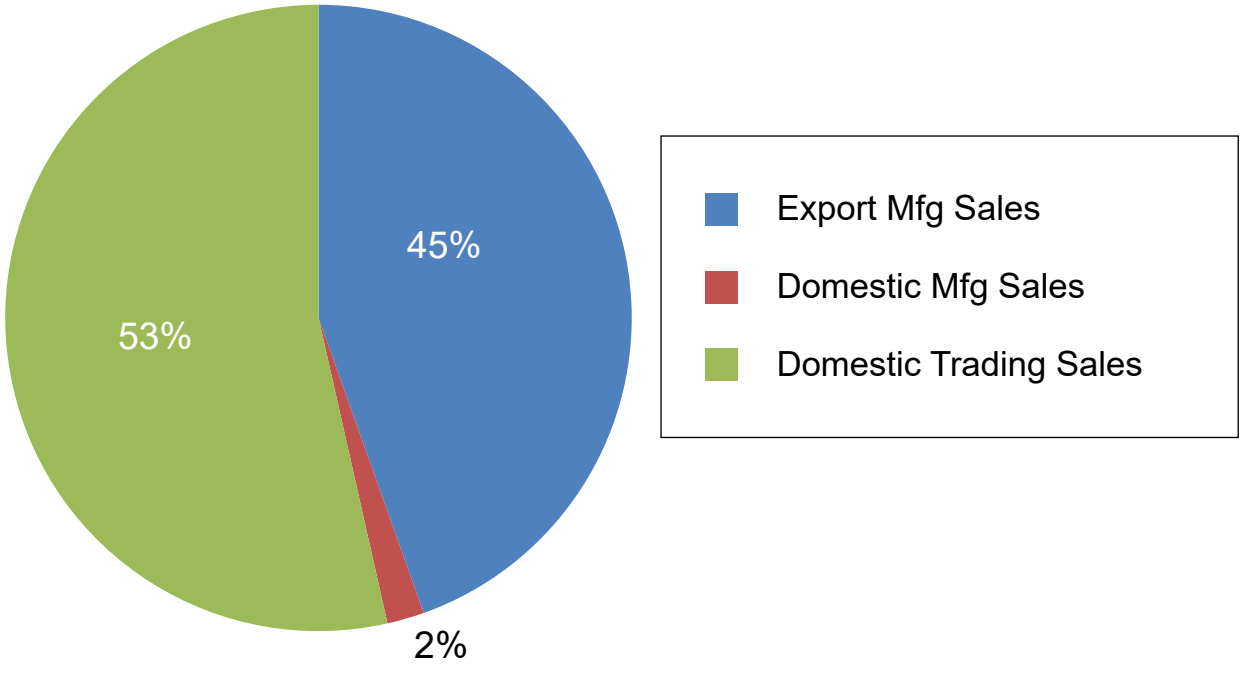
95.20% of all colours manufactured by VSFIL are exported globally.

Americas	Europe	Africa	Middle East
Argentina	Czech Republic	Egypt	Hongkong
Bolivia	France	Kenya	Iran
Brazil	Germany	South Africa	Singapore
Canada	Hungary	Uganda	Syria
Chile	Italy		UAE
Colombia	Malta		
Costarica	Morocco		
El Salvador	Republic of Poland		
Guatemala	Russian Federation		
Mexico	Spain		
Peru	The Nethelands		
Trinidad	Turkey		
USA	Ukraine		
URUGUAY	UK		
Venezuela			

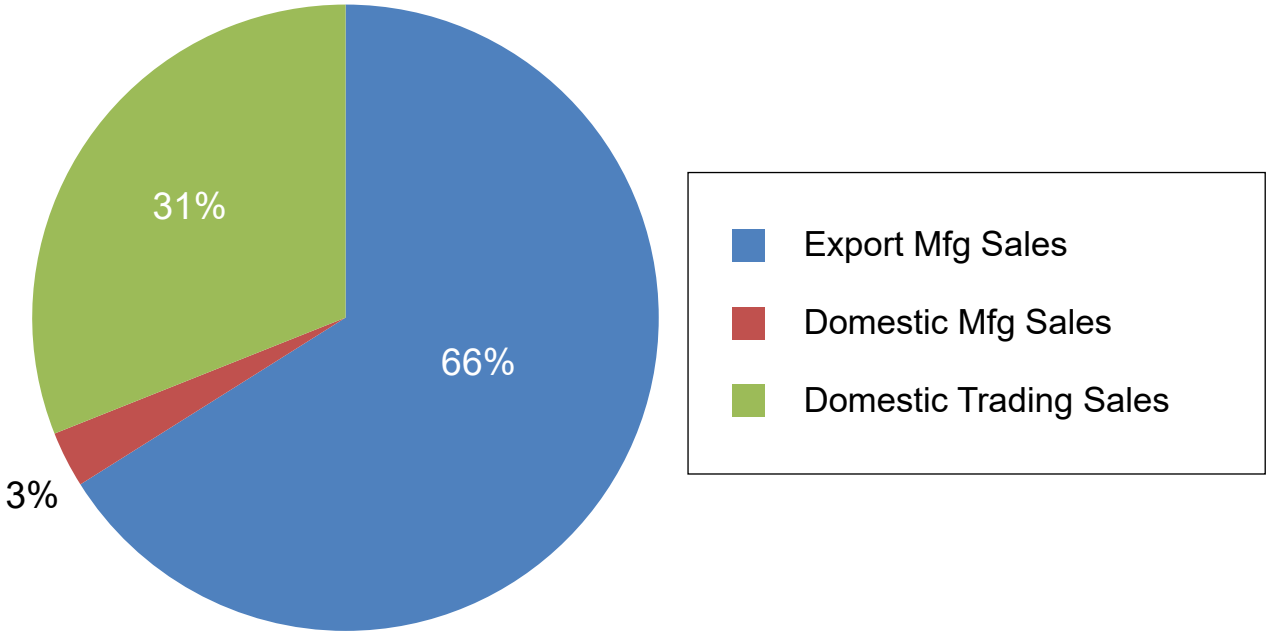
Continent Wise Break Up In Sales



Sales 2022



Sales 2021

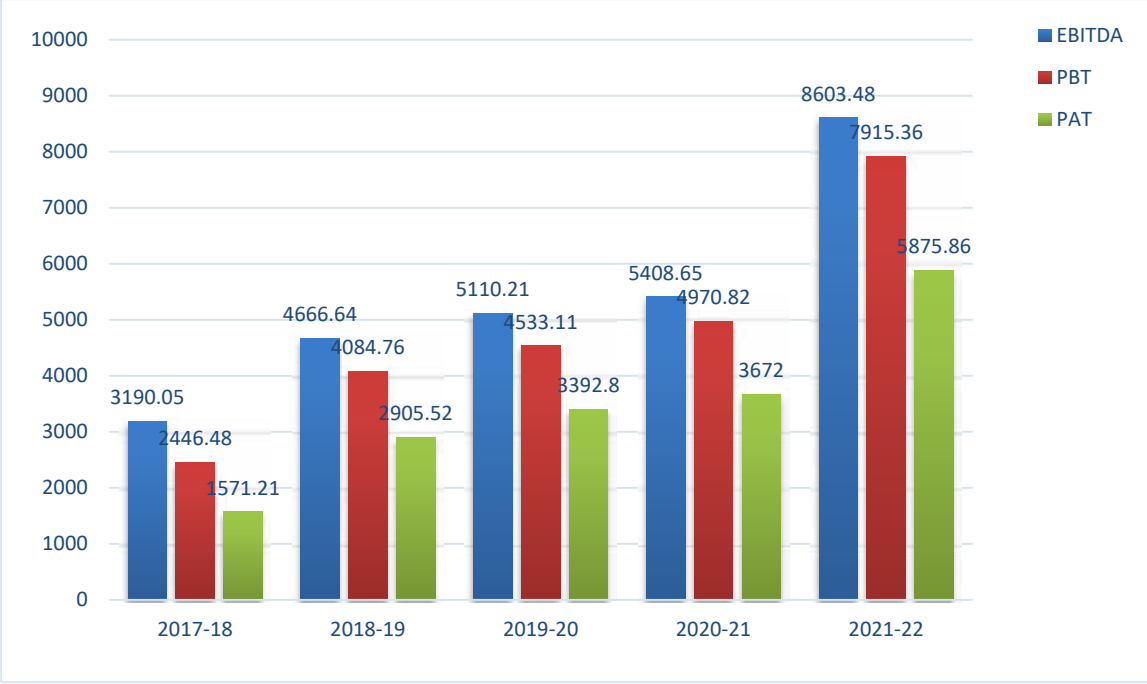


Country Wise Break Up In Sales

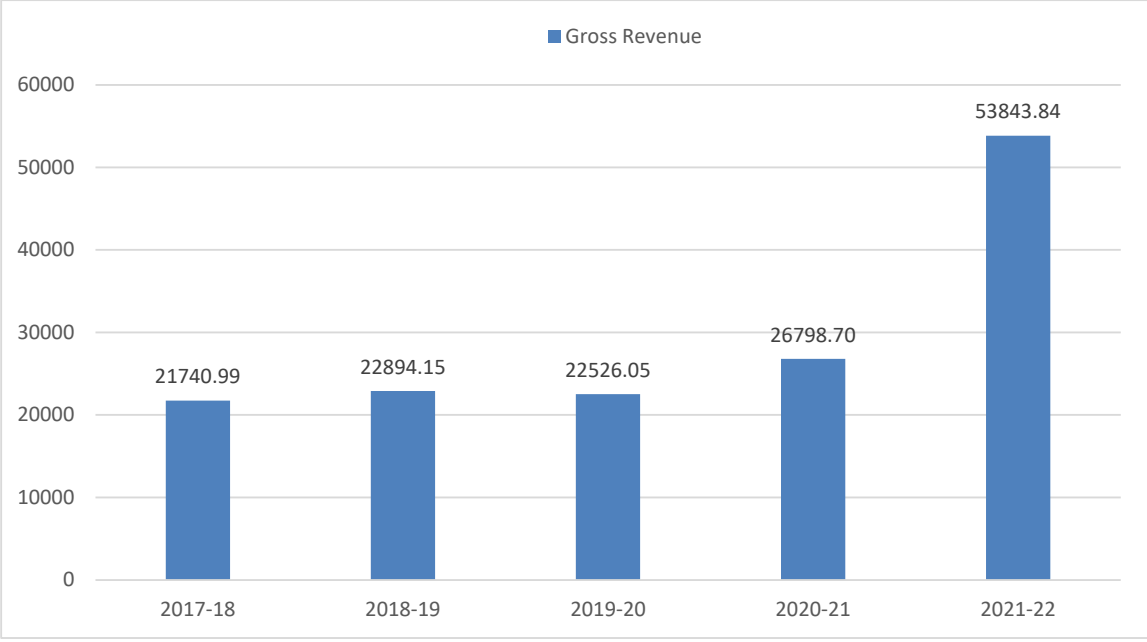
AFGHANISTAN	ARGENTINA	AUSTRALIA	AUSTRALIA
BOLIVIA	BRAZIL	CANADA	CHILE
CHINA	COLOMBIA	COSTARICA	EGYPT
EL SALVADOR	FRANCE	GEORGIA	GERMANY
HONGKONG	HUNGARY	INDONESIA	IRAN
ITALY	KENYA	MALAYSIA	MALTA
MEXICO	MOROCCO	PERU	PHILIPPINES
REPUBLIC OF POLAND	RUSSIA	SINGAPORE	SOUTH AFRICA
SPAIN	SRI LANKA	THAILAND	THE NETHERLANDS
TRINIDAD & TOBAGO	TURKEY	UAE	U.S.A
UKRAINE	URUGUAY	VENEZUELA	VIETNAM

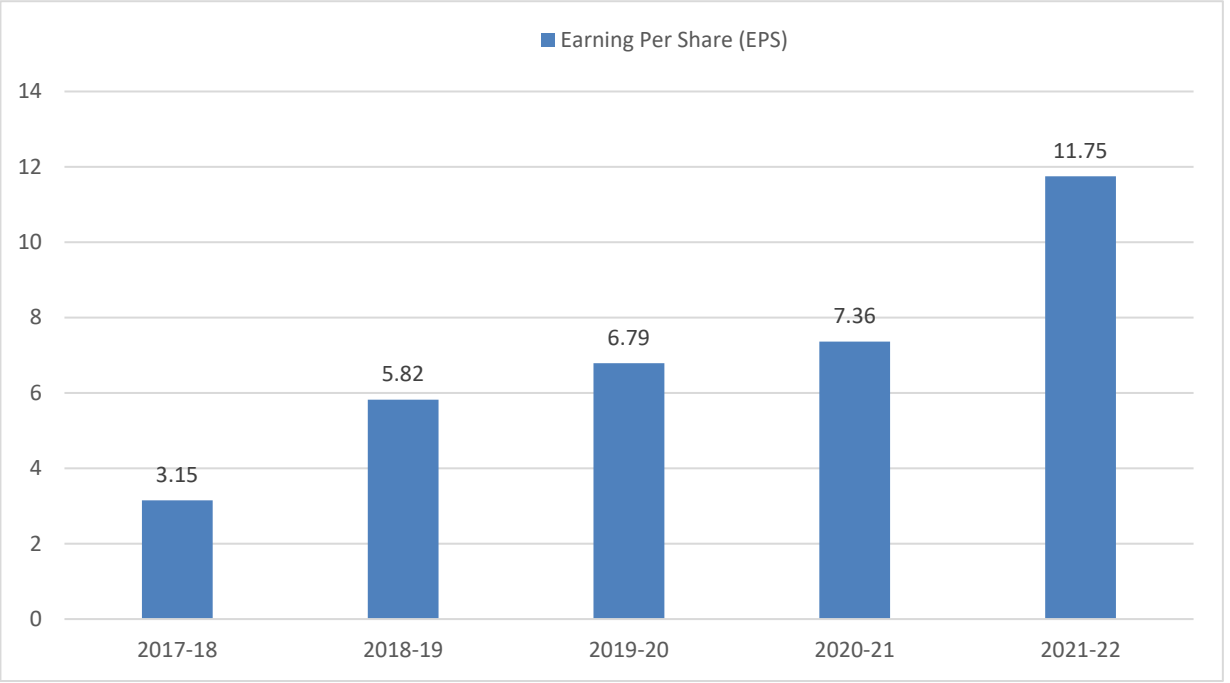
Key Performance Indicators

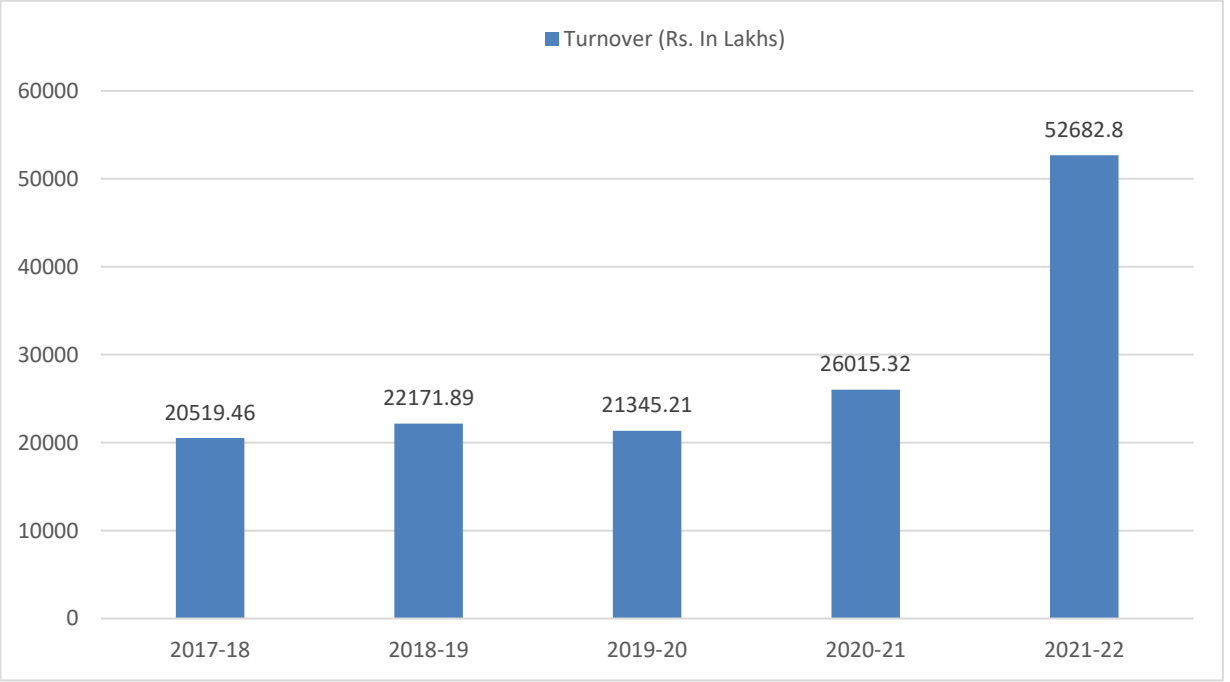
₹. In Lakhs

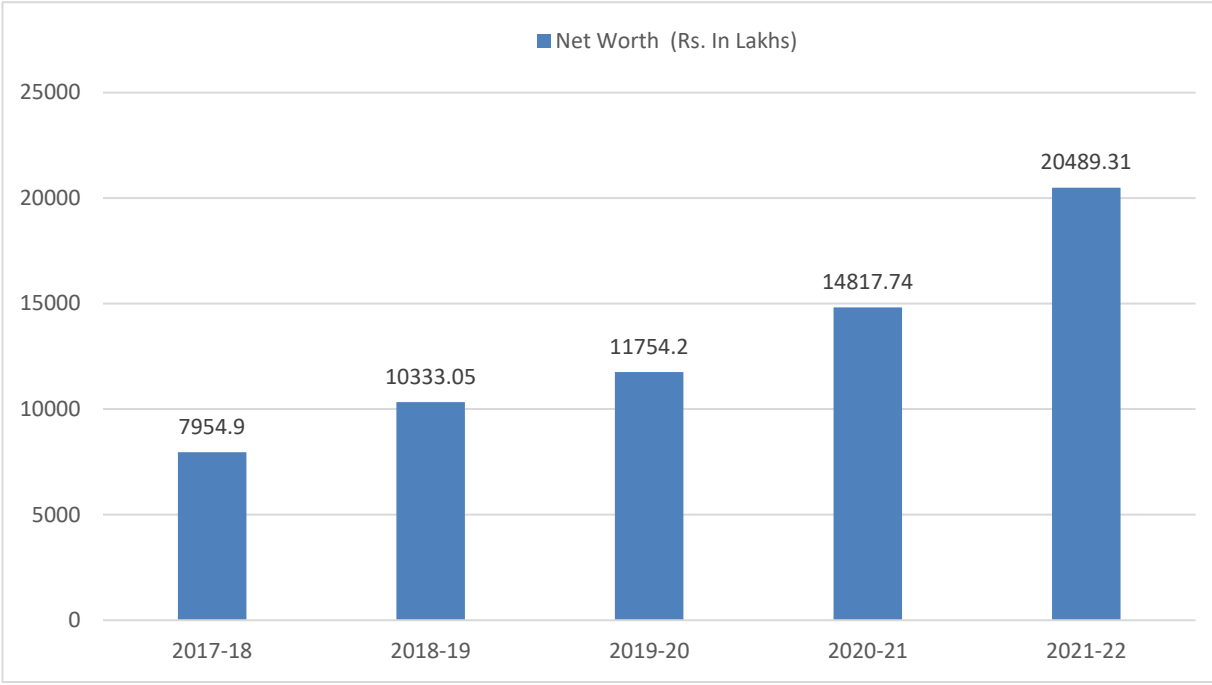


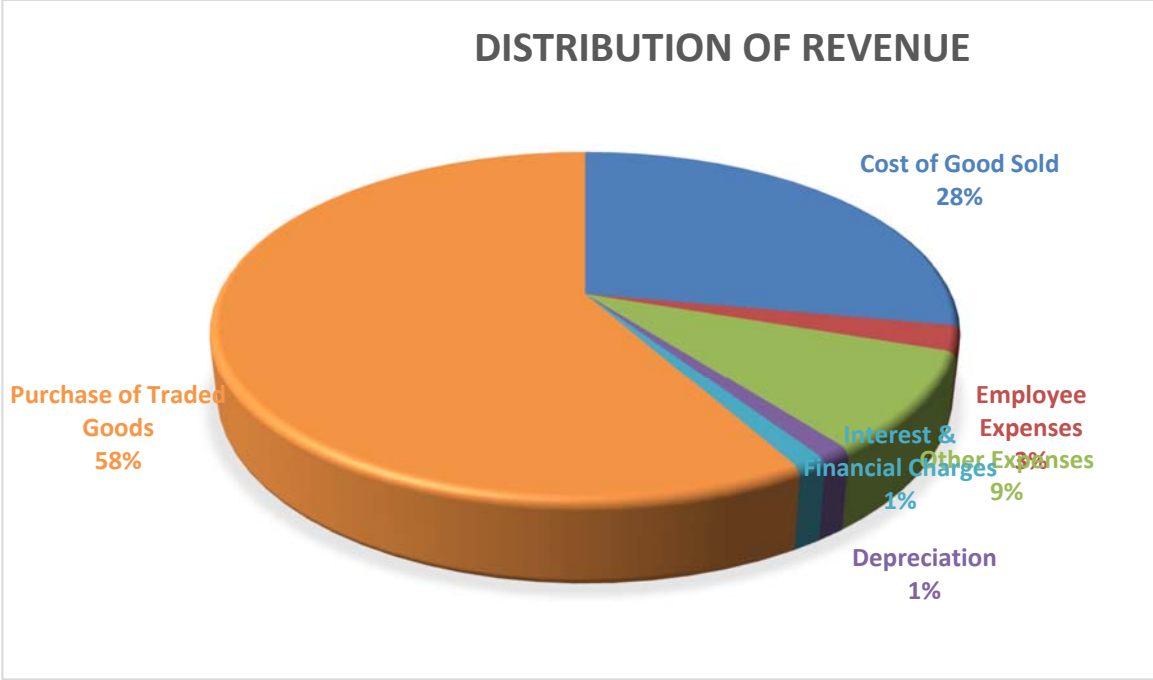
₹. In Lakhs




Earning Per Share (EPS)
14
12
10
8
6
4
2
0
3.15
5.82
6.79
7.36
11.75
2017-18
2018-19
2019-20
2020-21
2021-22


Turnover (Rs. In Lakhs)
60000
50000
40000
30000
20000
10000
0
20519.46
22171.89
21345.21
26015.32
52682.8
2017-18
2018-19
2019-20
2020-21
2021-22


Net Worth (Rs. In Lakhs)
25000
20000
15000
10000
5000
0
7954.9
10333.05
11754.2
14817.74
20489.31
2017-18
2018-19
2019-20
2020-21
2021-22


DISTRIBUTION OF REVENUE
Cost of Good Sold 28%
Employee Expenses 3%
Other Expenses 9%
Interest & Financial Charges 1%
Depreciation 1%
Purchase of Traded Goods 58%

Board Of Directors

Mr. Bipin M. Manek
Executive Chairman & Managing Director

- One of the Promoters of the Company
- Actively associated with the Company since its inception
- Acknowledged as a thought leader in transforming the Company from a small food color manufacturing Company to the Asia's 2nd largest food color manufacturing Company
- Played a key role in bringing the Company to its present heights
- A Commerce Graduate
- Over 36 years of experience in the field of Imports & Exports in food colour industries and Business Management

Mrs. Pravina B. Manek
Woman Director Non-Executive

- One of the Promoters of the Company
- Associated with the Company since its inception
- An Arts Graduate from University of Mumbai
- Over 21 years of vast experience and expertise in food colour business

Mr. Mihir B. Manek
Executive Joint Managing Director

- A Science Graduate from University of Mumbai with a major in Industrial Chemistry
- Associated with the Company for more than 14 years
- Played a significant role in leading multiple initiatives to accelerate production and sales of the Company
- An experience and expertise in the business of procurement of imported raw materials and distribution of various chemicals for over 16 years

Mrs. Vidhi Harsh Parekh
Executive - Whole-time Director

- She is a Commerce Graduate.
- She has an experience of more than 16 years relating to handling work pertaining
- to the Directorate General of foreign trade viz. import licensing, export incentives,
- duty drawback etc.
- She has an experience of more than 16 years relating to handling work pertaining to
- Human Resources Development.

Mr. Vijay K. Atre
Director Non-Executive

- Holder of Masters Degree in Science from University of Mumbai
- Over 42 years of rich experience in the field of food colors manufacturing unit
- Associated with the Company for more than 27 years

Mr. Prafullachandra A. Shah
Director Non-Executive & Independent

- An Engineering Graduate in Mechanical and Electricals
- His areas of strength include industrial Constructions & Project Works
- Over 61 years of experience in Construction Industry
- Associated with the Company for more than 19 years

Mr. Nirenbhai D. Desai
Director Non-Executive & Independent

- An Engineering Graduate in Mechanicals and Machine Tools
- Associated with the Company since 2005
- A dynamic experience of 41 years in the field of Indirect Industrial Hardware & Machine Tools

Mr. Rahul C. Berde
Director Non-Executive & Independent

- A Science Graduate from Mumbai University and holds the Masters Degree in Analytical Chemistry
- Associated with Vidhi Specialty Food Ingredients Limited for 8 years
- Formerly associated with Water's India Limited as a Senior Marketing Manager
- 16 years of experience as a manger of Biotage India Private Limited

Mr. Ashit Doshi
Director Non-Executive & Independent

- A remisier in equity market since last 22 years
- Associated with Mansi Shares and Stock Advisiors Private Limited as a remisier past 14 years
- Formerly associated with Setu Securities as a remisier for 10 years
- A SYBcom graduate
- He is acting as a Director in Nariman Investment Holdings Private Limited

Mrs. Jyoti S. Modi
Additional Director Non-Executive & Independent

- An Arts Graduate and B.H.S.C. by qualification from Pune University
- Appointed on the Board of the Company w.e.f. March 19, 2020
- More than 5 Years of experience in food industry

Chairman's Speech

Dear Stakeholders,

At Vidhi, our mission is to Concentrate on the four Key Factors Leading to complete customer satisfaction viz. Quality, Timely Shipment, Technical Backup and Excellent After Sales Service.

I hope that you and your loved ones are safe and in good health.

Let me start this speech with the words of Mr. Ratan Tata. He once said 'Ups and downs in life are very important to keep us going, because a straight line even in an ECG means we are not alive'

Now let me take this opportunity to report back to you on your Companies performance as well as the future outlook:

The financial year 2021-22 was another exceptional year & an unusual year not only for India but for the globe due to 2nd and 3rd wave of Covid-19 Pandemic and Russia-Ukraine war by the end of the year. In this yet another difficult year as well 'Vidhi' has outperformed and have been able to grow its revenue and profitability. Despite partial Lockdown in FY 21-22 & subsequent restrictions across the year, it gives me an immense pleasure to inform you that the revenue from operations of your Company stood at Rs. 537 Crs. a growth of 101.59% as compared to the preceding Financial year i.e. 2020-21.

Your company is optimistic of revenue & profitability growth going forward due to penetration into newer geographies, addition of new customers, addition of wallet share from existing customers, enhancement of product portfolio and operational efficiencies & operating leverage. This has led to an increase in EBITDA by 59.07% in the year 2021-22. I am wrapped to share with you all that your Company has earned net Profit after tax of Rs. 58.76 Crs. in FY 2021-22 which is the new highest ever net Profit in the history of the Company.

You will be pleased to note that considering the improved operational and financial performance, Company has declared a Final Dividend of Rs. 0.20/- per share of Rs. 1/- each and an Interim Dividend of Rs. 0.40/- per equity share of Rs. 1/- each (totaling to Rs. 0.60/- per share i.e. 60%) during the financial year 2021-22 and has also recommended a final dividend payment of Rs. 0.40/- per equity share of Rs. 1/- each (i.e. 40%) for the financial year 2021-22.

In this challenging environment, your company and the management team have taken multiple initiatives for safety and wellbeing of our employees. During the partial lockdown we had swiftly moved to work from home model and also provided training to employees in multiple functions to enhance skills and improve productivity and extended our support to the workforce financially and mentally. While operating we have ensured to follow all required measures to ensure safety and security of all our employees.

While we march ahead towards our business goals, we also make conscious efforts towards making active contributions to society and environment. We have invested in adequate pollution control equipment's as we believe in sustainable environment. Our regular contributions and initiatives towards uplifting several people in various aspects are our humble endeavor to make our world a better place.

I would like to reassure you that your Company will remain focused and committed on operational excellence and deliver strong growth and enhance shareholders and other stakeholders' values in every possible ways.

I would like to thank all the stakeholders and the company's employees who have stood by us in the last year and helped us deliver sustainable growth even in the Covid times.

NOTICE OF THE TWENTY-NINTH ANNUAL GENERAL MEETING

To,
The Members
Vidhi Specialty Food Ingredients Limited,

Notice is hereby given that the **Twenty-Ninth Annual General Meeting** of the Members of **Vidhi Specialty Food Ingredients Limited** will be held on Friday, September 30, 2022 at 03:30 p.m. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") which will be deemed to be held at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statement of the Company for the financial year ended March 31, 2022, the Change in Equity, Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Reports of the Board and Auditors' thereon.

2. To receive, consider and adopt the Consolidated Audited Financial Statement of the Company for the financial year ended March 31, 2022 including the Audited Balance Sheet as at March 31, 2022, the Change in Equity, Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Report of Auditors' thereon.

3. To confirm the 1st Interim Dividend declared in the financial year 2021-22.

4. To declare Final Dividend on Equity Shares for the financial year 2021-22.

5. To appoint a Director in place of Mrs. Pravina Bipin Manek (DIN: 00416533), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 ('the Act') and who is not disqualified to become Director under the Act and being eligible, offers herself for re-appointment.

6. To appoint a Director in place of Mrs. Vidhi Harsh Parekh (DIN: 07584061), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 ('the Act') and who is not disqualified to become Director under the Act and being eligible, offers herself for re-appointment.

7. To appoint the Statutory Auditors of the Company and fix their remuneration:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time and pursuant to the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, the consent of the Members of the Company be and is hereby accorded to the appointment of M/s. Bhuta Shah & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No: 101474W/W100100) as the Statutory Auditors of the Company for a period of 5 (five) consecutive years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held for the financial year 2026-27;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to fix and /or change the remuneration payable to them during their tenure as the Statutory Auditors of the Company, as determined by the Audit Committee in consultation with the said Statutory Auditors;

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

SPECIAL BUSINESS:

8. **To consider re-appointment of Mr. Bipin Madhavji Manek (DIN: 00416441) as Managing Director of the Company and continue to act as Managing Director of the Company and giving remuneration after the age of 70 years:**

In this regard to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and all other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable Rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof from time to time) (hereinafter referred to as 'the Act'), and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (hereinafter referred to as 'the Listing Regulations'), pursuant to the provisions of the Articles of Association of the Company and subject to the approvals, consents, permissions, sanctions, etc., of the Central Government and all other concerned statutory, regulatory and other authorities, if and to the extent applicable and required, and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which shall include duly authorized Committee thereof for the time being in force exercising the powers conferred upon it by the Board) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Bipin Madhavji Manek (DIN: 00416441), on continuation basis without any interruption/break in service, as the Managing Director of the Company, not liable to retire by rotation, for a period of 5 (five) years with effect from November 01, 2022 till October 31, 2027, upon the terms and conditions including remuneration as mentioned in the Managing Director Agreement, copy of which was available for inspection.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of Mr. Bipin Madhavji Manek (DIN: 00416441) as the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to Mr. Bipin Madhavji Manek (DIN: 00416441) remuneration by way of salary, benefits, perquisites, allowances, etc., as mentioned in the Managing Director Agreement, as the minimum remuneration, subject to compliance with the applicable provisions of Sections 196, 197 and all other applicable provisions, if any, of the Act read with Schedule V of the Act, as amended from time to time.

RESOLVED FURTHER THAT in terms of proviso to Section 196(3)(a) of the Act read with other applicable provisions of the Act, the approval of the Members be and is hereby given for Mr. Bipin Madhavji Manek (DIN: 00416441) to continue to act as Managing Director of the Company after attending the age of 70 years till his tenure as Managing Director of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper, expedient or desirable to give effect to this resolution, to make modifications as may be deemed to be in the interest of the Company, with liberty to alter and vary the terms and conditions of the aforesaid re-appointment, including but not limited to determine the remuneration payable to Mr. Bipin Madhavji Manek (DIN: 00416441) from time to time, in accordance with the provisions of the Act and to do all such acts, deeds, matters and things for giving effect to this resolution.

RESOLVED FURTHER THAT the Board 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, to give effect to the aforesaid resolution.**"**

9. To approve the increase in remuneration of Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as Non-Executive Director of the Company which may exceed fifty per cent of the total annual remuneration payable to all Non-Executive Directors.

In this regard to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and all the other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the Listing Regulations') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the approval of the Members be and is hereby accorded for increase in remuneration by way of commission payable to Mr. Vijay Krishnaswamirao Atre (DIN: 0416853), Non-Executive Director of the Company, to not exceeding 1% of the net profits of the Company for each financial year, calculated in the manner laid down in Section 198 of the Companies Act, 2013, but not exceeding ₹ 7,20,000/- (Rupees Seven Lakh Twenty Thousand Only) per annum (payable monthly), for a period of 5 (five) financial years w.e.f. the financial year 2022-23.

RESOLVED FURTHER THAT except above, the original terms and conditions of appointment of Mr. Vijay Krishnaswamirao Atre (DIN: 0416853) as Non-Executive Director of the Company will remain unchanged.

RESOLVED FURTHER THAT pursuant to the Regulation 17(6)(ca) and other applicable provisions of the Listing Regulations and other applicable Regulations (including any statutory modifications, variation or re-enactment thereof for the time being in force), approval of the Members be and is hereby accorded for paying remuneration to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) on the terms and conditions, as mentioned in the explanatory statement, for the financial year 2022-23 which may exceed fifty per cent of the total annual remuneration payable to all the Non-Executive Directors.

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

10. To approve the aggregate annual remuneration payable to the Promoter-Executive Directors/Members of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.

In this regard to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the Regulation 17(6)(e) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations (including any statutory modifications, variation or re-enactment thereof for the time being in force) approval of the Members of the Company be and is hereby accorded to pay an aggregate annual remuneration to all the existing Promoter-Executive Directors/Members of the Promoter Group exceeding 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013, as mentioned in the explanatory statement, for their remaining tenure as Executive Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, things and matters as may be required to give effect to the above resolution."

By Order of the Board of Directors
For Vidhi Specialty Food Ingredients Limited,

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 12/A, Sommerset House,
Off. Bhulabhai Desai Road,
Warden Road, Sophia College,
Mumbai – 400 026

Date: August 12, 2022
Place: Mumbai

Registered Office:
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400 034
CIN: L24110MH1994PLC076156
www.vidhifoodcolors.com

NOTES:

a) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 2/2022 dated May 05, 2022 read with General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 January 13, 2021 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/ 2020/79 dated May 12, 2020 has allowed relaxation from requirement of sending the hard copy of annual report and sending proxy forms as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Circulars'). In compliance with the provisions of the Companies Act, 2013 (the 'Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), MCA Circulars and the SEBI Circulars, the 29th AGM of the Company is being held through VC/OAVM.

b) As per the provisions of clause 3.A.II. of the General Circular No. 20/2020 dated May 05, 2020 read with other MCA Circulars, the matters of Special Business, as appearing at item nos. 8 to 10 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

c) As per Section 105 of the Act, a Member entitled to attend and vote at the general meeting is entitled to appoint a proxy, who need not be a Member, to attend and vote on poll on behalf of himself/herself. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars and SEBI Circulars, the requirement of physical attendance of Members has been dispensed with. Accordingly, in terms of the MCA Circulars and the SEBI Circulars, the facility for appointment of proxies by the Members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

d) The relevant statement pursuant to Section 102 of the Act, setting out the material facts relating to the Special Business as set out in the Notice, is annexed hereto and forms part of the notice of this AGM.

e) The Company's Registrar & Share Transfer Agents are Link Intime India Private Limited ('R & TA') having their office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel: 022- 2249186270 Fax: 022-2249186060.

f) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 24, 2022 to Friday, September 30, 2022, both days inclusive, for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for payment of final dividend on equity shares for the financial year 2021-22, if declared at the AGM.

g) The Dividend, if declared at the AGM, would be paid/dispatched on/after Saturday, October 01, 2022 but within thirty days from the date of declaration of dividend to those persons (or their mandates):

- whose names appear as beneficial owners as at the end of the business hours on Friday, September 23, 2022 in the list of the Beneficial Owners to be obtained from the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited, in respect of the shares held in electronic/dematerialized mode; and

- whose names appear as Members in the Register of Members of the Company as on Friday, September 23, 2022, after giving effect to valid transmission or transposition request lodged with the Company/R & TA, in respect of the shares held in physical mode.

h) Updation of mandate for receiving dividend directly in bank account through Electronic Clearing System or any other means in a timely manner:

- **Shares held in physical form:** Members are requested to send the following details/documents to R&TA before September 16, 2022:

  i) Form ISR-1 along with supporting documents. The said form is available on the website of the Company at https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/12.%20Form%20ISR-1.pdf and on the website of the RTA at https://web.linkintime.co.in/KYC-downloads.html under the tab KYC.

  ii) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:

    - Cancelled cheque in original
    - Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch

  iii) Self-attested copy of the PAN Card of all the holders; and

  iv) Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

- **Shares held in electronic form:** Members may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not be able to accede to any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to ensure that their Electronic Bank Mandate is updated with their respective DPs by September 16, 2022.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

In respect of the Members holding shares in electronic form, the bank details obtained from the respective depositories will be used for the purpose of distribution of dividend through various approved/permissible electronic mode of payment viz. National Automated Clearing House ('NACH'), Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc. The Company/R & TA will not act on any direct request from the Members holding shares in dematerialized form for change/deletion of such bank details. Such changes are to be intimated by the Members to their Depository Participants. In respect of the Members holding shares in the physical form, the bank details obtained from the R &TA will be used for the purpose of distribution of dividend through various approved/permissible electronic modes of payment. Any query related to dividend should be directed to R & TA.

i) Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details. In case, the Company is unable to pay the dividend to any Member by the electronic mode, due to non-availability of the details of the bank account or incorrect Bank details, the Company shall dispatch the dividend warrant/ Bankers' Cheque/ Demand Draft to such Member by post.

j) Members may note that the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the

Members. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making the final dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

1. **For Resident Shareholders**, TDS shall be deducted under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number (PAN)	10%*or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

**As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section.*

However, no TDS shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2022-23 does not exceed ₹ 5,000, and also in cases where members provide Form 15G/Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/nil withholding of tax. PAN is mandatory for members providing Form 15G/15H or any other document as mentioned above. Please note that this includes the future dividend, if any, which may be declared by the Board in the financial year 2022-23.

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source.

2. **For Non-resident Members**, TDS is required to be deducted in accordance with the provisions of Section 195 of the IT Act at the rates in force. As per the relevant provisions of the IT Act, the tax shall be deducted @ 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable to them. However, as per Section 90 of the IT Act, the non-resident Member has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the Country of tax residence of the Member, if they are more beneficial to them.

   For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

   - Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income tax Rules, 1962
   - Copy of the Tax Residency Certificate for financial year 2022-23 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders
   - Self-declaration in Form 10F
   - Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty
   - Self-declaration of beneficial ownership by the non-resident shareholder
   - Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the shareholders

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act at the rate of 20%** (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

** As per the Finance Act, 2021, Section 206AB has been inserted effective from July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident Member.

k) Form 15G/15H/10F for current financial year can be downloaded from the Link https://web.linkintime.co.in/client-downloads.html

l) Kindly note that the aforementioned documents can be submitted to the Company/R&TA at rnt.helpdesk@linkintime.co.in or can be uploaded on the link https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before September 20, 2022 in order to enable your Company to determine and deduct appropriate TDS rate. No communication on the tax determination / deduction shall be entertained post September 20, 2022. It may be further noted that in case the tax on said dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

m) The Company will issue soft copy of TDS certificate to its Members through email registered with Company/Company's RTA post payment of dividend. In addition, Members will be able to download the TDS certificate from the Income Tax Department's website https://incometaxindiaefiling.gov.in (refer to Form 26AS).

n) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Members, such Members will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any assessment/appellate proceedings.

o) This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

p) Members, who have not encashed/received the dividend warrants so far in respect of the below mentioned periods, are requested to make their claim to the R&TA well in advance before due dates. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Funds (IEPF). Pursuant to the provisions of Section 124(2) of the Act read with the Rules made thereunder, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on its website: https://vidhifoodcolors.com/investor-relation/unclaimed-dividends/ and also on the website of the Ministry of Corporate Affairs.

Due dates of transferring unclaimed and unpaid dividends declared by the Company for the financial year 2015-16 and thereafter to IEPF:

Financial Year	Date of declaration of dividend	Last date for claiming unpaid/ unclaimed dividend
2015-16 (1st Interim Dividend)	August 12, 2015	September 15, 2022*
2015-16 (Final Dividend for FY 2014-15)	September 16, 2015	October 20, 2022*
2015-16 (2nd Interim Dividend)	November 14, 2015	December 18, 2022*
2015-16 (3rd Interim Dividend)	February 09, 2016	March 14, 2023*
2016-17 (1st Interim Dividend)	August 12, 2016	September 15, 2023
2016-17 (Final Dividend for FY 2015-16)	September 24, 2016	October 28, 2023
2016-17 (2nd Interim Dividend)	November 14, 2016	December 18, 2023
2016-17 (3rd Interim Dividend)	February 11, 2017	March 17, 2024
2017-18 (Final Dividend for FY 2016-17)	September 25, 2017	October 29, 2024
2017-18 (1st Interim Dividend)	September 25, 2017	October 29, 2024
2017-18 (2nd Interim Dividend)	November 24, 2017	December 28, 2024
2017-18 (3rd Interim Dividend)	February 14, 2018	March 20, 2025
2018-19 (1st Interim Dividend)	August 10, 2018	September 13, 2025
2018-19 (Final Dividend for FY 2017-18)	September 28, 2018	November 01, 2025
2018-19 (2nd Interim Dividend)	November 05, 2018	December 09, 2025
2018-19 (3rd Interim Dividend)	February 12, 2019	March 16, 2026
2019-20 (1st Interim Dividend)	August 14, 2019	September 17, 2026
2019-20 (Final Dividend for FY 2018-19)	September 23, 2019	October 27, 2026
2019-20 (2nd Interim Dividend)	November 12, 2019	December 16, 2026
2019-20 (3rd Interim Dividend)	February 11, 2020	March 15, 2027
2020-21 (1st Interim Dividend)	August 14, 2020	September 17, 2027
2020-21 (Final Dividend for FY 2019-20)	September 29, 2020	November 02, 2027
2020-21 (2nd Interim Dividend)	November 12, 2020	December 16, 2027
2020-21 (3rd Interim Dividend)	February 09, 2021	March 13, 2028
2021-22 (Final Dividend for FY 2020-21)	September 28, 2021	November 01, 2028
2021-22 (1st Interim Dividend)	November 08, 2021	December 12, 2028

** Unclaimed/unpaid amount due to be transferred to IEPF during the current financial year.*

q) Pursuant to the applicable provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. During the current financial year 1st Interim Dividend for the financial year 2015-16 declared in the Board Meeting dated August 12, 2015; Final Dividend for the financial year 2014-15 declared in the Annual General Meeting held on September 16, 2015; 2nd Interim Dividend for the financial year 2015-16 declared in the Board Meeting dated November 14, 2015 and 3rd Interim Dividend for the financial year 2015-16 declared in the Board Meeting dated February 09, 2016 shall be due to be transferred in IEPF as seven years will be completed from the date of transfer of amount to Unpaid Dividend Account. The Members whose dividend/

Shares, if transferred to the IEPF Authority, can claim the same from the Authority by following the procedure as detailed on the website of IEPF Authority i.e. https://www.iepf.gov.in/IEPF/refund.html. Further, as per the IEPF Rules the Members/ Claimants can file only one consolidated claim in a financial year for a Company.

r) The relevant details, pursuant to Regulations 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment or approval for payment of remuneration at this AGM are annexed to the Notice and forms part of the Explanatory Statement.

Brief resume of the Directors of the Company has also been furnished separately in the Annual Report. The Director proposed to be appointed/re-appointed have furnished the relevant consent for his appointment/re-appointment.

s) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021.

t) The Members may note that SEBI has mandated the submission of PAN by every participant in securities market. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 in Form ISR-1. The Form ISR-1 is also available on the website of the Company at https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/12.%20Form%20ISR-1.pdf and on the website of the RTA at https://web.linkintime.co.in/KYC-downloads.html under the tab KYC. Attention of the Members holding shares of the Company in physical form are invited to go through and submit the said Form ISR–1.

u) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

v) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on a first come first served basis as per the MCA Circulars. This limit will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Board Committees, Auditors etc., who are allowed to attend this AGM without restriction on account of first come first served basis.

w) In line with the MCA Circulars and the SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. The Notice of AGM and Annual Report 2021-22 are available on the Company's website viz. https://vidhifoodcolors.com/investor-relation/annual-reports/ and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The AGM Notice is also on the website of NSDL (agency for providing the Remote e-Voting facility) at www.evoting.nsdl.com.

x) In terms of Section 72 of the Act read with the applicable Rules made under the Act, every holder of shares in the Company may at any time nominate, in the prescribed manner (Form No. SH-13), a person to whom his/her shares in the Company shall vest, in the event of his/her death. Accordingly, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member

desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR-3 or Form SH-14, as the case may be.

The said forms can be downloaded from the Company's website as follows –

1. Form SH-13 - https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/10.%20Form%20SH-13.pdf

2. Form SH-14 - https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/11.%20Form%20SH-14.pdf

3. Form ISR-3 - https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/13.%20Form%20ISR-3.pdf

The same are also available on the website of the R&TA at https://web.linkintime.co.in/KYC-downloads.html under the tab KYC.

The duly filled in Nomination Form shall be sent to R & TA by the Members holding shares in physical mode. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

y) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

z) Members who are holding Shares in identical order of names in more than one Folio, are requested to apply to the R & TA along with the relevant Share Certificates for consolidation of such Folios in one Folio.

aa) Members desiring any information pertaining to the Financial Statement or any matter to be placed at the AGM, are requested to write to Ms. Priyanka Suresh Soni, Company Secretary of the Company, at vdmlcs@hotmail.com on or before September 23, 2022 through your registered email address so as to enable the Management to reply at the AGM.

bb) Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection electronically without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. till September 30, 2022. Members seeking to inspect such documents can send an email to vdmlcs@hotmail.com. During the 29th AGM also, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act.

cc) As per Regulation 40 of Listing Regulations, as amended, securities of Listed Companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialisation, eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are advised to convert their holdings to dematerialized form.

dd) SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated issuance of Securities in dematerialized form in case of Investor Service Requests received from holder of physical shares pertaining to; (i) Issue of duplicate securities certificate; (ii) Claim from Unclaimed Suspense Account; (iii) Renewal / Exchange of securities certificate; (iv) Endorsement; (v) Sub-division / Splitting of securities certificate; (vi) Consolidation of securities certificates/folios; (vii) Transmission; and (viii) Transposition. The R&TA will issue a 'Letter of Confirmation' in place of Security certificate. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

ee) The Company has made special arrangement with the R&TA for registration of e-mail addresses in terms of the MCA Circulars for Members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically. In order to register the email id for receiving the Notice of 29th AGM and Annual Report through email please visit the link https://web.linkintime.co.in/EmailReg/Email_Register.html and provide the requisite information and attach requisite documents. The system will then confirm the e-mail address for the limited purpose of servicing the Notice of this AGM along with the Annual Report for the year 2021-22.

ff) Voting through Electronic Means:

1. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations, as amended, MCA Circulars and the SEBI Circulars, the Company is providing its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 29th AGM by electronic means (by using the electronic voting system provided by NSDL) either by (a) remote e-voting prior to the AGM or (b) remote e-voting during the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. Instructions for Members for attending the AGM through VC/OAVM are explained below.

2. Subject to the applicable provisions of the Act read with the Rules made there under (as amended), the voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date for the purpose of remote e-voting, being Friday, September 23, 2022. Members are eligible to cast vote only if they are holding shares as on Friday, September 23, 2022.

3. The remote e-voting period will commence at 09:00 a.m. (IST) on Tuesday, September 27, 2022 and will end at 05:00 p.m. (IST) on Thursday, September 29, 2022. During this period, the Members of the Company holding shares in physical form or in dematerialized form as on cut-off date may cast their vote through remote e-voting. The remote e-voting module shall be blocked/disabled for voting thereafter.

4. Instructions for remote e-voting prior to the AGM:

   The voting period begins on Tuesday, September 27, 2022 at 09:00 a.m. (IST) and ends on Thursday, September 29, 2022 at 05:00 p.m. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Friday, September 23, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

   The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

   The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

   Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account

maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c. How to retrieve your 'initial password'?

      i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      ii. If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vidhi.scrutinizer@hkacs.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to vdmlcs@hotmail.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to vdmlcs@hotmail.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members, who would like to express their views/have questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number to reach the Company's email address vdmlcs@hotmail.com on or before 5.00 p.m. (IST) on Friday, September 23, 2022. The same will be replied by the Company suitably.

6. Members, who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL email id: amitv@nsdl.co.in telephone no: 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL email id: pallavid@nsdl.co.in telephone no: 022-24994545.

gg) Mr. Hemanshu Kapadia (FCS: 3477 and CP: 2285), Proprietor of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, failing him, Mr. Vipin Mehta (FCS: 8587 and CP: 9869), Partner of M/s. VPP & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

hh) The Scrutinizers shall immediately, after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting and make, within 48 hours from the conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against of the resolutions transacted in the AGM and submit forthwith the same to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

ii) The Chairman or the authorised person shall declare the results of the voting forthwith and the results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. https://vidhifoodcolors.com/investor-relation/announcements/#general-meeting and on the website of NSDL i.e. www.evoting.nsdl.com. The Company shall also simultaneously forward the results to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the Company are listed.

jj) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Twenty-Ninth AGM i.e. Friday, September 30, 2022.

By Order of the Board of Directors
For Vidhi Specialty Food Ingredients Limited,

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 12/A, Sommerset House,
Off. Bhulabhai Desai Road,
Warden Road, Sophia College,
Mumbai – 400 026

Date: August 12, 2022
Place: Mumbai

Registered Office:
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400 034
CIN: L24110MH1994PLC076156
www.vidhifoodcolors.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF THE ORDINARY/SPECIAL BUSINESS TO BE TRANSACTED AT THE TWENTY-NINTH ANNUAL GENERAL MEETING OF THE MEMBERS OF VIDHI SPECIALTY FOOD INGREDIENTS LIMITED TO BE HELD ON FRIDAY, SEPTEMBER 30, 2022

Item No. 7:

The Members of the Company at its 24th Annual General Meeting ("AGM") held on September 25, 2017 had appointed M/s JMR & Associates, Chartered Accountants as the Statutory Auditors of the Company for a period of 5 (five) years, from the conclusion of the said AGM until the conclusion of the AGM to be held in 2022.

On the recommendation of the Audit Committee and subject to the approval of the Members of the Company, the Board, in its meeting held on August 12, 2022 has considered, approved and recommended to the Members appointment of M/s. Bhuta Shah & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No: 101474W/ W100100) as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the Twenty-Ninth Annual General Meeting till the conclusion of the Thirty-Fourth AGM to be held for the financial year 2026-27. The first year of audit will be of the financial statement for the financial year ending on March 31, 2023. The said firm expressed their eligibility and willingness to act as Auditors of the Company and consented to act as Auditors of the Company, if appointed by the Members. It is now proposed to appoint M/s Bhuta Shah & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No: 101474W /W100100) as the Statutory Auditors of the Company for a period of 5 (five) consecutive years from the conclusion of the ensuing AGM to be held on September 30, 2022 till the conclusion of the AGM of the Company to be held for the financial year 2026-27.

Brief:

M/s. Bhuta Shah & Co. LLP (BSC) is a professional Chartered Accountants firm with a distinctive blend of skill sets, experience and expertise. BSC is based on the solid foundations laid by its Founder and Managing Partner Mr. Shailesh Bhuta since its inception in the year 1986. BSC have rapidly built a significant competitive presence in the profession and offer a wide range of services including taxation, auditing, advisory and corporate finance, beside cross-border, startup services and outsourcing services.

The terms and conditions of appointment of BSC as the Statutory Auditors of the Company and the proposed fees are as follows:

a) Term of appointment: For a period of 5 (Five) consecutive years from the conclusion of ensuing AGM to be held on September 30, 2022 till the conclusion of the AGM of the Company to be held for the financial year 2026-27.

b) Proposed Fees payable to the Statutory Auditors: The details of fees payable to BSC in connection with the statutory audit of the Company for the year 2022-23 will be ₹ 10,00,000/-

Applicable taxes, travelling and other out-of-pocket expenses incurred by the said firm would be in addition to the above-mentioned remuneration.

The fees for services in the nature of statutory certifications and other permissible professional work will be in addition to the fees mentioned above and will be determined by the Board of Directors of the Company in consultation with the said Statutory Auditors and as per the recommendations of the Audit Committee.

The proposed fees payable to the Statutory Auditors are based on knowledge, expertise, experience, time and effort required to be put in by them.

There is no material change in the fee payable to M/s. Bhuta Shah & Co. LLP, if appointed in the ensuing AGM, from that paid to the outgoing auditor, M/s. JMR & Associates LLP.

c) Basis for recommendation for re-appointment: Taking into account the credentials of BSC and based on the evaluation of the quality of the audit work, the Board of Directors of the Company, based on the recommendation of the Audit Committee, unanimously approved and recommends the Ordinary Resolution as set out in Item No. 7 of this Notice for the approval of the Members of the Company. Before appointment of the outgoing Audit Firm, BSC was Auditors of the Company since incorporation of the Company.

Electronic copies of all the documents referred above and in the resolution proposed shall be made available for inspection electronically without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. till September 30, 2022. Members seeking to inspect such documents can send an email to vdmlcs@hotmail.com.

None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 7 of this Notice.

Item No. 8:

Mr. Bipin M. Manek (DIN: 00416441), Chairman and Managing Director, is one of the Promoters and First Directors of the Company. Owing to his outstanding qualities of leadership, experience and performance over the years, he was designated as a Managing Director of the Company and re-appointed from time to time. He was previously re-appointed as Managing Director of the Company by the Members for the period of 5 (five) years commencing from November 01, 2017 and ending on October 31, 2022, on continuation basis, without any interruption/ break in service, on various terms and conditions including remuneration as revised with the approval of the shareholders at the Twenty Sixth Annual General Meeting ('AGM') held on September 23, 2019. Accordingly, his term as Managing Director is valid till October 31, 2022. The Nomination and Remuneration Committee, after review, has recommended to the Board his re-appointment for a further period of five (5) years. The Board considers the recommendation and noted that the services of Mr. Bipin M. Manek (DIN: 00416441) as the Managing Director of the Company will be valuable for the growth of the Company.

Mr. Bipin M. Manek (DIN: 00416441) holds a degree of B.Com. His academic brilliance combined with rich experience of over 36 years has enabled the Company to reach at this stage. He has played a significant role in leading the Board of Directors of the Company in Vidhi's success; particularly in the context of geographical coverage and revenues.

Considering the responsibilities entrusted to him and based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions of the Act and all applicable Rules made under the Act, the Board of Directors of the Company, at their meeting held on August 12, 2022 has unanimously approved the re-appointment of Mr. Bipin M. Manek (DIN: 00416441) as the Chairman and Managing Director for a further period of 5 (five) years commencing from November 01, 2022 and ending on October 31, 2027. The aforesaid re-appointment is on a continuation basis without any interruption/break in the service and is subject to the approvals, consents, permissions, sanctions and the like of the Members of the Company and all other concerned statutory and other authorities, if and to the extent applicable and required. Mr. Bipin M. Manek (DIN: 00416441) is a Key Managerial Personnel of the Company under the provisions of Section 203 of the Act. The period of office of Mr. Bipin M. Manek (DIN: 00416441) shall not be liable to determination by retirement of Directors by rotation. He is not holding any membership/chairmanship in any of the Committees of the Company.

As per proviso to Section 196(3)(a) of the Companies Act, 2013 and Clause (C) of Part I of Schedule V of the said Act, the approval of the shareholders by passing Special Resolution require for appointment/continue a Managerial Personal to act as Managerial Personnel of the Company in case he attained the age of 70 years. Since Mr. Bipin M. Manek (DIN: 00416441) will attend the age of 70 years on June 07, 2026 and the said date will fall under his proposed term, hence, the Board of Directors sought approval of the Members by passing Special Resolution for the said re-appointment as Managing Director.

Mr. Bipin M. Manek (DIN: 00416441) satisfies all the applicable conditions as set out under Section 196 read with Schedule V of the Act for being eligible for the office of the Managing Director. The Company has received from Mr. Bipin M. Manek (DIN: 00416441) consent to act as the Managing Director of the Company.

Pursuant to the provisions of Section 190 and other provisions of the Act, the written memorandum setting out the terms and conditions including remuneration and other relevant documents referred in the resolution mentioned at Item No. 8 and explanatory statement thereto will be available electronically for inspection by the Members during the AGM. The said documents will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2022. Members seeking to inspect such documents can send an email to vdmlcs@hotmail.com.

The material terms and conditions of the re-appointment of Mr. Bipin M. Manek (DIN: 00416441), as the Chairman and Managing Director, as given in Managing Director Agreement, are as follows:

a) Designation and period of re-appointment:

Mr. Bipin M. Manek (DIN: 00416441) shall be re-appointed as the Chairman and Managing Director under the provisions of Section 196 and all other applicable provisions, if any, of the Act. The aforesaid re-appointment of Mr. Bipin M. Manek (DIN: 00416441) is for the period of 5 (five) years commencing from November 01, 2022 and ending on October 31, 2027, on continuation basis, without any interruption/ break in service. His period of office shall not be liable to determination by retirement of Directors by rotation.

b) Remuneration:

The Managing Director shall be entitled to remuneration upto the maximum as may be permitted under Schedule V of the Act or any modifications or re-enactment thereof as in force for the period under the agreement or on the basis of such other law/modifications as may be permissible or applicable; so however, at present the Board has approved the total remuneration not exceeding a salary of ₹ 5,00,000/- p.m. and applicable perquisites and commission of 5% on the net profit of the Company subject to the review of the Nomination and Remuneration Committee from time to time.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, commission, etc. to the Managing Director as specified in the agreement or any amendment thereto as the minimum remuneration subject to compliance with the applicable provisions of Sections 196, 197 and all other applicable provisions, if any, of the Act read with Schedule V of the Act as amended from time to time, subject to such approval as may be required. He shall not be paid any sitting fees for attending the Meeting of the Board of Directors or Committee thereof.

Remuneration/profit related commission as permissible and subject to the provisions of Section 197 and other applicable provisions of the Act, as determined by the Board at its sole discretion;

c) Overall Limit:

The remuneration referred to in Clause (b) hereof is subject to the limit of 5% of the annual net profits of the Company and subject to the overall limit of 10% on the remuneration of all the Managing Directors of the Company.

The aforesaid re-appointment may be terminated by either party by giving to the other party not less than three months' prior notice in writing of such termination or payment in lieu of notice.

If and when the aforesaid reappointment/employment of Mr. Bipin M. Manek (DIN: 00416441) expires or is terminated, Mr. Bipin M. Manek (DIN: 00416441) shall cease to be the Managing Director and also Director of the Company from such date of cessation.

The terms and conditions of the aforesaid re-appointment/employment including but not limited to the remuneration payable to Mr. Bipin M. Manek (DIN: 00416441) may be revised, modified, altered and varied from time to time as may be determined by the Board at its sole discretion.

It is proposed to seek the Members approval for re-appointment of Mr. Bipin M. Manek (DIN: 00416441) as Managing Director of the Company for a further period of five years and continue to act as Managing Director upon attending the age of 70 years by passing Special Resolution.

Brief resume of Mr. Bipin M. Manek (DIN: 00416441), nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships /chairmanships of Board Committees, shareholding, etc. as stipulated under the Listing Regulations and Secretarial Standard - 2 are provided as annexure to the notice convening this meeting.

Pursuant to Section 102 (1) of the Companies Act, 2013 it is informed that Mr. Bipin M. Manek (DIN: 00416441), Managing Director, himself, Mr. Mihir B. Manek (DIN: 00650613), Joint Managing Director, Mrs. Pravina B. Manek (DIN: 00416533), Non-executive Director, and Mrs. Vidhi Harsh Parekh (DIN: 07584061), Whole-time Director, being son, spouse and daughter, respectively, are concerned or interested in the Resolution at Item No. 8 of the accompanying notice relating to re-appointment of Managing Director.

Mr. Bipin M. Manek (DIN: 00416441) is holding 5.23% of equity shares of the Company and Mrs. Pravina B. Manek (DIN: 00416533) is holding 6.99% of equity shares of the Company. Also, Mr. Bipin M. Manek (DIN: 00416441) & Mrs. Pravina B. Manek (DIN: 00416533) are holding 52.06% of equity shares of the Company as trustees of three (3) Trusts, namely, Bipin Manek Family Private Trust, Pravina Manek Family Private Trust and Manek Family Private Trust. Mr. Mihir B. Manek (DIN: 00650613) holds 49.06% of equity shares of the Company as one of the trustees of two (2) Trusts, namely, Bipin Manek Family Private Trust and Pravina Manek Family Private Trust.

Further, Mr. Bipin M. Manek (DIN: 00416441), Mr. Mihir B. Manek (DIN: 00650613) and Mrs. Vidhi Harsh Parekh (DIN: 07584061) draw remuneration as Managerial Person of the Company. Also Mr. Bipin M. Manek (DIN: 00416441) and Mrs. Pravina B. Manek (DIN: 00416533) take Guarantee Commission from the Company for Guarantee given by them. In addition to that Mr. Bipin M. Manek (DIN: 00416441), Mr. Mihir B. Manek (DIN: 00650613) and Mrs. Pravina B. Manek (DIN: 00416533) had given unsecured loan to the Company on which interest is being charged. Other than mentioned above, 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.

Accordingly, the Board recommends the Special resolution in relation to the re-appointment of Mr. Bipin M. Manek (DIN: 00416441) and for allowing him to continue to act as Managing Director of the Company after the attending the age of 70 years on the terms and conditions as set forth in Item No. 8 of the notice for the approval of the Members.

Item No. 9:

Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) was appointed on the Board of the Company w.e.f. May 02, 1995. He, being a person with technical expertise and vast experience in manufacturing of food colours, is providing technical guidance to the Company in its manufacturing activities. Under his guidance and technical knowledge, the Company has been immensely benefited.

The Members in the 26th Annual General Meeting held on September 23, 2019 has approved payment of remuneration by way of commission of ₹ 6,00,000/- (Rupees Six Lakh Only) per annum (₹ 50,000/- 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 (“Act”) for a period of 5 (five) financial years with effect from financial year 2019-20 to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as Non-Executive Director of the Company. The said approval for payment of remuneration was valid till March 31, 2024.

Now, on recommendation of Nomination and Remuneration Committee, the Board of Directors, in its meeting held on November 08, 2021 approved to increased his remuneration by way of commission from ₹ 6,00,000/- per annum to ₹ 7,20,000/- per annum (₹ 60,000/- 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 Act for a period of 5 (five) financial years with effect from April 01, 2022.

Pursuant to Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended, approval of the Members by way of a Special Resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty percent of the total annual remuneration payable to all Non-Executive Directors, giving details of the remuneration thereof.

Since, remuneration payable to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as a Non-Executive Director, as increased, could be more than fifty percent of the total annual remuneration payable to all the Non-Executive Directors during the financial year 2022-23, as per the Regulation 17(6)(ca) of the Listing Regulations, the approval of the Members by way of a Special Resolution is required to pay him remuneration by way of commission ₹ 7,20,000/- (Rupees Seven Lakh Twenty Thousand Only) per annum but not exceeding 1% of net profits calculated u/s 198 of the Act for the financial year 2022-23. No other Non-Executive Director is being paid any remuneration except Independent Directors who are being paid sitting fees for attending the Board Meeting in which financial results/statement are considered.

In view of the above, the Board recommends the Special Resolution mentioned at Item No. 9 as set out in the accompanying notice for the approval of Members for revision in payment of remuneration way of commission to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as Non-Executive Director of the Company, and also which shall exceed fifty percent of the total annual remuneration payable to all the Non-Executive Directors.

Brief resume of Mr. Vijay Krishnaswamirao Atre (DIN: 00416853), nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships /chairmanships of Board Committees, shareholding, etc. as stipulated in the Secretarial Standard - 2 are provided as annexure to the notice convening this meeting.

All the documents referred in the resolution mentioned at Item No. 9 and explanatory statement thereto will be available electronically for inspection by the Members during the AGM. The said documents will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2022. Members seeking to inspect such documents can send an email to vdmlcs@hotmail.com.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, other than Mr. Vijay Krishnaswamirao Atre (DIN: 00416853), are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the accompanying Notice, being resolution related to payment of remuneration to him.

Item No. 10:

As per Regulation 17(6)(e) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') if the aggregate annual remuneration payable to more than one Executive Director, who is a Promoter or is a Member of the Promoter Group, exceeds 5% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 ('the Act') then approval of the Members by way of a Special Resolution is required. Such approval of the Members under this provision shall be valid only till the expiry of the term of such Director.

Mr. Bipin Madhavji Manek (DIN: 00416441), Mr. Mihir Bipin Manek (DIN: 00650613) and Mrs. Vidhi Harsh Parekh (DIN: 07584061) are the Executive Directors and also the Promoters of the Company and drawing remuneration in excess of limit mentioned in said Regulation 17(6)(e). Accordingly, the approval of the Members was taken in the

25th AGM of the Company held on September 28, 2018. Again approval of the Members was taken in subsequent AGMs upon increase of remuneration of both the Executive Directors and re-appointment.

Subsequent to above approval, the Board of Directors in their meeting held on August 12, 2022, on recommendation of the Nomination and Remuneration Committee, has re-appointed Mr. Bipin Madhavji Manek (DIN: 00416441) as Managing Director of the Company for a period of five years w.e.f. November 01, 2022 and approved the remuneration payable to him as mentioned in the Explanatory Statement to Resolution no. 8 of the notice of this AGM.

The annual remuneration payable to the Executive Directors i.e. Mr. Bipin Madhavji Manek (DIN: 00416441), Mr. Mihir Bipin Manek (DIN: 00650613) and Mrs. Vidhi Harsh Parekh (DIN: 07584061), is within the limit of 5% and 10% as specified u/s 197(1) of the Act. Since, Mr. Bipin Madhavji Manek (DIN: 00416441) is re-appointed, the approval of the Members by way of a Special Resolution is again required as the Company has more than one Promoter Executive Director and remuneration paid to them is in excess of 5% of the net profits of the Company calculated as per Section 198 of the Act.

In view of the above, the Board recommends the Special Resolution mentioned at Item No. 10 as set out in the accompanying notice for the approval of the Members.

Pursuant to Section 102(1) of the Act, it is informed that, Mr. Bipin Madhavji Manek (DIN: 00416441), Managing Director, Mr. Mihir Bipin Manek (DIN: 00650613), Joint Managing Director, Mrs. Pravina Bipin Manek (DIN: 00416533), Non-Executive Director and Mrs. Vidhi Harsh Parekh (DIN: 07584061), Whole-time Director of the Company, being relatives within the meaning of Section 2(77) of the Act, are concerned or interested in the Resolution at Item No. 10 of the accompanying notice. All person named above are Promoters of the Company and were holding, alongwith Promoter Group, 64.27% of total voting power in the Company as on date.

Further, Mr. Bipin M. Manek (DIN: 00416441), Mr. Mihir B. Manek (DIN: 00650613) and Mrs. Vidhi Harsh Parekh (DIN: 07584061) draw remuneration as Managerial Personnel of the Company. Also Mr. Bipin M. Manek (DIN: 00416441) and Mrs. Pravina B. Manek (DIN: 00416533) take Guarantee Commission from the Company for Guarantee given by them. In addition to that Mr. Bipin M. Manek (DIN: 00416441), Mr. Mihir B. Manek (DIN: 00650613) and Mrs. Pravina B. Manek (DIN: 00416533) had given unsecured loan to the Company on which interest is being charged. Other than mentioned above, 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. 10 of the Notice.

All the documents referred in the resolution mentioned at Item No. 10 and explanatory statement thereto will be available electronically for inspection by the Members during the AGM. The said documents will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. September 30, 2022. Members seeking to inspect such documents can send an email to vdmlcs@hotmail.com.

Annexure to Item Nos. 5, 6, 8 and 9 of the Notice:

(Details as required to be furnished under the Secretarial Standard–2 para 1.2.5 and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Mr. Bipin Madhavji Manek	Mr. Vijay Krishnaswamirao Atre
DIN	00416441	00416853
Date of Birth	June 07, 1956	April 06, 1925
Age	66 Years	97 years
Qualifications	B. Com.	M. Sc.
Nationality	Indian	Indian
Experience	Rich experience of over 36 years in the field of Imports & Exports in food colour industries and business management.	Over 43 years of rich experience in the field of food colours manufacturing unit.
Terms and conditions of appointment/ reappointment	Re-appointed for further period of Five years w.e.f. November 01, 2022 till October 31, 2027 on payment of remuneration and other terms as given in Explanatory Statement to Item no. 8.	Not to be appointed/re-appointed but approval of Members is sought for increase in remuneration by way of commission to be paid to him which may exceed 50% of the total annual remuneration payable to all Non-Executive Directors.
Details of remuneration sought to be paid	Existing remuneration	₹ 60,000/- per month subject to not exceeding 1% of the net profits of the Company for each financial year, calculated in the manner laid down in Section 198 of the Companies Act, 2013
Date of first appointment on the Board	January 19, 1994	May 02, 1995
Shareholding in the Company	26,10,333 Equity shares (excluding shares held as a Trustees of three Private Trusts)	25,000 Equity Shares
List of Directorships held in other Companies	Arjun Food Colorants Manufacturing Private Limited & Vidhi Food Colours (Dahej) Private Limited	Nil
Committee Membership in other Company	Nil	Nil

Name of the Director	Mrs. Vidhi Harsh Parekh	Mrs. Pravina Bipin Manek
DIN	07584061	00416533
Date of Birth	April 30, 1987	February 29, 1956
Age	35 Years	66 Years
Qualifications	Commerce Graduate	B.A.
Nationality	Indian	Indian

Experience	She has an experience of more than 16 years relating to handling work pertaining to the Directorate General of foreign trade viz. import licensing, export incentives, duty drawback etc. and also in Human Resources Development.	Over 21 years of vast experience and expertise in the business of food colour. Proposed to be re-appointed as a Director whose office is liable to retire by rotation.
Terms and conditions of appointment/ reappointment	Proposed to be re-appointed as a Director whose office is liable to retire by rotation.	Proposed to be re-appointed as a Director whose office is liable to retire by rotation.
Details of remuneration sought to be paid	Existing remuneration	No Remuneration paid
Date of first appointment on the Board	November 01, 2020	January 19, 1994
Shareholding in the Company	Nil	34,90,667 Equity shares (excluding shares held as one of the Trustees of three Private Trusts)
List of Directorships held in other Companies	Chroma Food Ingredients Private Limited	Arjun Food Colorants Manufacturing Private Limited; Vidhi Finechem Private Limited & Vidhi Food Colours (Dahej) Private Limited
Committee Membership in other Company	Nil	Nil

Note: For other details such as number of meetings of the Board attended during the year, remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of the above Directors, please refer to the Board's Report and the Corporate Governance Report.

By Order of the Board of Directors

For Vidhi Specialty Food Ingredients Limited,

Sd/-

Date: August 12, 2022
Place: Mumbai

Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 12/A, Sommerset House,
Off. Bhulabhai Desai Road,
Warden Road, Sophia College,
Mumbai – 400 026

Registered Office:
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400 034
CIN: L24110MH1994PLC076156
www.vidhifoodcolors.com

BOARD'S REPORT

To,
The Members,
Vidhi Specialty Food Ingredients Limited

Your Directors take pleasure in presenting the **Twenty-Ninth Annual Report** on the business and operations of your Company together with the Audited Financial Statement for the financial year ended March 31, 2022.

1. Financial Summary or Highlights:

The financial highlights of the Company are as follows:

(₹ in Lakhs)

Particulars	**Current Year**		**Previous Year**	
	2021-22		**2020-21**	
Total Income		53,843.84		26,798.70
Total Expenditure (excluding Depreciation)		45,631.47		21,549.88
Profit for the year before providing Depreciation		**8,212.37**		**5,248.82**
Less: Depreciation	297.01		278.00	
Less: Exceptional Items	Nil	297.01	Nil	278.00
Profit before Tax		**7,915.36**		**4,970.82**
Less: Provision for Taxation				
Current Year	1960.00		1322.00	
Earlier Year	Nil		Nil	
Deferred Tax	79.50	2,039.50	(23.18)	1,298.82
Profit after Tax		**5,875.86**		**3,672.00**
Add: Other Comprehensive Income		9.31		4.30
Total Comprehensive Income		**5,885.17**		**3,676.30**
Add: Profit brought forward from Previous Year		13,806.15		10,897.02
Total Profit in Balance Sheet		19691.31		14,573.32
Less: Appropriation				
Dividend Paid		299.67		399.56
Transfer to General Reserve		588.52		367.63
Dividend Distribution Tax		0.00		0.00
Transitional Provisions (Ind-AS 116)		0.00		0.00
Balance Profit carried to Balance Sheet		**18803.12**		**13,806.15**

2. Financial Performance, Operations and State of the Company's affairs:

The financial performance of the Company, during the year under review, is described as follows -

(₹ In Lakh)

Sr. No.	Particulars	As on March 31, 2021	As on March 31, 2022	Increase/ (Decrease) (in %)
1.	Total Income	26,798.70	53,843.84	100.92%
2.	Profit Before Tax	4,970.82	7,915.36	59.24%
3.	Profit After Tax from continuing operations	3,672.00	5,875.86	60.02%

The financial performance is discussed in detail in the Management Discussion and Analysis Report which forms part of the Annual Report.

The Company has manufactured 3573.81 MT of food colours against 3,660.66 MT in the previous year. Your Directors assure to maintain the growth momentum in coming years and strive for bright future for your Company.

3. Change in the nature of business, if any:

The Company is engaged in the business of manufacturing and trading in synthetic food colours and chemicals. There was no change in nature of business activity during the year.

4. Dividend:

Your Directors are pleased to recommend a final dividend of ₹ 0.40/- (Rupees Forty Paisa Only) per equity share of ₹ 1/- each fully paid up (i.e. 40%) for the financial year ended March 31, 2022. The total outflow on dividend account will be ₹ 199.78 Lakhs. The dividend payment is subject to the approval of the Members at the ensuing Annual General Meeting ('AGM') and be paid to the Members whose names appear in the Register of Members/Beneficial Holders as on Book Closure Date fixed for the said purpose.

The dividend, if declared at the AGM, would be paid/dispatched within thirty days from the date of declaration of dividend to those persons or their mandates:

- whose names appear as beneficial owners as at the end of the business hours on Friday, September 23, 2022 in the list of the Beneficial Owners to be obtained from the Depositories, i.e. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL], in respect of the shares held in electronic/dematerialized mode; and
- whose names appear as Members in the Register of Members of the Company as on Friday, September 23, 2022 in respect of the shares held in physical mode.

In line with our focus on enhancing shareholder returns and in view of the Company's strong cash generation and positive growth momentum, the Board of Directors had decided to distribute profits to its Members and accordingly the Board of Directors had declared interim dividend during the financial year 2021-22 as per details given below:

Type of Dividend	Date of Board Meeting	Rate of Dividend	Per share Dividend	Total Outflow
1st Interim Dividend	November 08, 2021	40% per share	₹ 0.40/- per share	₹ 199.78 Lakhs

Total dividend payout for the year 2021-22 (including final dividend to be declared in the ensuing AGM) is ₹ 0.80/- per equity share of ₹ 1/- each against ₹ 0.80/- per equity share for previous year.

5. Reserves:

The Board, during the year under review, has transferred ₹ 588.52 lakh (PY ₹ 367.63 lakhs) to General Reserves.

6. Investor Education and Protection Fund (IEPF):

Pursuant to the applicable provisions of the Companies Act, 2013 ("the Act"), read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Since last Board Report, the Company has transferred the unclaimed and unpaid dividend amount in IEPF as per details given below:

Sr. No.	Dividend type	Dividend declaration date	Amount transferred to IEPF	Dividend Transferred to IEPF on	Number of shares transferred
1.	1st Interim Dividend for the financial year 2014-15	November 14, 2014	₹ 1,21,323.75/-*	December 31, 2021	36,300
Total			**₹ 1,21,323.75/-**		

*Amount deposited in IEPF is ₹ 1,21,324/- as, by default, challan on MCA got generated after rounding off.

As per the requirements of the IEPF Rules, the Company has transferred 36,300 Equity Shares on which dividends were unclaimed for seven consecutive years. Further, the details of unclaimed dividend and due dates for transfer of unclaimed dividend to IEPF account has been given in Notes to the Notice calling Twenty-Ninth AGM and are also available on our website, at https://vidhifoodcolors.com/investor-relation/unclaimed-dividends/

7. Details of the Subsidiaries, Joint Ventures or Associate Companies:

The Company has a Wholly-owned Subsidiary, Arjun Food Colorants Manufacturing Private Limited, as on March 31, 2022. However, the Company did not have any Joint Venture or Associate Company during the year under review. During the year under report no Company become or ceased to be Subsidiary, Joint Ventures or Associate Companies.

Arjun Food Colorants Manufacturing Private Limited did not have any business operation during the year 2021-22. Hence, there was no income from operation. However, the Company has incurred total expenses of ₹ 7.09/- lakhs during the year as compared to expenses of ₹ 3.09/- lakhs in the previous year. The Loss after tax of the Company during the year was ₹ 7.09/- lakhs as compared to Loss after Tax of ₹ 4.09/- lakhs in the previous year. Since there was no business income, the said Company has not contributed to the turnover/ performance of the Company but due to losses, it has negatively impacted on consolidated profits of the Company.

As required pursuant to first proviso to sub section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, Form AOC-1 forms part of this report, appended as Annexure A

Further, pursuant to the provisions of Section 136 of the Act, the Standalone as well as Consolidated financial statements of the Company along with and all other documents required to be attached thereto and separate audited financial statement in respect of the subsidiary is available on the website of the Company at https://vidhifoodcolors.com/INVPDFDocs/SubsidiariesFinancials/2021-22/Financial%20Statements_Arjun%20Food%20Colorants%20Private%20Limited_2021-22.pdf

8. Deposits:

During the year the Company has not accepted any Deposits falling within the preview of Chapter V of the Companies Act, 2013 and Rules made there under. However, the Company has taken unsecured loan from Directors. As per the requirement of proviso to Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the details of money accepted by the Company from the Directors during the Financial Year 2021-22 are mentioned below:

Sr. No.	Name of lender	Designation	Particulars	Amount (in ₹)
1.	Mr. Bipin Madhavji Manek (DIN: 00416441)	Managing Director	Opening	0.00
			Total Addition	2,05,00,000/-
			Total payment	1,35,00,000/-
			Closing	**70,00,000/-**
2.	Mr. Mihir Bipin Manek (DIN: 00650613)	Joint Managing Director	Opening	**0.00**
			Total Addition	15,15,00,000/-
			Total payment	11,28,10,000/-
			Closing	**3,86,90,000/-**
3.	Mrs. Pravina Bipin Manek (DIN: 00416533)	Non-Executive Director	Opening	0.00
			Total Addition	3,95,00,000/-
			Total payment	1,00,00,000/-
			Closing	**2,95,00,000/-**

9. Directors and Key Managerial Personnel:

As on the date of this Report, your Company had ten (10) Directors consisting of 5 (Five) Independent Directors including 1 (One) Independent Woman Director, 3 (Three) Executive Directors and 2 (Two) Non-Executive Directors including a Woman Director (Promoter).

In pursuance of the provisions of Section 152(6) of the Act and Articles of Association of the Company, Mrs. Pravina Bipin Manek (DIN: 00416533) and Mrs. Vidhi H. Parekh (DIN: 07584061) retires by rotation from the Board in the ensuing AGM and, being eligible for re-appointment, has offered themselves for reappointment. The Board of Directors recommends their re-appointment to the Members of the Company.

The details of Directors or Key Managerial Personnel who were appointed or have resigned during the year are as follows:

- Mr. Awdhesh Kumar Pandey (Membership No.: A60501) Company Secretary & Compliance Officer of the Company, had resigned from the Company w.e.f. May 12, 2021.
- The Members in the 28th AGM of the Company approved appointment of Mrs. Vidhi H. Parekh (DIN: 07584061) as Director of the Company. In the said meeting, her appointment as Whole-time Director for a period of five years w.e.f. November 01, 2020 was also approved.
- In the 28th AGM Mr. Mihir B. Manek (DIN: 00650613) re-appointed as Director pursuant to Section 152(6) of the Act.
- Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its Meeting held on November 08, 2021 had appointed Ms. Priyanka Suresh Soni (Membership No.: A63701) Company Secretary & Compliance Officer of the Company.

After closure of the financial year, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on August 12, 2022 has re-appointed Mr. Bipin Madhavji Manek (DIN: 00416441) as Managing Director for a period of five years w.e.f. November 01, 2022 on existing terms and conditions. The said re-appointment is subject to the approval of the Members in the ensuing AGM.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors, in its meeting held on November 08, 2021, approved to increase remuneration by way of commission of Mr. Vijay Krishnaswamirao Atre (DIN: 00416853), Non- Executive Director of the Company by ₹ 10,000/- per month w.e.f. April 01, 2022, his revised remuneration being ₹ 60,000/- per month, subject to not exceeding 1% of the net profits of the Company for each financial year, calculated in the manner laid down in Section 198 of the Act which also subject to approval of Members in the ensuing AGM. Accordingly, the Board recommends to the Members for approval of increase in remuneration by way of commission of Mr. Vijay Krishnaswamirao Atre (DIN: 00416853).

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**the Listing Regulations'**), approval of the Members by way of a Special Resolution shall be obtained every year in which the annual remuneration payable to a single Non-Executive Director exceeds 50% of the total annual remuneration payable to all the Non-Executive Directors giving details of the remuneration thereof. Since payment of remuneration to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as a Non- Executive Director is more than 50% of the total annual remuneration payable to all the Non-Executive Directors, in order to comply with the provisions of the Listing Regulations and continue to pay him a remuneration on proposed scale, as proposed in the ensuing AGM, during the financial year 2022-23, a Special Resolution is proposed in the ensuing AGM.

According to Regulation 17(6)(e) of the Listing Regulations, if the aggregate annual remuneration payable to more than one Executive Director, who is a Promoter or is a Member of the Promoter Group, exceeds 5% of the net profits of the Company calculated as per Section 198 of the Act even though the annual remuneration payable to the Executive Directors is within the limit of 5% and 10% as specified u/s 197(1) of the Act, then approval of the Members by way of a Special Resolution is required. Such approval of the Members under this provision shall be valid only till the expiry of the term of such Director(s). The approval of the Members by way of a Special Resolution was already taken in previous AGM. However, the Board of Directors in their meeting held on August 12, 2022 had approved reappointment of and payment of remuneration to Mr. Bipin Madhavji Manek (DIN: 00416441) as Managing Director for a period of five years w.e.f. November 01, 2022. In order to comply with the provisions of the Listing Regulations, a Special Resolution is again proposed in the ensuing AGM for payment of remuneration to Executive Directors.

Accordingly, the Board recommends the approval for payment of aggregate annual remuneration to the Promoter-Executive Directors/Members of the Promoter Group exceeding 5% of the net profits of the Company and the payment of aggregate annual remuneration to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as a Non-Executive Director of the Company, which exceeds 50% of the total annual remuneration payable to all the Non-Executive Directors.

The Company has received declarations from all the Independent Directors of the Company pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence as provided under the Act and the Listing Regulations and that they are not disqualified to become Directors under the Act; and in the opinion of the Board of Directors, all the Independent Directors fulfill the criteria of independence as provided under the Act read with the Listing Regulations and that they are independent of the Management.

Further, at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his role, function, duties and responsibilities. The format of the letter of appointment is available on our website at https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/14.%20Terms%20&%20Conditions%20of%20ID.pdf

Brief resume and other details of the Director proposed to be re-appointed, as stipulated under the Listing Regulations and Secretarial Standard-2, has been furnished separately in the Notice convening the AGM read with the Annexure thereto forming part of this Annual Report.

Following persons are designated as Key Managerial Personnel (KMP) as on March 31, 2022:

- Mr. Bipin Madhavji Manek (DIN: 00416441), Chairman and Managing Director
- Mr. Mitesh Dinesh Manek, Chief Financial Officer
- Ms. Priyanka Suresh Soni (Mem No. A63701), Company Secretary and Compliance Officer

10. Board Evaluation:

The Board of Directors is committed to continued improvement in its effectiveness. Accordingly, formal evaluation of Board's, it's Committee and Directors performance is carried out annually. This was designed to ensure, amongst other things, that the Board, its Committees and each Director continue to contribute effectively.

As per Section 134(3)(p) of the Act, a statement indicating the manner in which formal annual evaluation was made by the Board of their performance and that of its Committees and individual Directors, has to be furnished to the Members as part of the Board's Report.

As per provisions of Section 178(2) of the Act, Nomination and Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out. Further, the Independent Directors, as part of their mandate under Schedule IV of the Act, need to make an evaluation of performance of the Board, it's Committee and constituents of the Board apart from their self-evaluation. Under this process, a structured questionnaire was prepared after taking into consideration inputs received from the Directors, setting out parameters of evaluation; the questionnaire for evaluation are to be filled in, consolidated and discussed with the Chairman. The evaluation by the Independent Directors has been undertaken at their meeting held on February 10, 2022. The Board of Directors undertook evaluation of Independent Directors at their meeting held on February 10, 2022 and placed on its record that the Independent Directors have the requisite qualification, expertise and track record for performing their duties as envisaged under the Law, and they add value in the decision making process of the Board.

The criteria for evaluation of performance of Directors, the Board as a whole and the Board's Committee, as specified by Nomination and Remuneration Committee, are summarized in the table given below:

Evaluation of	Evaluation by	Criteria
Non-Independent Director (Executive)	Independent Directors	Transparency, Leadership (business and people), Governance and Communication
Non-Independent Director (Non-Executive)	Independent Directors	Preparedness, Participation, Value addition, Governance and Communication
Independent Director	All other Board Members	Preparedness, Participation, Value addition, Governance and Communication
Chairman	Independent Directors	Meeting dynamics, Leadership (business and people), Governance and Communication
Committees	Board Members	Composition, Process and Dynamics
Board as a whole	Independent Directors	Composition, Process and Dynamics

11. Board Familiarization Program:

At the time of appointment of Independent Director, through the induction process, he/she is familiarized with the Company, the Director's roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Detailed presentations are made before the Board Members at the Board Meetings covering various areas including business, strategy, financial performance and forecast, compliances/regulatory updates, audit reports, risk assessment and mitigation, industry, roles, rights, responsibilities of Independent Directors, etc. The Familiarization Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. All Independent Directors attended the orientation and familiarization programs held during the financial year 2021-22.

The details of training and familiarization programs are available on our website at https://vidhifoodcolors.com/investor-relation/codes-policies/

12. Policy on the Directors' appointment and remuneration:

The Company's Policy on the Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters as provided under section 178 of the Act is annexed to this Report as Annexure B to this Report.

13. Number of meetings of the Board of Directors:

The Board of Directors met Five (5) times during the Financial Year under review. The intervening gap between any two meetings was not more than 120 days as prescribed under the Act. Details of the dates of Board Meetings and the attendance of the Directors at the Board Meetings are provided separately in the *Report on Corporate Governance.*

14. Committees of the Board:

As on March 31, 2022, the Board had five Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

The Composition of all the Committees is in line with the requirement of the Act and the Listing Regulations. During the year, all the recommendations made by the Committees were approved by the Board.

A detailed note on the composition, number and dates of meetings held and attendance of Committee Members for the Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Risk Management Committee is provided separately in the *Report on Corporate Governance.*

15. Corporate Social Responsibility Committee (CSR Committee):

Since net profit of the Company is in excess of ₹ 5 Crores, the provisions of Section 135 of the Act regarding Corporate Social Responsibility became applicable to the Company. The constitution, composition, quorum requirements, terms of reference, role, powers, rights and obligations of CSR Committee are in conformity with the provisions of Section 135 and all other applicable provisions of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other applicable Rules made under the Act.

The CSR Committee comprises of the following Directors as on the date of this Report:

Name	Designation	Category
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Chairman	Non-Executive, Independent
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Member	Non-Executive, Independent
Mr. Rahul Chakradhar Berde (DIN: 06981981)	Member	Non-Executive, Independent

During the financial year under review, the Committee met twice on August 05, 2021 and February 10, 2022.

Brief description of terms of reference of the Committee inter-alia **includes:**

- formulate and recommend to the Board of Directors (Board), a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy.
- recommend the Board alteration in annual action plan at any time during the financial year with reasonable justification.
- recommend CSR activities;
- recommend to the Board the amount of expenditure to be incurred on the CSR activities;
- monitor the CSR Policy of the Company from time to time;
- institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company; and
- carry out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities.

CSR Policy development and implementation:

The CSR Policy of the Company is available on the Company's website at:

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/4.%20CSR%20Policy.pdf

Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as *Annexure C* to this Report.

16. Vigil Mechanism:

The Company has a 'Whistle Blower Policy'/'Vigil Mechanism' in place. The objective of the Vigil Mechanism is to provide the employees, Directors, customers, contractors and other stakeholders of the Company an impartial and fair avenue to raise concerns and seek their redressal, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and fair dealings with all its stakeholders and constituents and its commitment to open communication channels. The Company is also committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization, for whistleblowing in good faith. The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. The Policy contains the provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

Vigil Mechanism cum Whistle Blower Policy is available on the Company's website at:

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/13.%20Vigil%20Mechanism%20Cum%20Whistle%20Blower%20Policy.pdf

17. Audit Report:

a) Statutory Audit Report:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) notified under section 133 of the Act. The Company has received an unmodified opinion in the Auditors' Report for the financial year 2021-22.

b) Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2021-22 and issue Secretarial Audit Report. Secretarial Audit Report issued by M/s. Hemanshu Kapadia & Associates for the financial year 2021-22, on August 12, 2022, in Form MR-3 forms part of this report and annexed hereto as *Annexure D*.

The Secretarial Auditor has qualified the Secretarial Audit Report. The observations of the Secretarial Auditors and the reply of the Management for the same are as under:

Sr. No.	Secretarial Auditors' Observations	Reply from the Management
1.	In terms of Rule 6(3)(a) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 there was a delay in publication of notice in newspapers for transfer of shares to Investor Education and Protection Fund.	The said dividend account of Company was with Corporation Bank, which was in the process of merger with Union Bank of India. Due to change in the officers, management & systems the Reconciliation Statement from Bank's part was not received on time. However, as soon as the same were received, the shareholders were identified and the notice was published in the newspapers.
2.	Mr. Awdhesh Pandey, Company Secretary and Compliance Officer of the Company had resigned w.e.f. closing working hour of May 12, 2021. The Company has appointed Ms. Priyanka Suresh Soni, Company Secretary, as Compliance Officer of the Company w.e.f. November 08, 2021. Hence, there was no Compliance Officer during the period from closure of working hour of May 12, 2021 till November 07, 2021.	The SEBI Listing Regulation does not prescribe time limit within which the Company Secretary/ Compliance Officer to be appointed. However, Section 203(4) of the Companies Act, 2013 provide 6 months' time to fill the casual vacancy in the office of Company Secretary. Accordingly, the appointment of Company Secretary was made w.e.f. November 08, 2021, which was within 6 months from the date of creation of vacancy.
3.	The Company being, top 1000 listed entity by Market Cap as on March 31, 2021, was required to have D&O insurance w.e.f. January 01, 2022 which was obtained effective from March 28, 2022.	The Company has obtained D&O insurance which was effective from March 28, 2022.

18. Auditors:

a) Statutory Auditors:

On the recommendation of the Audit Committee and the Board, the Members in their Twenty-Fourth AGM had appointed M/s. JMR & Associates, Chartered Accountants, Mumbai (Firm Registration No: 106912W) as the Statutory Auditors of the Company for a period of five consecutive financial years from the conclusion of the Twenty-Fourth AGM of the Company till the conclusion of the Twenty-Ninth AGM to be held for the financial year 2021-22. Accordingly, the term of office of M/s. JMR & Associates LLP as Statutory Auditors of the Company is valid till the conclusion of the ensuing AGM of the Company.

The Board of Directors of the Company, based on the recommendation of the Audit Committee, at its meeting held on August 12, 2022, appointed M/s. Bhuta Shah & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 101474W/W100100) as the Statutory Auditors of the Company to hold office for a term of five consecutive years from the conclusion of the 29th AGM till the conclusion of the 34th AGM to be held in the financial year 2026-27 and will be placed for the approval of the shareholders at the ensuing AGM. The said firm expressed their eligibility and willingness to act as Auditors of the Company and consented to act as Auditors of the Company, if appointed by the Members. The Board recommends their appointment to the shareholders for their approval. The notice convening the 29th AGM to be held on September 30, 2022 sets out the details.

b) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and on the basis of the recommendation of Audit Committee, the Board in their meeting held on May 12, 2022 had appointed M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries (FCS: 3477 and C.P. No.: 2285), to undertake the Secretarial Audit of the Company for the financial year 2022-23 and issue Secretarial Audit Report as required under the Act.

c) Internal Auditors:

Pursuant to the provisions of Section 138 of the Act read with Rule 13 of Companies (Accounts) Rules, 2014 and on the basis of the recommendation of Audit Committee, the Board of Directors in their meeting held on May 12, 2022 had appointed M/s. Jayesh Kothari & Co., Chartered Accountants, (FRN: 148528W) as the Internal Auditors of the Company for the financial year 2022-23.

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

The information as per Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 with respect to Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo are given in *Annexure E* to this Report.

20. Managerial Remuneration and Particulars of Employees:

The information required to be disclosed with respect to the remuneration of Directors and KMPs in the Board's Report pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2021-22, is appended as *Annexure F* to the Board's Report.

The names of top ten employees of the Company in terms of remuneration drawn as required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2021-22, is appended as *Annexure F* to the Board's Report.

No Managing Director or Whole-time Director of the Company were paid any remuneration or commission from any of its Subsidiary Company.

21. Annual Return:

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return is placed on website of the Company and which shall be treated as part of this Report. The link is as follows:

https://vidhifoodcolors.com/INVPDFDocs/4.%20Annual%20Reports/2021-22/1.%20Form_MGT_7_Vidhi_March%2031,%202022.pdf

22. Share Capital & Listing of Securities:

During the financial year under review, the Company has not issued:

- any equity shares with differential rights as to dividend, voting or otherwise;
- any equity shares (including sweat equity shares) to employees of the Company under any scheme; and
- any sweat equity shares.

The Company's equity shares are listed on BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). The stock code of the Company at BSE is 531717 and the symbol for NSE is VIDHIING.

23. Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the financial year under review as stipulated under regulation 34 of the Listing Regulations is set out in a separate section forming part of the Annual Report.

24. Corporate Governance:

The Company is adhering to good corporate governance practices in every sphere of its operations. The Company has taken adequate steps to comply with the applicable provisions of Corporate Governance as stipulated under the Listing Regulations. A separate Report on Corporate Governance is enclosed as a part of the Annual Report along with the Certificate from the Practicing Company Secretary on Corporate Governance.

25. Directors' Responsibility Statement:

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

a) in the preparation of the annual accounts for the financial year ended on March 31, 2022, the applicable accounting standards have been followed and that there are no material departures from the same;

b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2022 and of the profit and loss of the Company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively during the financial year ended March 31, 2022; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively during the financial year ended March 31, 2022.

26. Particulars of Contracts and arrangements with related parties:

During the financial year under review, the Company has not entered into any contracts/arrangements/ transactions with related parties which could be considered material in accordance with the Company's Policy on materiality of related party transactions. All contracts/arrangements/transactions entered into by the Company during the financial year under review with related parties were in the ordinary course of business and on an arm's length basis but not material in nature. Accordingly, the disclosure of related party transactions to be provided under section 134(3)(h) of the Act in Form AOC–2 is not applicable.

The details of transactions entered into with related parties, as per Accounting Standards, are disclosed in the Note No. 28 of the Financial Statement.

The Company's Policy on Materiality of related party transactions and dealing with related party transactions is available on the Company's website at:

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/11.%20Policy%20on%20Related%20Party%20Transactions.pdf

27. Particulars of loans given, investments made, guarantees given and securities provided:

During the year under Report the Company has not given any loan, except, loan to employees and loan to Wholly-owned Subsidiary Company, or given guarantee or provided securities as covered under section 186 of the Act. Further, the Company has not made any fresh investment during the year. However, the investment made in previous years in the Subsidiary Company is continuing.

The details of loan given and Investment made by the Company have been given in the Financial Statement.

28. Risk Management:

The Company is exposed to inherent uncertainties owing to the sector in which it operates. A key factor in determining a Company's capacity to create sustainable value is the risks that the Company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Many risks exist in a Company's operating environment and they emerge on a regular basis. The Company's Risk Management process focuses on ensuring that these risks are identified on a timely basis and addressed.

The Risk Management Committee ('RMC') of the Board provides oversight and sets the tone for implementing the Enterprise Risk Management ("ERM") framework across the organization. It reviews the status of key risks, progress of ERM implementation across locations and any exceptions as flagged to it, on periodic basis. The Committee oversees enterprise risk management framework to ensure execution of decided strategies with focus on action and monitoring risks arising out of unintended consequences of decisions or actions and related to performance, operations, compliance, incidents, processes, systems and transactions are managed appropriately. The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

During the year under Report, the Company is keeping track on the pandemic situation to proactively manage risks and ensure health and safety of employees, while simultaneously ensuring growing business operation without any interruption.

29. Internal Financial Controls with reference to the Financial Statement:

The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control systems, including internal financial controls, are commensurate with the nature of its business and the size and complexity of its operations and the same are adequate and operating effectively. These systems are periodically tested and no reportable material weakness in the design or operation was observed. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial controls.

30. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act, including constitution of the Internal Complaints Committee. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Policy is gender neutral. We are pleased to inform you that no complaints pertaining to sexual harassment were received during the Financial Year 2021-22 and pending as on March 31, 2022.

31. Secretarial Standards:

The Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Central Government.

32. Cost Records:

As per Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the maintenance of cost records is not mandated for the products manufactured by the Company.

33. Business Responsibility Report (BRR)

The Listing Regulations mandate the inclusion of the BRR as part of the Annual Report for the top 1,000 listed entities based on market capitalization. Since your Company is Top 1,000 Companies by Market Cap, in compliance with the Listing Regulations, we have integrated BRR disclosures into our Annual Report as *Annexure G*.

34. Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy as required under regulation 43A of the Listing Regulations. The said Policy is uploaded on the Company's website. The weblink of the same is as follows: https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/18.%20Dividend%20Distribution%20Policy.pdf

35. Other Disclosures/Reporting:

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

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

b) Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Act);

c) The details of application made and proceeding pending under the Insolvency and Bankruptcy Code, 2016;

d) The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions;

e) Significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future; and

f) Details in respect of frauds reported by the Auditors under section 143(12) other than those which are reportable to the Central Government, as there were no such frauds reported by the Auditors.

36. Acknowledgements:

Your Board wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the Government Authorities, Bankers, Customers, Employees and Members during the year under review and look forward to their continued support.

For and on behalf of the Board of Directors

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 12/A, Sommerset House,
Off. Bhulabhai Desai Road,
Warden Road, Sophia College,
Mumbai – 400 026

Date: August 12 2022
Place: Mumbai

Annexure A

Form No. AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary is presented with amounts in Rupees)

(Amount in ₹ Lakhs)

Sr. No.	Name of the subsidiary	Arjun Food Colorants Manufacturing Private Limited
1.	**The date since when subsidiary was acquired**	**April 22, 2019**
2.	**Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period**	**01.04.2021 to 31.03.2022**
3.	**Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiaries**	**Not Applicable**
4.	**Share capital**	8.28
5.	**Reserves & surplus**	497.93
6.	**Total assets**	518.15
7.	**Total Liabilities**	11.94
8.	**Investments**	Nil
9.	**Turnover**	0.00
10.	**Profit (Loss) before taxation**	(7.09)
11.	**Provision for taxation**	0.00
12.	**Profit (Loss) after taxation**	(7.09)
13.	**Proposed Dividend**	Nil
14.	**Extent of shareholding**	100.00%

Notes:

1. Names of subsidiaries which are yet to commence operations: **Arjun Food Colorants Manufacturing Private Limited**
2. Names of subsidiaries which have been liquidated or sold during the year: **Not Applicable**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not applicable as the Company did not have any Associate Company or Joint Venture during the reporting period.

For and on behalf of Board of Directors
Vidhi Specialty Food IngredientsLimited,

Sd/-	Sd/-	Sd/-	Sd/-
Bipin Manek	**Mihir Manek**	**Mitesh Manek**	**Priyanka Soni**
Managing Director	**Joint Managing Director**	**Chief Financial Officer**	**Company Secretary**
(DIN: 00416441)	**(DIN: 00650613)**		**(Mem No. A63701)**

Date: August 12, 2022
Place: Mumbai

Annexure B

Nomination & Remuneration Policy

I. OBJECTIVE:

The Nomination and Remuneration Committee (NRC or the Committee) has formulated the Nomination & Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Regulation 19(4) read with Part D of Schedule II under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy is mainly focused on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management.

The objective of the policy is to ensure that:

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

II. DEFINITIONS

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

1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
2. **Listing Regulations** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
3. **Board** means Board of Directors of the Company.
4. **Directors** mean Directors of the Company.
5. **Key Managerial Personnel** means
   i. Chief Executive Officer or the Managing Director or the Manager;
   ii. Whole-time director;
   iii. Chief Financial Officer;
   iv. Company Secretary; and
   v. such other officer as may be prescribed.
6. **Senior Management** means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

III. ROLE OF COMMITTEE

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

The Committee shall:

i. Periodically review the size and composition of the Board to ensure that it is structured in such a manner which enables to take appropriate decision in the best interest of the Company as a whole;

ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommending candidates to the Board as and when need arises keeping in view the Board structure and expertise/experience required;

iii. Establish and on regular basis, review the succession plan of the Board, KMPs and Senior Executives;

iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;

v. To formulate criteria for evaluation of Independent Directors and the Board;

vi. Recommend to the Board, performance criteria for the Directors, KMPs and Senior Management;

vii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel and their remuneration;

viii. Help the Board to formulate and ensure the Board nomination process keeping in mind the diversity of gender, expertise, experience and Board structure;

ix. Review and recommend to the Board:

a) The Remuneration Policy for all employees including KMPs and Senior Management including various components of remuneration whether fix or variable, performance reward, retirement benefits,

b) Remuneration of the Executive Directors and KMPs,

c) Remuneration of Non Executive Directors including Chairman, as a whole and individually and sitting fees to be paid for attending the meeting of the Board and Committee thereof, and

d) Equity based incentive Schemes;

x. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and

xi. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

xii. To perform such other functions as may be necessary or appropriate for the performance of its duties;

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

i. Appointment criteria and qualifications

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment, as per Company's Policy.

b. A person to be recommended to the Board should be a man with integrity, possess adequate qualification, expertise and experience for the position he/ she is considered for appointment and industry in which Company operates. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.

c. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.

d. The Company shall not appoint or continue the employment of any person as Managing Director and/or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

e. A whole-time KMP of the Company shall not hold office in more than one Company except in its Subsidiary Company at the same time. However, a whole-time KMP can be appointed as a Director in any Company with the permission of the Board of Directors of the Company.

ii. Term / Tenure

a) Managing Director/Whole-time Director:

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

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

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

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

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

iii. Evaluation:

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

iv. Removal:

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

v. Retirement:

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

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

i. General:

a) The remuneration/compensation/commission/fees etc. to be paid to the Managing Director, Whole-time Director, other Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval which shall be subject to the prior/post approval of the shareholders of the Company or Central Government, wherever required.

b) The remuneration and commission to be paid to the Managing Director, Whole-time Director shall be in accordance with the percentage/ slabs/conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director and Whole-time Director.

d) Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.

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

a) Fixed pay:

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

b) Minimum Remuneration:

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

c) Provisions for excess remuneration:

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

iii. Remuneration to Non- Executive / Independent Director:

a) Sitting Fees:

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

b) Remuneration / Commission:

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

c) Stock Options:

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

d) Remuneration for services of Professional Nature:

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

i) The Services are rendered by such Director in his/her capacity as the professional; and

ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

iv. Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Nomination and Remuneration Committee or any other Committee to be constituted by the Company for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

c) The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

d) The incentive pay/performance linked pay shall be decided based on the extent of achievement of the individual target/objective or performance of the Key Managerial Personnel and Senior Management and performance of the Company which will be decided annually or at such intervals as may be considered appropriate.

4. Policy Review:

The Policy is framed based on the provisions of the Companies Act, 2013 and rules made there under and the requirement of Regulation 19(4) and Schedule II (Part D) of the Listing Regulations. In case of any subsequent changes in the provisions of the Act or any other Regulations which makes any of the provisions of this Policy inconsistent with the Act or any such Regulation, then the provisions of the Act or such Regulation would prevail over the Policy and the provisions in the Policy would be modified in due course to make it in consistent with the Act or such Regulation.

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

IV. Implementation:

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

For and on behalf of the Board of Directors

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 12/A, Sommerset House,
Off. Bhulabhai Desai Road,
Warden Road, Sophia College,
Mumbai – 400 026

Date: August 12 2022
Place: Mumbai

Annexure C

Annual Report on Corporate Social Responsibility (CSR) activities

[Pursuant to clause (c) of Section 134(1) of the Companies Act, 2013 and the provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programs proposed to be undertaken:**

   Vidhi Specialty Food Ingredients Limited ('Vidhi'/ 'the Company') considers CSR as its commitment to its stakeholders, including the society at large, to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

   The Company's CSR Policy aims to develop and implement a long-term vision and strategy for Vidhi's CSR initiatives including formulating relevant potential CSR activities, their timely and expeditious implementation and establishing an overview mechanism of the activities undertaken/to be undertaken, in synchronization with the various eligible activities prescribed under Schedule VII of the Companies Act, 2013.

   The CSR Policy is available on the Company's website at:

   https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/4.%20CSR%20Policy.pdf

2. **The Composition of the CSR Committee as on March 31, 2022 as follows:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Chairman (Independent Director)	2	2
2.	Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Member (Independent Director)	2	2
3.	Mr. Rahul Chakradhar Berde (DIN: 06981981)	Member (Independent Director)	2	2

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

   CSR Committee Composition - https://vidhifoodcolors.com/investor-relation/directors-committees/

   CSR Policy - https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/4.%20CSR%20Policy.pdf

   CSR Projects - https://vidhifoodcolors.com/investor-relation/csr-activities/

4. **The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial**

year, if any: Amount available for set-off pursuant to excess spent in the year 2020-21 was ₹ 1,42,186/-. The said amount was set-off during the year 2021-22.

6. **Average net profit of the Company for last three financial years (as per section 135(5)):** ₹ 45,29,56,204/-

7. (a) **Prescribed CSR Expenditure (2% of the amount as in item 3 above):** ₹ 90,59,124/-

   (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Not Applicable

   (c) **Amount required to be set off for the financial year, if any:** ₹ 1,42,186/-

   (d) **Total CSR obligation for the financial year (7(a)+7(b)-7(c)):** ₹ 89,16,938/-

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund.	Amount.	Date of transfer.
91,00,000	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act. Local area	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number.
1.	Promoting Education, Employment Enhancement Vocation Skills and Livelihood Enhancement Projects.	II	No	Maharashtra	Dhule	61,00,000	No	The Shirpur Education Society	CSR00013815
2.	Promoting health care including preventinve health care	I	No	Maharashtra	Dhule	30,00,000	No	Vardhman Education and Welfare Society	CSR00006863
	Total					91,00,000			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8(b)+8(c)+8(d)+8(e)): 91,00,000/-

(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 90,59,124/-
(ii)	Total amount spent for the Financial Year	₹ 92,42,186/-*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 1,83,062/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 1,83,062/-

* This includes ₹ 1,42,186/-, which was spent in the FY 2020-21 and available for set-off against CSR amount spent in the FY 2021-22, and ₹ 91,00,000/-, amount actually spent in the FY 2021-22 towards CSR activities.

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer	
1.		Not Applicable					
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting Financial Year (in ₹).**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹)**	**Status of the project - Completed /Ongoing.**
1.			**Not Applicable**					
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/-
Mr. Bipin Madhavji Manek
(DIN: 00416441)
Chairman and Managing Director
Address: 12/A, Sommerset House, Warden Road, Sophia College, Mumbai – 400 026

Sd/-
Mr. Prafullachandra Anantlal Shah
(DIN: 00417022)
Chairman of CSR Committee
Address: 54, Jai Vijay Society, Sahar Road, Western Express Highway, Opp. Parsee Wada, Sahar P and T Colony, Vile Parle (East), Mumbai - 400099

Date: August 12, 2022
Place: Mumbai

Annexure D

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended March 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company);**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014/the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable **(Not Applicable to the Company during the Audit period)**;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008/the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as applicable **(Not Applicable to the Company during the Audit period as the Company has not issued any Debt instruments/ Securities)**;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009/the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as applicable **(Not Applicable to the Company during the Audit period as delisting of securities did not take place)**; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit period as the Company has not bought back its securities).**

i. The following industry specific laws and regulations, as informed and certified by the Audit Committee of the Company which are specifically applicable to the Company based on Food Colour Manufacturing Industry:

- The Food Safety & Standards Act, 2006;
- The Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011;
- The Food Safety and Standards (Packaging and Labelling) Regulations, 2011;
- The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- The Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;
- The Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011;
- The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and as notified by the Central Government, and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above (wherever applicable); subject to the following observations:

1. *In terms of Rule 6(3)(a) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 there was a delay in publication of notice in newspapers for transfer of shares to Investor Education and Protection Fund.*

2. *Mr. Awdhesh Pandey, Company Secretary and Compliance Officer of the Company had resigned w.e.f. closing working hour of May 12, 2021. The Company has appointed Ms. Priyanka Suresh Soni, Company Secretary, as Compliance Officer of the Company w.e.f. November 08, 2021. Hence, there was no Compliance Officer during the period from closure of working hour of May 12, 2021 till November 07, 2021.*

3. *The Company being, top 1000 listed entity by Market Cap as on March 31, 2021, was required to have D&O insurance w.e.f. January 01, 2022 which was obtained effective from March 28, 2022.*

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

There was no change in the composition of the Board of Directors during the period under review except appointment of Mrs. Vidhi Parekh as Whole-time Director w.e.f. November 01, 2020 was approved in the Annual General Meeting held on September 28, 2021.

Notices of the Board/Committee Meetings were given to all the Directors alongwith the agenda and detailed notes on agenda at least seven days in advance, except where meeting was called and held at shorter notice, in compliance with the provisions of the Companies Act, 2013, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings held during the year and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. Further, as confirmed by the Management, mechanism to capture and record the dissenting Members' views as a part of the minutes, exist.

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

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

(i) Public/Rights/Preferential issue of shares/debentures/sweat equity;

(ii) Redemption/buy-back of securities;

(iii) Merger/amalgamation/reconstruction, etc.; and

(iv) Foreign Technical Collaborations.

For **Hemanshu Kapadia & Associates**
Practising Company Secretaries
Peer Review Certificate No.: 1620/2021

Sd/-
Hemanshu Kapadia
Proprietor
C.P. No.: 2285
Membership No.: F3477
UDIN: F003477D000786479

Date: August 12, 2022
Place: Mumbai

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

Annexure I

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

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Hemanshu Kapadia & Associates**
Practising Company Secretaries
Peer Review Certificate No.: 1620/2021

Sd/-
Hemanshu Kapadia
Proprietor
C.P. No.: 2285
Membership No.: F3477
UDIN: F003477D000786479

Date: August 12, 2022
Place: Mumbai

Annexure E

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

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

A. Energy Conservation:

1. The steps taken/impact on conservation of energy:

The Company is continuously reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern and energy efficient equipments. Your Company has always considered energy and natural resource conservation as a focus area and has been consciously making efforts towards improving the energy performance year after year. Energy efficiency improvement initiatives have been implemented across all the plants and offices by undertaking various energy and resource conservation steps for sustainable development.

Further, the Company ensures adopting and following below mentioned energy saving measures:

a) Switching off equipments whenever not in use;

b) Printing only important documents;

c) Improvement in low insulation;

d) Periodic desertion of Boiler;

e) Use of energy efficient electric equipments;

f) Regular maintenance of Machines and equipments;

g) Use of natural lightning and natural ventilation; and

h) Educating employees and workers for energy conservation and creating awareness amongst the employees and workers.

2. The steps taken by the Company for utilising alternate sources of energy:

a) LED bulbs installed to save energy;

b) Few batch processes scaled up/modified for saving of energy and time;

c) The Company will take continuous steps to use the alternate sources by using cost effective fuels; and

d) Power factor kept unity, few capacitors replaced resulting in significant cost savings.

3. The capital investment on energy conservation equipments:

For the year under review, the total capital investment on energy conservation equipment is NIL.

B. Technology Absorption:

1. The efforts made towards technology absorption:

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

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

Not Applicable as the Company has not absorbed new technology during the year.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

No technology was imported during the preceding three years proceeding to the reporting year.

4. Expenditure incurred on Research and Development:

The Company has an exclusive and dedicated Research & Development Division (R&D Division) attached to its major production centre. It carries out development of new products besides improvement of existing products and production processes. R&D Division is playing a pivotal role not only in the case of new products already launched but also those on the anvil. R&D Division is entrusted with the responsibility to develop ways and means to minimize the adverse effect of quality deterioration, if any. R&D Division of the Company has a team of trained and dedicated personnel to further strengthen its activities.

The Specific areas in which R&D is carried out are:

- Development of production processes to meet specific customer requirements;
- Development of new products, especially line extension of existing products and new applications for the same;
- Development of new process techniques for cost optimization as well as fuel and energy conservation; and
- Reduction in water consumption.

(₹ in lakhs)

Particulars	Financial Year 2021-22
Research & Development Activities	75

C. Foreign Exchange Earnings and Outgo:

The Company's products are distributed over 80 countries across 6 continents. The Company continues to improve its export earning and increase in global presence. The Company has continued to maintain focus and avail of export opportunities based on economic consideration. The total Foreign Exchange Earning and Outgo in terms of actual inflow and outflow during the year was as follows:

(₹ in lakhs)

Particulars	Financial Year 2021-22	Financial year 2020-21
Foreign Exchange Inflow	23,468.86	17,186.31
Foreign Exchange Outflow	18,941.09	9,717.71

For and on behalf of the Board of Directors

Sd/-
Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 12/A, Sommerset House,
Off. Bhulabhai Desai Road,
Warden Road, Sophia College,
Mumbai – 400026

Date: August 12, 2022
Place: Mumbai

Annexure F

DETAILS OF REMUNERATION

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

The percentage increase in remuneration of each Director during the Financial Year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/KMP (in ₹)	% Increase in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Bipin Madhavji Manek (DIN: 00416441) Chairman and Managing Director	2,60,00,000	28.40%	69.55
2.	Mr. Mihir Bipin Manek (DIN: 00650613) Joint Managing Director	2,60,00,000	28.40%	69.55
3.	Mrs. Pravina Bipin Manek* (DIN: 00416533) Non-Executive Director	Nil	N.A.	N.A.
4.	Mrs. Vidhi Harsh Parekh% (DIN: 07584061) Whole-time Director	12,00,000	N.A.	N.A.
5.	Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) Non-Executive Director	6,00,000	0%	1.61
6.	Mr. Prafullachandra Anantlal Shah@ (DIN: 00417022) Independent Director	50,000	N.A.	0.13
7.	Mr. Niren Dinkerrai Desai@ (DIN: 01978382) Independent Director	50,000	N.A.	0.13
8.	Mr. Rahul Chakradhar Berde@ (DIN:06981981) Independent Director	50,000	N.A.	0.13
9.	Mr. Ashit Kantilal Doshi**@** (DIN: 08486679) Independent Director	50,000	N.A.	0.13
10.	Mrs. Jyoti Sunil Modi**@^** (DIN:08699101) Independent Director	50,000	0%	0.13
11.	Mr. Mitesh Dinesh Manek Chief Financial Officer	18,00,000	0%	N.A.

12.	Mr. Awdhesh Kumar Pandey Company Secretary & Compliance Officer&	42,000	N.A.	N.A.
13	Ms. Priyanka Suresh Soni Company Secretary & Compliance Officer#	2,15,000	N.A.	N.A.

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

%Appointed on the Board of Directors of the Company w.e.f. November 01, 2020. Hence, percentage increase for her cannot be provided.

@The remuneration of Independent Directors covers sitting fees only.

& Mr. Awdhesh Kumar Pandey has resigned w.e.f. May 12, 2021. Hence, percentage increase for him cannot be provided.

#Ms. Priyanka Suresh Soni was appointed w.e.f. November 08, 2021. Hence, percentage increase for her cannot be provided.

^Mrs. Jyoti Sunil Modi (DIN: 08699101) had attended four Board Meetings during the financial year, in which financial statements/results were discussed, and was entitled to sitting fees of ₹ 50,000/-. However, during the financial year, she was paid sitting fees of ₹ 25,000/- and the remaining ₹ 25,000/- was paid after the end of the financial year.

i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

The median remuneration of employees of the Company during the Financial Year was ₹ 3,73,824/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

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

In the Financial Year, there was a decrease of 32.90% in the median remuneration of employees.

iii. The number of permanent employees on the pay roll of the Company:

There were 71 (Including KMPs) permanent employees on the pay roll of the Company as on March 31, 2022.

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

Average percentile increase made in the salaries of employees other than the managerial personnel in the Financial Year i.e. 2021-22 was 14.84% whereas the percentile increase in the managerial remuneration for the Financial Year 2021-22 was 66.67.

The percentile increase in the managerial remuneration is greater than the average percentile increase in the salaries of the employees other than the managerial remuneration because the managerial personnel get remuneration by way of percentage of net profit of the Company. Since the Net Profit of the Company have been increased as compared to the previous year, the percentile increase in the remuneration to managerial personnel has been more than average percentile increase made in the salaries of employees other than the managerial personnel.

v. Affirmation that the remuneration is as per the remuneration policy of the Company:

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

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	**1**	**2**
Name	**Bipin Madhavji Manek***	**Mihir Bipin Manek***
Designation	Chairman & Managing Director	Joint Managing Director
Remuneration paid	₹ 2,60,00,000/-	₹ 2,60,00,000/-
Nature of employment	Executive Director	Executive Director
Qualifications and Experience	B.Com with an overall experience of 36 years in the field of Imports & Exports in food colour industries and business management.	B.Sc. in Industrial Chemistry with an overall experience of 16 years and expertise in the business of procurement of imported raw materials and distribution of various chemicals.
Date of commencement of employment	January 19, 1994	July 31, 2006
Age	66 years	40 years
Previous Employment	N.A. since he is associated with the Company since its inception.	He was not employed before joining the Company
No. of shares in the Company along with his spouse and dependent children	Individual holding: 26,10,333 Equity Shares (5.23%) Holding of the spouse: 34,90,667 Equity Shares (6.99%) Holding as Trustee of Bipin Manek Family Private Trust: 1,15,00,000 Equity Shares (23.03%) Holding as Trustee of Pravina Manek Family Private Trust: 1,30,00,000 Equity Shares (26.03%) Holding as Trustee of Manek Family Private Trust: 15,00,000 Equity Shares (3.00%)	Nil
Whether relative of Director or employee	Related to Mr. Mihir Bipin Manek, Mrs. Pravina Bipin Manek & Mrs. Vidhi Harsh Parekh	Related to Mr. Bipin Madhavji Manek, Mrs. Pravina Bipin Manek & Mrs. Vidhi Harsh Parekh

**these employees were in receipt of remuneration of more than one crore and two lakh rupees in aggregate for the financial year under review within the meaning of Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*

Sr. No.	3	4
Name	**Mitesh Dinesh Manek**	**Manoj Madhukar Jadhav**
Designation	Chief Financial Officer	Senior R&D Officer
Remuneration paid	₹ 18,00,000/-	₹ 16,05,975/-
Nature of employment	Key Managerial Personnel	Permanent
Qualifications and Experience	M.Com with an overall experience of 19 years in finance and administration	Ph.D. with an overall experience of 9 years in Research and Development
Date of commencement of employment	April 01, 2002	September 16, 2016
Age	45 years	36 years
Previous Employment	He was not employed before joining the Company	Rallis India Limited
No. of shares in the Company along with his spouse and dependent children	Holding of spouse: 1,00,000 Equity Shares (0.20%)	225 Equity Shares (0.0005%)
Whether relative of Director or employee	Not related	Not related

Sr. No.	5	6
Name	**Parag Y Surve**	**Dinesh S Patil**
Designation	Works Manager	Senior R&D Executive
Remuneration paid	₹ 15,90,000/-	₹ 9,39,360/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	M.Sc. with an overall experience of 26 years in production and administration	Ph.D in Chemistry
Date of commencement of employment	July 01, 1996	January 01, 2018
Age	50 years	32 years
Previous Employment	He was not employed before joining the Company	Synyenta Biosciences Private Limited
No. of shares in the Company along with his spouse and dependent children	Individual Holding: 4,000 Equity Shares (0.008%)	Nil
Whether relative of Director or employee	Not related	Not related

Sr. No.	7	8
Name	**Jaysingh K Burundkar**	**Milind R Patil**
Designation	Maintenance Manager	Quality Control Manager
Remuneration paid	₹ 7,38,240/-	₹ 7,13,640/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	B.E. with an overall experience of 29 years in maintenance of plant, machinery and other assets	M.Sc. with an overall experience of 29 years in quality control
Date of commencement of employment	April 01, 2014	April 01, 1996
Age	48 years	50 years
Previous Employment	Roha Dyechem Private Limited	Roha Dyechem Private Limited
No. of shares in the Company along with his spouse and dependent children	Nil	Nil
Whether relative of Director or employee	Not related	Not related

Sr. No.	9	10
Name	**Sagar Subhash Pathak**	**Jitendra P Chavan**
Designation	Sr Export Executive	Stores Manager
Remuneration paid	₹ 6,00,000/-	₹ 5,99,784/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	TY BSC (Chemistry & Botany) PGDM (Welingkar Mumbai) 9 years	B.Com with an overall experience of 24 years in store-keeping
Date of commencement of employment	April 01, 2011	June 15, 2000
Age	40 years	41 years
Previous Employment	Sun Pharmaceuticals Limited	He was not employed before joining the Company
No. of shares in the Company along with his spouse and dependent children	Nil	Nil
Whether relative of Director or employee	Not related	Not related

For and on behalf of the Board of Directors

Sd/-
Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 12/A, Sommerset House,
Off. Bhulabhai Desai Road,
Warden Road, Sophia College,
Mumbai – 400026

Date: August 12, 2022
Place: Mumbai

Annexure G

Business Responsibility Report (BRR)

The Securities and Exchange Board of India (SEBI) has mandated the requirement of submission of Business Responsibility Report (BRR) for the top 1000 listed entities under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is pleased to present its BRR for 2021-22 based on the suggested framework provided by the SEBI.

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L24110MH1994PLC076156
2. **Name of the Company :** Vidhi Specialty Food Ingredients Limited
3. **Registered address:** E/27 Commerce Center 78, Tardeo Road, Mumbai – 400034
4. **Website:** www.vidhifoodcolors.com
5. **E-mail id:** mitesh.manek@vidhifoodcolors.com
6. **Financial Year reported:** April 1, 2021 to March 31, 2022
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Description
201	Manufacture of chemicals and chemical products

As per National Industrial Classification – Ministry of Statistics and Program Implementation

8. **List three key products / services that the Company manufactures / provides (as in balance sheet):**

   Synthetic food colours, their Lakes and Blends.

9. **Total number of locations where business activity is undertaken by the Company:**

   i. **Number of International Locations:** Nil

   ii. **Number of Key National Locations:** Two (2) – Both in Roha, Maharashtra and Mumbai, Maharashtra.

10. **Markets served by the Company - Local / State / National /International:** All

Section B: Financial Details of the Company as on March 31, 2022

1. **Paid up Capital (INR):** 499.45 Lakhs (excluding INR 0.89 lakh received on forfeited shares which were not reissued)
2. **Total Turnover (INR):** 53,705.46 Lakhs (Including other operating income)
3. **Total profit after taxes (INR):** 5,875.86 Lakhs
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Approx 2.01% of average net profit of previous three financial year calculated as per Section 198 of the Companies Act, 2013 and Approx 1.55% of Profit after Tax for the financial year 2021-22.
5. **List of activities in which expenditure in 4 above has been incurred:** Details have been furnished separately at Annexure C to the Board's Report (Annual Report on CSR activities)

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes, the Company has one wholly owned subsidiary - Arjun Food Colorants Manufacturing Private Limited

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)**

   The Subsidiary Company was not having any business operation during the year under Report. The Company has a code of conduct for Directors and senior management personnel and other in house code of conduct for the employee of the Company. The aforesaid codes are also followed by Arjun Food Colorants Manufacturing Private Limited, the wholly owned subsidiary of the Company.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]:**

   Company's Business Responsibility Policy and code of conducts extend to its wholly owned subsidiary, suppliers, distributors, vendors and other entities that the Company does business with and the said entities adhere to the policies and code of conducts of the Company (to the extent dealing with the Company). The Business Responsibility Policy ("BR Policy") of the Company emphasizes on various parameters like conducting business in ethical manner, compliance with the law of the land, respect for human rights, corruption free business practices and many more. Approximately 30% to 60% of the entities that the Company does business with, participate in the BR initiatives of the Company.

Section D: BR Information

1. **Details of Director/Directors responsible for BR**

   (a) **Details of the Director / Directors responsible for implementation of the BR policy / policies:**

   - DIN: 00650613
   - Name: Mr. Mihir B. Manek
   - Designation: Joint Managing Director

   (b) **Details of the BR head:** Mr. Mihir B. Manek

Sr. No.	Particulars	Details
1.	DIN	00650613
2.	Name	Mr. Mihir B. Manek
3.	Designation	Joint Managing Director
4.	Telephone Number	022 - 61406666 / 23514349
5.	E-mail id	mihirmanek@live.in

2. **Principle-wise (as per NVGs) BR policy / policies:**

   The Company has adopted the BR Policy based on the nine (9) key principles and core elements of National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business ('NVG') issued by the Ministry of Corporate Affairs. BRR is applicable to the Company and its wholly owned subsidiary. This policy is supported by various policies and Guidelines already adopted by the Company:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability; **(P1)**

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle; **(P2)**

Principle 3: Businesses should promote the well-being of all employees; **(P3)**

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized; **(P4)**

Principle 5: Businesses should respect and promote human rights; **(P5)**

Principle 6: Businesses should respect, protect and make efforts to restore the environment; **(P6)**

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner; **(P7)**

Principle 8: Businesses should support inclusive growth and equitable development; **(P8)**

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner; **(P9)**

(a) Details of compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for…	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words) The Company has various policies in place in compliance with the applicable laws, rules, regulations, guidelines, standards, etc. applicable to the Company.	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	**https://vidhifoodcolors.com/investor-relation/codes-policies/** All the policies required to be hosted on the website are available on the aforesaid link.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders? The BR Policy and other relevant policies are uploaded on the website of the Company.	Y	Y	Y	Y	Y	Y	Y	Y	Y

8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

Explanation pertaining to point no. 10 above:

By virtue of SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019, BRR made applicable to the Company w.e.f. 26.12.2019. During the financial year under review, audit/ evaluation has not been carried out. However, Business Responsibility head and CSR committee of the Company have been monitoring the implementation and working of the Business Responsibility Policy of the Company.

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company within 3 months, 3-6 months, Annually, More than 1 year.

BR head supported by the senior officials of the Company, review the implementation of the BR Policy on yearly basis. Corporate Social Responsibility Committee is entrusted to monitor the implementation of the BR Policy and same will be reviewed on a yearly basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company is publishing BRR on yearly basis. The said report is attached as Annexure G to the Board's Report. The same is available in Annual Report tab available on link https://vidhifoodcolors.com/investor-relation/annual-reports/. The first BRR published by the Company for the financial year 2021-22.

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with ethics, transparency and accountability:

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company has adopted the Code of Conduct, ethics and business principles for directors and management personnel and Whistle Blower Policy. The said policies are extended at the group level. The code emphasizes on various parameters like conducting business in ethical manner, compliance with the law of the land, respect for human rights, corruption free business practices and many more. The said Policy cover improper activities/ practices which is indulged in by an employee or an outsider.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the past financial year, no complaint was reported by any stakeholders.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   The Company is engaged in the manufacturing of Synthetic food colours, their Lakes and Blends and is complying with the guidelines issued by Food Security and Standard Authority of India and other applicable regulations as amended from time to time.

2. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The Company has procedure in place for sustainable sourcing including transportation, and Company is aiming to source 100% of the main raw material requirements sustainably.

3. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The Company gives preference to local and small producers/providers of goods and services based near its manufacturing sites. Its managers regularly interact with such producers/providers of goods and services to improve their capacity and capability, particularly in the areas of manufacturing, quality and environment, health and safety standards.

4. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Company has in-house facilities to recycle its waste and is continuously striving to minimise them. At present, it is recycling more than 10% of its waste by way of multiple Effect Evaporator which recycles 80KL per day.

Principle 3: Business should promote the wellbeing of all employees:

1. Please indicate the total number of permanent employees: 67 (as on March 31, 2022)

2. Please indicate the Total number of employees hired on temporary/contractual/casual Basis: 18 (as on March 31, 2022)

3. Please indicate the Number of permanent women employees: 4 (as on March 31, 2022)

4. Please indicate the Number of permanent employees with disabilities: 2

5. Do you have an employee association that is recognized by management: No

6. What percentage of your permanent employees is members of this recognized employee Association?: NA

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year 2021-22 and pending, as on March 31, 2022: Nil

8. What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?

   a) Permanent Employees: 100%

   b) Permanent Women Employees: 100%

   c) Casual/Temporary/Contractual Employees: 100%

   d) Employees with Disabilities: 100%

Principle 4: Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

1. Has the company mapped its internal and external stakeholders? Yes/No

   The Company has mapped its internal and external stakeholders, which includes employees, suppliers, vendors, service providers, investors, Shareholders, etc. Through Annual General Meetings, factory visits, the shareholders get an opportunity to interact with the Directors and Senior Management Team. Through press release and newspaper advertisement, the Company furnishes all the relevant information to all the stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

   The Company continues its commitment to promote education including special education and employment enhancing vocational skills and also to Promoting health care including preventinve health care. The CSR policy of the Company is aligned to promote education and health care in rural areas of Maharashtra.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.:

   Yes, the Company has undertaken various initiatives pertaining to education and employment enhancing vocational skills and health care including preventinve health care in Dhule, Maharashtra through implementing agencies, The Shirpur Education Society and Vardhman Education and Welfare Society, respectively.

Principle 5: Business should respect and promote human rights:

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   The BR Policy and other policies relating to the human rights cover the Company as well as other relevant stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   Grievance redressal mechanism is in place to receive and address the stakeholders' complaints. No complaint has been received from the stakeholders as on March 31, 2022.

Principle 6: Business should respect, protect and make efforts to restore the environment:

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others?

   The policy extends to the Company and its wholly owned subsidiary.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   The Company has strategies for enhancing its own performance related to issues concerning the environment. It has adopted various measures to preserve biodiversity and conservation and striving to imply the same in its manufacturing process as well. The Company has undertaken a solar power project of 2.5 MWp/2MW in Sunbless solar Park in Murtizapur, Akola, Maharashtra which was under process of errection as on March 31, 2022.

3. Does the company identify and assess potential environmental risks?

   The Company has identified potential environmental risks and assess the same time to time. However, the Company has adopted appropriate measures to mitigate them and strives to minimize them.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   No. However, the Company is actively exploring and evaluating opportunities related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The Company regularly undertakes many initiatives related to energy efficiency mainly by way of replacement of existing equipment by modern and energy efficient equipment. The Company has always considered energy and natural resource conservation as a focus area and has been consciously making efforts towards improving the energy performance year after year. The Company has undertaken a solar power project of 2.5 MWp/2MW in Sunbless solar Park in Murtizapur, Akola, Maharashtra which was under process of errection as on March 31, 2022.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   The effluents/emissions/waste generated by the manufacturing facilities of the Company are within the permissible limits given by CPCB/SPCB for 2021-22.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   There were no pending show cause notices as on March 31, 2022.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner:

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   (a). IMC

   (b). CHEMEXIL

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   The Company works with NGOs and other institutions from time to time for advancement or improvement of public good.

Principle 8: Business should support inclusive growth and equitable development:

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Details have been furnished separately at Annexure C to the Board's Report (Annual Report on CSR activities).

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   Programmes/projects have been undertaken through external NGO (implementing agency). Details have been furnished separately at Annexure C to the Board's Report (Annual Report on CSR activities).

3. Have you done any impact assessment of your initiative?

   The CSR Committee regularly review implementation of the projects for which funds were given. However, no formal Impact assessment was carried out.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   Details have been furnished separately in Annexure C to the Board's Report (Annual Report on CSR activities).

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Yes, the Company has internal reporting mechanism followed by regular presentation before the CSR Committee to assess the utilization of CSR contribution. Follow up field visits are also undertaken to drive and monitor the CSR initiatives.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner:

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

   Dedicated e-mail ID has been provided to address any business enquiry, grievances etc. Senior management team promptly and adequately responses to such enquiry, grievances. No Investor/stakeholder complaint is pending for the financial year under review.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   Yes. The Company displays product information on the label as per applicable national and international laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on March 31, 2022? If so, provide details thereof, in about 50 words or so.

   No cases were filed by any stakeholder against the Company for the above reasons.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   No, the Company has not carried out any such survey during the financial year under review.

For and on behalf of the Board of Directors

Sd/-
Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 12/A, Sommerset House,
Off. Bhulabhai Desai Road,
Warden Road, Sophia College,
Mumbai – 400026

Date: August 12, 2022
Place: Mumbai

REPORT ON CORPORATE GOVERNANCE

Vidhi Specialty Food Ingredients Limited ('**VSFIL'** or '**Vidhi'**) is committed to healthy Corporate Governance Practices which strengthens and maintains confidence in the Company, thereby contributing to optimal long-term value creation for shareholders and other stakeholders. The objective of Corporate Governance is to regulate the division of roles between shareholders, the Board and Executive Management more comprehensively than is required by legislation.

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximising stakeholders' value, be its shareholders, employees, suppliers, customers, investors, communities or policy makers. Good Governance practices stem from the culture and mindset of the organization. Your Company considers fair and transparent Corporate Governance as one of its core management tenets. Your Company follows the best governance practices with highest integrity, transparency and accountability.

Pursuant to the provisions of Regulation 34(3) read with Chapter IV and Schedule V and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations'**), a Report on Corporate Governance for the financial year ended March 31, 2022 is furnished below:

(1) VSFIL's Philosophy on Code of Governance:

VSFIL fully subscribes to the principles and spirit of Corporate Governance. The Company has adopted transparency, disclosure, accountability and ethics as its business practices. The Management believes that these principles will enable it to achieve the long-term objectives and goals. As part of its Corporate Governance philosophy, VSFIL focuses its energies in safeguarding the interests of its stakeholders by utilizing its resources for maximum benefits of its stakeholders.

The Company constantly reviews its Corporate Governance policy to not only comply with the business, legal and social framework in which it operates but also to implement the best international practices in that regard.

In compliance with the regulatory requirements and effective implementation of Corporate Governance practices, the Company has adopted the following policies and codes in accordance with the applicable provisions of the Companies Act, 2013 ('**the Act'**) and Listing Regulations:

- Archival Policy
- Board Diversity Policy
- Code of Conduct for Board Members and Senior Management Personnel
- Insider Trading Code
- Corporate Social Responsibility Policy
- Nomination and Remuneration Policy
- Policy for evaluation of the performance of the Board of Directors
- Policy for determination of materiality of events
- Policy for determining material subsidiary
- Policy for preservation of documents
- Policy on related party transactions
- Risk Management Policy

- Vigil Mechanism cum Whistle-Blower Policy
- Business Responsibility Policy
- Dividend Distribution Policy

These policies, codes and their effective implementation re-affirm the commitment of the Company towards putting in place the highest standards of Corporate Governance in every sphere of its operations. The Company's philosophy of Corporate Governance is not only compliant with the statutory requirements but also underlines our commitment to operate in the best interest of the stakeholders.

(2) Board of Directors:

a. Composition and category of Directors and number of other Board of Directors or Committees in which a Director is a Member or Chairperson:

The Company's policy is to have a proper blend of Executive and Non-Executive Directors to maintain independence of the Board and at the same time separate the Board's functions of governance from the Management. In compliance with the Regulation 17 of the Listing Regulations, the Company's Board of Directors headed by its Executive Chairman, Mr. Bipin Madhavji Manek (DIN: 00416441) and comprises of nine other Directors, out of which, five Directors are Independent Directors (including one Woman Independent Director), two Non-Executive Directors consisting of one Woman Director, and two Executive Directors. Detailed profile of our Directors is available on our website at https://vidhifoodcolors.com/investor-relation/directors-committees/#board-of-directors and also given in this Annual Report.

The day-to-day management of the Company is conducted by the Executive Directors subject to the supervision, direction and control of the Board of Directors.

Composition of the Board of Directors as on March 31, 2022 was in accordance with the requirements of Regulation 17 of the Listing Regulations and Companies Act, 2013.

Details relating to the composition of the Board of Directors, number of Directorships in Equity Listed entities, Memberships and Chairmanships of the Directors of the Company in other Public Limited Companies are given in table below. As per Regulation 26(1) of the Listing Regulations, none of the Directors on the Board is the Member of more than 10 Committees and Chairperson of more than 5 Committees across all the Companies in which they are Directors. The same is also evidenced from the table given below:

Name of the Director(s) and their DIN	Designation	Category	No. of other Directorships@	Committee positions#	
				Chairperson	Member
Executive Directors					
Mr. Bipin Madhavji Manek (DIN: 00416441)	Chairman & Managing Director	Promoter	Nil	Nil	Nil
Mr. Mihir Bipin Manek (DIN: 00650613)	Joint Managing Director	Promoter	Nil	Nil	1
Mrs. Vidhi Harsh Parekh (DIN: 07584061)	Whole-time Director	Promoter	Nil	Nil	Nil
Non-Executive Directors					
Mrs. Pravina Bipin Manek (DIN: 00416533)	Non-Executive Woman Director	Promoter	Nil	1	Nil
Mr. Vijay Krishnaswamirao Atre (DIN: 00416853)	Non-Executive Director	Non - Independent	Nil	Nil	Nil

Name of the Director(s) and their DIN	Designation	Category	No. of other Directorships@	Committee positions#	
				Chairperson	Member
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Non-Executive Director	Independent	Nil	Nil	2
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Non-Executive Director	Independent	Nil	1	Nil
Mr. Rahul Chakradhar Berde (DIN: 06981981)	Non-Executive Director	Independent	Nil	Nil	1
Mr. Ashit Kantilal Doshi (DIN: 08486679)	Non-Executive Director	Independent	Nil	Nil	Nil
Mrs. Jyoti Sunil Modi (DIN: 08699101)	Non-Executive Woman Director	Independent	Nil	Nil	Nil

@Directorship in the Companies whose Equity Shares are listed on Stock Exchanges.

#For the purpose of considering the number of other 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, high value debt listed entities and Companies under section 8 of the Act have been excluded. Committee positions considered are only of Audit Committee and Stakeholders' Relationship Committee, including that of the Company.

None of the Directors on the Board as on March 31, 2022 holds Directorships in any other Public Company or Listed Company.

b. Attendance of each of the Directors at the meetings of the Board of Directors held during the financial year under review and at the last Annual General Meeting (AGM) are as follows:

Name of Directors	10.06.21	05.08.21	25.08.21	08.11.21	10.02.22	Previous AGM (28.09.21)
Mr. Bipin Madhavji Manek (DIN: 00416441)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mihir Bipin Manek (DIN: 00650613)	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Vidhi Harsh Parekh (DIN: 07584061)	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Pravina Bipin Manek (DIN: 00416533)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Vijay Krishnaswamirao Atre (DIN: 00416853)	No	Yes	No	No	Yes	Yes
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Rahul Chakradhar Berde (DIN: 06981981)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashit Kantilal Doshi (DIN: 08486679)	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Jyoti Sunil Modi (DIN: 08699101)	Yes	Yes	Yes	Yes	Yes	Yes

c. Number and dates of meetings of the Board of Directors held and date of the last AGM held:

5 (Five) Board Meetings were held during the financial year under review, on June 10, 2021, August 05, 2021, August 25, 2021, November 08, 2021 and February 10, 2022.

The Twenty-Eighth Annual General Meeting was held on September 28, 2021.

d. Disclosure of relationships between Directors inter-se:

Mr. Bipin Madhavji Manek (DIN: 00416441), Mrs. Pravina Bipin Manek (DIN: 00416533), Mr. Mihir Bipin Manek (DIN: 00650613) and Mrs. Vidhi Harsh Parekh (DIN: 07584061), Directors of the Company, are related with each other (inter-se) within the meaning of the Listing Regulations.

None of the Independent Directors of the Company has any material pecuniary relationships or transactions with the Company, its Promoters, its Directors or its Senior Management which may affect their independence.

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.

e. Number of shares of the Company held by Non- Executive Directors as on March 31, 2022:

Sr. No.	Name of Director	No. of Shares held	% of Shareholding
1.	Mrs. Pravina Bipin Manek (DIN: 00416533)*	34,90,667	6.99
2.	Mr. Vijay Krishnaswamirao Atre (DIN: 00416853)	25,000	0.05
3.	Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Nil	N.A.
4.	Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)#	Nil	N.A.
5.	Mr. Rahul Chakradhar Berde (DIN: 06981981)	Nil	N.A.
6.	Mr. Ashit Kantilal Doshi (DIN: 08486679)	Nil	N.A.
7.	Mrs. Jyoti Sunil Modi (DIN: 08699101)	Nil	N.A.

*In addition to holding shares in her individual capacity, she is one of the Trustees for three Private Trusts which are holding in aggregate 52.06% of total Voting Power in the Company.

#He holds 1,000 Equity Shares of the Company jointly with Mrs. Bhavna Niren Desai (first holder).

The Company has not issued any convertible instruments.

f. Weblink where details of familiarization programmes imparted to Independent Directors is disclosed:

The Company at its various meetings held during the financial year 2021-22 has familiarized the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarise them with the Company's policies, procedures and practices.

Quarterly updates on relevant statutory changes and judicial pronouncements encompassing important amendments are briefed to the Directors. The details of such Familiarization Programmes for Independent Directors are disclosed on the website of the Company at following link:

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/5.%20Familiarization%20Programme%20of%20Independent%20Directors.pdf

g. Matrix setting out the core skills/expertise/competence of the Board of Directors:

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

1. Leadership
2. Industrial Knowledge
3. Corporate Strategy & Business Development
4. Human Resources / Industrial Relations
5. Finance, Accounting & Taxation
6. Technical expertise
7. Quality Assurance
8. Risk Management & Mitigation

Name of Directors	Skill							
	Leadership	Industrial Knowledge	Corporate Strategy & Business Development	HR/ Industrial Relations	Finance, Accounting & Taxation	Technical expertise	Quality Assurance	Risk Management & Mitigation
Mr. Bipin Madhavji Manek (DIN: 00416441)	√	√	√	√	√	√	√	√
Mr. Mihir Bipin Manek (DIN: 00650613)	√	√	√	√	√	√	√	√
Mrs. Pravina Bipin Manek (DIN: 00416533)	√	–	–	√	–	–	–	√
Mr. Vijay Krishnaswamirao Atre (DIN: 00416853)	√	√	–	–	–	√	√	√
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	–	–	√	√	√	–	–	√
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	√	–	√	√	√	–	–	√
Mr. Rahul Chakradhar Berde (DIN: 06981981)	√	√	–	–	√	√	√	√
Mr. Ashit Kantilal Doshi (DIN: 08486679)	–	–	√	–	√	–	–	√
Mrs. Jyoti Sunil Modi (DIN: 08699101)	√	–	√	√	–	–	–	√
Mrs. Vidhi Harsh Parekh (DIN: 07584061)	√	√	-	√	√	-	–	√

h. Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are independent of the Management:

As per the declaration received from Independent Directors, all Independent Director's meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations. None of the Independent Directors of the Company serve as an Independent Director in any Listed Company and none of the Executive Directors are Independent Directors of any

Listed Company. The Board confirms that the Independent Directors fulfill the conditions specified in Listing Regulations and that they are Independent of the Management.

i. Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his /her tenure along with a confirmation by such Director that there are no other material reasons other than those provided:

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

j. Code of Conduct:

The Board of Directors has laid down a 'Code of Conduct' for all the Board Members and Senior Management Personnel of the Company. The 'Code of Conduct' has also been posted on the website of the Company and all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2021-22.

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/3.%20Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management%20Personnel.pdf

Declaration by the Chairman & Managing Director as per Clause D of Schedule V of the Listing Regulations regarding adherence to the Code of Conduct is forming part of the Report on Corporate Governance.

k. A Certificate as stipulated under regulation 17(8) of the Listing Regulations was placed before the Board of Directors and is also forming part of the report on Corporate Governance.

(3) Audit Committee:

a. Composition, Names of the Chairperson and Members of the Committee, meetings of the Committee held and attendance details:

The composition of the Audit Committee as on March 31, 2022 as well as details of meetings of Audit Committee held and attended by each Member during the financial year 2021-22 is as follows:

Name	Designation	Category	Numbers of Meetings	
			Held	Attended
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Chairman	Non-Executive, Independent	4	4
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Member	Non-Executive, Independent	4	4
Mr. Mihir Bipin Manek (DIN: 00650613)	Member	Executive	4	4

The Members of the Audit Committee met 4 (four) times during the financial year 2021-22 on June 10, 2021, August 05, 2021, November 08, 2021 and February 10, 2022. The highlights of each of the Audit Committee Meetings were informed to the Board of Directors and discussed in the Board Meeting. All the recommendations made by the Audit Committee during the financial year were accepted by the Board.

Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382), Chairman of the Audit Committee, was present at the last Annual General Meeting held on Tuesday, September 28, 2021 to answer the queries of the shareholders.

All the Members of the Audit Committee are financially literate and have relevant accounting and financial management expertise as required under the Act and Regulation 18 of the Listing Regulations. During the year 2021-22, Mr. Awdhesh Kumar Pandey (Membership No. A60501), Company Secretary, acted as the Secretary of the Audit Committee till the closing hours of May 12, 2021 and Ms. Priyanka Suresh Soni (Membership No. A63701), Company Secretary, acted as the Secretary of the Audit Committee w.e.f. November 08, 2021 till March 31, 2022.

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to monitor transaction with Related Parties, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting and its compliance with the legal and regulatory requirements. The Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditors and the Statutory Auditors and notes the processes and safeguards employed by each of them.

The terms of reference, role, powers, rights, authority and obligations of the Audit Committee are in conformity with the applicable provisions of the Act and Listing Regulations (including any statutory modification(s) or re-enactment(s) or amendment(s) thereof).

b. Brief description of terms of reference inter-alia **includes:**

- to recommend to the Board of Directors (Board) all appointments, including the filling of a casual vacancy of an auditor under Section 139 of the Act,
- to approve other services which auditors can provide to the Company,
- to recommend the appointment, remuneration and terms of appointment of auditors of the Company,
- to review and monitor the auditor's independence and performance, and effectiveness of audit process,
- examination of the financial statement and the auditors' report thereon,
- approval or any subsequent modification of transactions of the Company with related parties including granting omnibus approval for related party transactions,
- scrutiny of inter-corporate loans and investments,
- valuation of undertakings or assets of the Company, wherever it is necessary,
- evaluation of internal financial controls and risk management systems,
- monitoring the end use of funds raised through public offers and related matters,
- may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company,
- authority to investigate into any matter in relation to aforesaid items or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company,
- oversee the vigil mechanism and to ensure that the vigil mechanism shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct

access to the Chairperson of the Audit Committee in appropriate or exceptional cases and in case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand,

- to formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor,
- to take into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as an auditor and whether such qualifications and experience are commensurate with the size and requirements of the Company, provided that while considering the appointment, the Audit Committee shall have regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court,
- may call for such other information from the proposed auditor as it may deem fit,
- to recommend the name of an individual or a firm as auditor to the Board for consideration,
- may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Company. The finance director, internal auditor and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee,
- 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,
- approval of payment to statutory auditors for any other services rendered by the statutory auditors,
- reviewing, with the management, the annual financial statements and auditor's report thereon 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 Section 134(3)(c) of the Act,

  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, and

  g. modified opinion(s) in the draft audit report

- reviewing, with the management, the quarterly financial statements before submission to the Board for approval,
- reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/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 this matter,

- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems,
- reviewing the adequacy of internal audit function and frequency of internal audit,
- discussion with internal auditors of 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 a 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 review the functioning of the whistle blower/vigil mechanism,
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate,
- monitoring and reviewing the statement of deviation(s) or variation(s) as per Regulation 32 of the Listing Regulations,
- carrying out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/regulatory authorities,
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision, and
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations,
- Management letters/letters of internal control weaknesses issued by the statutory auditors,
- Internal audit reports relating to internal control weaknesses,
- The appointment, removal and terms of remuneration of the chief internal auditor, and
- Statement of deviations:

    a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1), and

    b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

Powers of Audit Committee inter-alia **includes:**

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

(4) Nomination and Remuneration Committee:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Act and the Listing Regulations, as amended from time to time, the scope and the terms of reference of the Nomination and Remuneration Committee have been defined. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Act and the Listing Regulations.

a) Composition, Names of the Chairperson and Members of the Committee, meetings of the Committee held and attendance details:

The composition of the Nomination and Remuneration Committee as on March 31, 2022 as well as details of meeting of Nomination and Remuneration Committee held and attended by each Member during the financial year 2021-22 are as follows:

Name	Designation	Category	Numbers of Meetings	
			Held	Attended
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Chairman	Non-Executive, Independent	2	2
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Member	Non-Executive, Independent	2	2
Mrs. Pravina Bipin Manek (DIN: 00416533)	Member	Non-Executive, Promoter	2	2

The Members of the Committee met twice during the financial year 2021-22 on June 10, 2021, and November 08, 2021.

Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382), the Chairman of the Nomination and Remuneration Committee, was present at the last Annual General Meeting held on Tuesday, September 28, 2021 to answer the queries of the shareholders.

The purpose of this Committee is to screen and to review individuals qualified to serve as Executive Directors, Non-Executive Directors, Independent Directors and Key Managerial Personnel and remuneration to be paid to them in accordance with the Nomination and Remuneration Policy of the Company and recommend to the Board for its approval. The Committee makes recommendations to the Board on candidates for –

i. nomination for election or re-election by the shareholders; and

ii. any board vacancies that are to be filled.

It may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Management or the Chairman of the Company. It reviews and discusses all matters pertaining to candidates and evaluates the candidates as Director or Key Managerial Personnel. The Nomination and Remuneration Committee provides the manner in which the annual evaluation of the Board, its Committee and of individual Directors to be done and co-ordinates and oversees the process.

b) Brief description of terms of reference includes:

- 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 to 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,
- while formulating the policy as aforesaid, to ensure that:
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully,
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
  - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals, provided that such policy shall be disclosed in the Board's Report.
- 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 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,
- formulation of criteria for evaluation of independent directors and the Board of Directors,
- devising a policy on diversity of the Board of Directors,
- whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent director,
- aligning key executive and board remuneration with the longer term interests of the Company and its shareholders,
- ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender, and
- to carry out any other functions as authorized by the Board from time to time or as enforced by statutory/regulatory authorities.

c) Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Policy of the Company showcase the appointment criteria and remuneration payable to the Directors of the Company. The remuneration paid to the Directors is broadly based on the criteria such as his/her qualification, experience, profile and his/her performance. The detailed procedure of performance evaluation is provided under Point No. 9 of the Board's Report.

The criterion for evaluation of performance of Independent Directors inter-alia includes:

- highest Personal and Professional ethics, integrity and values,
- inquisitive and objective perspective, practical wisdom and mature judgment,
- demonstrated intelligence, maturity, wisdom and independent judgment,
- self-confidence to contribute to Board deliberations and stature such that other board members will respect his or her view,
- the willingness and commitment to devote the extensive time necessary to fulfill his/her duties,
- the ability to communicate effectively and collaborate with other Board Members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including willingness to listen and respect the views of others,
- the skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable Company or organization, including but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing,
- commitment, including guidance provided to the Senior Management outside of Board/Committee Meetings,
- effective deployment of knowledge and expertise,
- independence of behavior and judgment, and
- maintenance of confidentiality of critical issues.

(5) Remuneration of Directors:

(a) Pecuniary relationship or transactions of the Non–Executive Directors vis-à-vis the Company:

During the year under review, the Company had paid ₹ 6,00,000/- to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853), Non-executive Director, as remuneration by way of Commission.

On recommendation of Nomination and Remuneration Committee, the Board of Directors, in their meeting held on November 08, 2021 approved to increase remuneration of Mr. Vijay Krishnaswamirao Atre (DIN: 00416853), Non-executive Director, from existing ₹ 6,00,000/- p.a. (Rupees Six Lakh Only) to ₹ 7,20,000/- p.a. (Rupees Seven Lakh Twenty Thousand Only) w.e.f. April 01, 2022, subject to approval of the Members in the ensuing Annual General Meeting.

The Independent Directors were given sitting fees for attending meetings of the Board in which financial statements/results are discussed, as approved by the Board. Also, Mrs. Pravina Bipin Manek (DIN: 00416533) was paid Guarantee Commission for guarantee given by her for securing loan taken by the

Company from Banks. Mrs. Pravina Bipin Manek (DIN: 00416533) had received ₹ 45,00,000/- (Rupees Forty Five Lakh only) as Guarantee Commission.

The above payments made to Non-Executive Directors were approved by the Shareholders. Apart from mentioned above, the Non-Executive Directors were not paid any remuneration.

Mrs. Pravina Bipin Manek (DIN: 00416533) is one of the Promoters of the Company and Mr. Bipin Madhavji Manek (DIN: 00416441), Chairman and Managing Director, Mr. Mihir Bipin Manek (DIN: 00650613), Joint Managing Director of the Company and Mrs. Vidhi Harsh Parekh (DIN: 07584061), Whole-time Director of the Company, are her relatives. No other Non-Executive Directors are inter-se related to each other.

(b) Criteria for making payments to Non-Executive Directors:

Criteria for making payments to Non-Executive Directors are given in the Nomination and Remuneration Policy and same is placed on the website of the Company at the link

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/7.%20Nomination%20and%20Remuneration%20Policy.pdf

(c) Disclosures with respect to remuneration:

(i) Details of remuneration paid to the Executive Directors for the financial year 2021-22 are as given below:

Name of Directors	Amount in ₹			Contract period	Notice period
	Salary	Commission	Total		
Mr. Bipin Madhavji Manek (DIN: 00416441), Chairman and Managing Director	60,00,000	2,00,00,000	2,60,00,000	From 01.11.2017 till 31.10.2022	Three Calendar months
Mr. Mihir Bipin Manek (DIN: 00650613), Joint Managing Director	60,00,000	2,00,00,000	2,60,00,000	From 15.07.2020 till 14.07.2025	Three Calendar months
Mrs. Vidhi Harsh Parekh (DIN: 07584061), Whole-time Director	12,00,000	Nil	12,00,000	From 01.11.2020 till 31.10.2025	Two Months
Total	**1,32,00,000**	**4,00,00,000**	**5,32,00,000**		

Notes:

- The above figures exclude provisions for contribution to Provident Funds/Gratuity Fund.
- Appointment, terms, conditions and payment of remuneration to the Managing Director and Joint Managing Director is governed by the resolution(s) passed by the Nomination & Remuneration Committee, Board of Directors and Members of the Company.
- Mr. Bipin Madhavji Manek (DIN: 00416441) is holding 26,10,333 Equity Shares of the Company constituting 5.23% of total voting power. He is one of the Trustees for three Private Trusts which are holding in aggregate 52.06% of total Voting Power in the Company. Further, Mr. Mihir Bipin Manek (DIN: 00650613) is one of the Trustees for two Private Trusts which are holding in aggregate 49.06% of total Voting Power in the Company.

- Mrs. Vidhi Harsh Parekh (DIN: 07584061) does not hold any share in the Company as on the date of this Report.
- The Company does not have any employees' stock option scheme.
- The period of office of Mr. Bipin Madhavji Manek (DIN: 00416441), Chairman and Managing Director, shall not be liable to retirement by rotation whereas, the period of office of Mr. Mihir Bipin Manek (DIN: 00650613), Joint Managing Director, and Mrs. Vidhi Harsh Parekh (DIN: 07584061), Whole-time Director, shall be liable to retirement by rotation.
- Mr. Bipin Madhavji Manek (DIN: 00416441) was also paid ₹ 45,00,000/- as Guarantee Commission for guarantee given by him for securing loan taken by the Company from Banks.

(ii) The details of Remuneration paid to the Non-Executive Directors during the financial year 2021-22 are as given below:

Name of Directors					**Amount in ₹**
	Sitting fees	**Commission**	**Salary**	**Others**	**Total**
Mr. Vijay Krishnaswamirao Atre# (DIN: 00416853)	0	6,00,000	0	0	6,00,000
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	50,000	0	0	0	50,000
Mr. Ashit Kantilal Doshi (DIN: 08486679)	50,000	0	0	0	50,000
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	50,000	0	0	0	50,000
Mr. Rahul Chakradhar Berde (DIN: 06981981)	50,000	0	0	0	50,000
Mrs. Pravina Bipin Manek* (DIN: 00416533)	0	0	0	0	0
Mrs. Jyoti Sunil Modi (DIN: 08699101)	50,000@	0	0	0	50,000
Total	**2,50,000**	**6,00,000**	**0**	**0**	**8,50,000**

#Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) has received ₹ 6,00,000/- remuneration by way of Commission.

*Mrs. Pravina Bipin Manek (DIN: 00416533) was paid ₹ 45,00,000/- as Guarantee Commission for guarantee given by her for securing loan taken by the Company from Banks.

@Mrs. Jyoti Sunil Modi (DIN: 08699101) had attended four Board Meetings during the financial year, in which financial statements/results were discussed, and was entitled to sitting fees of ₹ 50,000/-. However, during the FY 2021-22, she was paid sitting fees of ₹ 25,000/- and the remaining ₹ 25,000/- was paid after the end of the financial year.

Independent Directors are not liable to retire by rotation under the Act. The Company does not have any employees' stock option scheme.

(6) Stakeholders' Relationship Committee:

The Company has always valued its investors' and stakeholders' relationships. In order to ensure the proper and speedy redressal of stakeholders' grievances, the Stakeholders' Relationship Committee is constituted. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Act and the Listing Regulations.

a) Composition, Names of the Chairperson and Members of the Committee, meetings of the Committee held and attendance details:

The composition of the Stakeholders' Relationship Committee as on March 31, 2022 as well as details of meeting of Stakeholders' Relationship Committee attended by each Member during the financial year 2021-22 is as follows:

Name	Designation	Category	Numbers of Meetings	
			Held	Attended
Mrs. Pravina Bipin Manek (DIN: 00416533)	Chairperson	Non-Executive, Promoter	4	4
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Member	Non-Executive, Independent	4	4
Mr. Rahul Chakradhar Berde (DIN: 06981981)	Member	Non-Executive, Independent	4	4

During the financial year under review, the Committee met 4 (four) times, i.e. on June 10, 2021, August 05, 2021, November 08, 2021 and February 10, 2022.

The role of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, non receipt of Annual Reports and such other grievances as may be raised by the security holders from time to time.

b) Name and designation of Compliance Officer:

Mr. Awdhesh Kumar Pandey (Mem No. A60501), Company Secretary, was the Compliance Officer of the Company till closing hours of May 12, 2021 and Ms. Priyanka Suresh Soni (Mem No. A63701), Company Secretary, was the Compliance Officer of the Company w.e.f. November 08, 2021. The Compliance Officer has been entrusted the task of overseeing the share transfer, transmission, splitting and consolidation of shares and issue of duplicate share certificates done by the R & TA and attending to grievances of the Shareholders/Investors intimated to the Company directly by the SEBI.

c) Details of the Shareholders' Complaints:

No. of pending complaints as on April 1, 2021	0
Number of Shareholders' complaints received during the financial year 2021-22	0
Number of complaints not resolved to the satisfaction of Shareholders as on March 31, 2022	0
No. of pending complaints as on March 31, 2022	0

All Share transfers and correspondence thereon are handled by the Company's R & TA viz. M/s. Link Intime India Private Limited having Registered Office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.

d) Brief description of terms of reference:

The terms of reference of Committee inter-alia includes:

- to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc.,
- to supervise the process relating to transfer, transmission, transposition, split, consolidation of securities,
- to issue the duplicate share certificate(s) and supervise the process,
- to supervise the process relating to consider re-materialization/de-materialization requests,
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- to implement and monitor the Company's Code of Conduct for Prohibition of Insider Trading in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended,
- to make recommendations to improve service levels for stakeholders, and
- to carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory authorities.

(7) Risk Management Committee:

During the year the Board of Directors of the Company in its meeting held on June 10, 2021 has constituted a Risk Management Committee ('**RMC**') for framing, implementing and monitoring the Risk Management Policy of the Company. The RMC assists the Board in fulfilling its oversight responsibility with respect to Enterprise Risk Management.

(a) Composition, Names of the Chairperson and Members of the Committee, meetings of the Committee held and attendance details:

The composition of the Risk Management Committee as on March 31, 2022 as well as details of meeting of Risk Management Committee attended by each Member during the financial year 2021-22 is as follows:

Name	Designation	Category	Numbers of Meetings	
			Held	Attended
Mrs. Jyoti Sunil Modi (DIN: 08699101)	Chairperson	Non-Executive, Independent	2	2
Mr. Mihir Bipin Manek (DIN: 00650613)	Member	Executive, Promoter	2	2
Mr. Mitesh Manek	Member	Chief Financial Officer	2	2

During the financial year under review, the Committee met 2 (two) times, i.e. on August 05, 2021 and January 14, 2022.

(b) Brief description of terms of reference:

The Risk Management Committee is constituted in line with the provisions of Regulation 21 of the Listing Regulations. The brief terms of reference of the Committee is to formulate, monitor and review risk management policy and plan, inter alia, covering investment of surplus funds, management of foreign exchange risks, cyber security risks, data privacy risks and other risks associated to the Company.

The terms of reference or Role of the RMC are as follows:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(8) General Body Meetings:

a) Annual General Meetings:

Details of the date, location and time, where last three Annual General Meetings (AGMs) held and the special resolutions passed thereat are as follows:

Year, date and time	Location	Special Resolution(s) passed
FY 2020-21 28th AGM held on Tuesday, September 28, 2021 at 03:30 p.m.	Held through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) which was deemed to be held at the Registered Office of the Company viz. E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400 034	1. To approve the payment of remuneration to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as Non-Executive Director of the Company which may exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors. 2. To approve the aggregate annual remuneration payable to the Promoter-Executive Directors / Members of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.

Year, date and time	Location	Special Resolution(s) passed
FY 2019-20 27th AGM held on Tuesday, September 29, 2020 at 03:30 p.m.	Held through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) which was deemed to be held at the Registered Office of the Company viz. E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400 034	1. To approve the payment of remuneration to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as Non-Executive Director of the Company which may exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors. 2. To approve the aggregate annual remuneration payable to the Promoter-Executive Directors / Members of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.
FY 2018-19 26th AGM held on Monday, September 23, 2019 at 03:30 p.m.	The Victoria Memorial School for Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400034	1. To re-appoint Mr. Prafulchandra Anantlal Shah (DIN: 00417022) as an Independent Director for a second term of 5 (five) consecutive years. 2. To re-appoint Mr. Niren Dinkerrai Desai (DIN: 01978382) as an Independent Director for a second term of 5 (five) consecutive years. 3. To re-appoint Mr. Rahul Chakradhar Berde (DIN: 06981981) as an Independent Director for a second term of 5 (five) consecutive years. 4. To approve the payment of remuneration to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as Non-Executive Director of the Company which may exceeds fifty per cent of the total annual remuneration payable to all Non Executive Directors. 5. To approve the aggregate annual remuneration payable to the Promoter-Executive Directors/ Members of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.

b) Special Resolutions passed through Postal Ballot:

During the financial year 2021-22, no approval of the shareholders was taken through Postal Ballot.

c) Person who conducted the aforesaid postal ballot exercise: Not Applicable

d) Whether any special resolution is proposed to be conducted through postal ballot: No

e) Procedure for postal ballot:

The Company will comply with the requirements relating to the postal ballot process as and when such matter arises requiring approval of the Members by such process as provided u/s 108 and 110 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 44 of the Listing Regulations, including any statutory modification or re-enactment thereof for the time being in force.

(9) Means of Communication:

a) Quarterly results:

Quarterly/Half yearly/Annual results are regularly submitted to the Stock Exchanges, where the securities of the Company are listed, immediately after the approval of the Board pursuant to the Listing Regulations' requirements and are published in the newspapers.

The financial results are displayed on the Company's website i.e. https://vidhifoodcolors.com/investor-relation/financial-results/

The financial results are submitted and disseminated on the website of BSE Limited as well as National Stock Exchange of India Limited, Stock Exchanges where securities of the Company are listed.

b) Newspapers wherein results normally published:

The quarterly, half-yearly and annual results of the Company during the financial year 2021-22 were normally published in the newspapers, viz. Business Standard (English) and Mumbai Lakshadeep (Marathi, the regional language).

c) Any Website, where displayed:

https://vidhifoodcolors.com/investor-relation/investor-contact/

d) Whether Website also displays official news releases:

The Company has maintained a functional website https://vidhifoodcolors.com/ containing basic information about the Company e.g. details of its business, Directors and also other details as per the requirements of the Listing Regulations and the Act like financial information, shareholding pattern, codes, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The said website also displays official news releases.

e) Presentations made to institutional investors or to the analysts:

The Investor Presentation on quarterly results are published on website of the Company and the website of the Stock Exchanges. Quarterly results, regulatory filings, transcripts of earnings call, Investor Relations presentations and schedules of analyst and investor interactions are available at https://vidhifoodcolors.com/investor-relation/announcements/

(10) General Shareholder Information:

a) Annual General Meeting (AGM):

Day, date and time : Friday, September 30, 2022 at 03:30 p.m. (IST)
Venue : Meeting through Video Conferencing/Other Audio Visual Means

b) Financial year : April 1, 2021 to March 31, 2022

c) Date of Book Closure and Dividend Payment Date:

The Dividend, if declared at the AGM, would be paid/dispatched on/after Friday, September 30, 2022 and within thirty days from the date of declaration of dividend. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 24, 2022 to Friday, September 30,

2022, both days inclusive, for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for final dividend on Equity Shares, if declared at the AGM.

d) Name and address of stock exchanges at which the Company's securities are listed and confirmation about payment of annual listing fees to each of stock exchanges:

The Company's Equity Shares are listed on the **BSE Ltd**. **(BSE)** - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and **National Stock Exchange of India Limited (NSE)** - Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. The Company has paid the applicable annual listing fees to BSE and NSE for the financial year 2021-22 within the stipulated time.

e) Stock code:

BSE Scrip Code	531717
NSE Trading Symbol	VIDHIING
ISIN Number for NSDL & CDSL	INE632C01026

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

The performance of the Equity Shares of the Company on BSE and NSE depicting the liquidity of the Company's Equity Shares for the financial year ended on March 31, 2022, on the said exchanges, is as follows:

Stock Market data – BSE

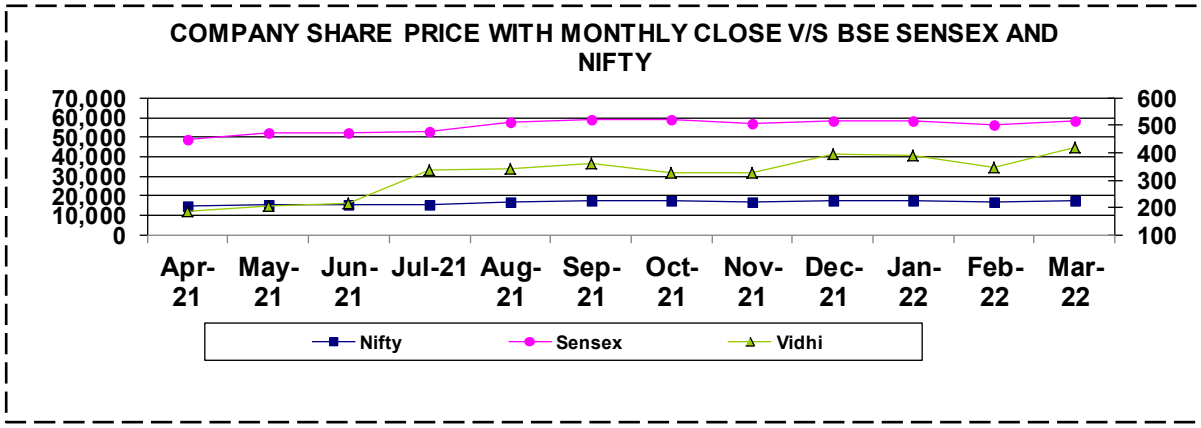
Month	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	Total Turnover (₹)
April, 2021	217.70	218.00	174.20	186.60	4,43,991	8,65,59,807
May, 2021	175.15	237.40	175.15	204.80	5,44,139	11,46,01,327
June, 2021	206.50	232.75	184.80	217.55	6,66,749	14,47,53,516
July, 2021	217.65	335.80	212.00	335.40	11,13,499	29,98,61,369
August, 2021	342.10	384.00	281.05	339.65	11,89,784	40,58,80,083
September, 2021	342.10	400.20	332.50	363.20	7,98,660	29,52,88,394
October, 2021	368.65	415.90	322.50	325.20	5,45,435	20,71,08,829
November, 2021	320.15	376.15	305.00	324.75	1,61,798	5,51,42,204
December, 2021	316.00	399.00	316.00	395.70	1,94,268	7,14,27,217
January, 2022	399.00	444.15	382.00	388.75	2,22,692	9,14,70,660
February, 2022	389.05	429.50	331.00	346.30	1,23,612	4,76,37,301
March, 2022	344.05	436.40	340.00	417.90	1,30,727	5,27,96,971

Stock Market data – NSE

Month	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	Total Turnover (₹)
April, 2021	215.00	215.90	172.00	186.35	25,48,530	50,04,97,438
May, 2021	186.00	237.50	185.05	205.15	39,99,769	84,86,17,346
June, 2021	207.35	233.00	171.20	217.20	46,27,142	1,00,48,24,364
July, 2021	218.15	335.80	216.35	335.05	87,86,510	2,39,77,90,585
August, 2021	343.50	384.70	280.00	340.10	65,55,890	2,24,83,20,000
September, 2021	342.00	401.00	332.10	362.90	56,25,867	2,07,77,00,781
October, 2021	363.85	416.00	325.00	326.15	31,49,967	1,20,55,13,174
November, 2021	327.15	376.00	301.10	324.70	12,61,198	43,09,85,402
December, 2021	334.00	399.15	324.50	395.35	14,84,904	54,73,65,230
January, 2022	398.00	444.40	382.10	389.80	16,26,336	66,98,25,363
February, 2022	390.00	430.00	336.10	346.20	7,87,535	30,25,95,753
March, 2022	347.90	435.00	340.00	416.90	10,55,585	42,79,91,763

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

g) Performance in comparison to broad-based indices:



h) In case the securities are suspended from trading, reason thereof:

Not applicable, since the securities of the Company have not been suspended from trading.

i) Registrar and Share Transfer Agents (R & TA):

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083
Tel: 022- 28515644/5606 Fax: 022- 28512885

j) Share Transfer System:

The Board of Directors of the Company, in order to expedite the process, has delegated the power of approving transfer, transmission, etc. of the securities of the Company to the R & TA. Securities lodged

for transmission, etc. are normally processed within the stipulated time as specified under the Listing Regulations and applicable provisions of the Act. The Company has obtained certificates on yearly basis from the Practicing Company Secretary, certifying due compliance with the formalities of share transfer as required under Regulation 40 of the Listing Regulations and submitted a copy of the Certificate to the Stock Exchanges where the securities of the Company are listed.

Securities of the Company can be transferred only in dematerialized form w.e.f. April 1, 2019. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 mandated all listed companies to issue securities in dematerialized form only while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the RTA of the Company, for assistance in this regard.

Also, share transactions in electronic form can be effected in a much simpler and faster manner. Transfers, Transmission, etc. of equity shares in electronic form are effected through the depositories with no involvement of the Company.

k) Distribution of shareholding as on March 31, 2022:

No. of Equity Shares held	No. of Members*	% of Members	Total Shares	% of shares
1 - 5000	20575	97.87	51,59,381	10.33
5001 – 10000	203	0.97	14,83,042	2.97
10001 - 20000	109	0.52	16,11,869	3.23
20001 - 30000	47	0.22	11,81,480	2.37
30001 - 40000	22	0.11	7,76,641	1.55
40001 - 50000	13	0.06	5,85,133	1.17
50001 - 100000	24	0.11	16,54,179	3.31
100001 & Above	29	0.14	3,74,93,275	75.07
Total	**21,022**	**100.00**	**4,99,45,000**	**100.00**

*Based on number of Folio/Client and DP-ID

l) Shareholding pattern of the Company as on March 31, 2022:

Category Code	Category of the Shareholder	Number of Shareholders*	Total Number of Shares	Total Share-holding as a % of total number of shares
[A]	**Shareholding of Promoter & Promoter Group**			
(1)	Indian (Individuals)	2	61,01,000	12.22
(2)	Any Other (Trust)	3	2,60,00,000	52.06
	Total Shareholding of Promoter and Promoter Group	**5**	**3,21,01,000**	**64.27**

Category Code	Category of the Shareholder	Number of Shareholders*	Total Number of Shares	Total Share-holding as a % of total number of shares
[B]	**Public Shareholding**			
(1)	Institutions	7	1,83,890	0.37
(2)	Non-Institutions	20,614	1,76,60,110	35.36
	Total Public Shareholding	**20,621**	**1,78,44,000**	**35.73**
[C]	**Shares held by Custodians and against which Depository Receipts have been issued**	0	0	0.00
	GRAND TOTAL [A]+[B]+[C]	**20,626**	**4,99,45,000**	**100.00**

*Based on PAN

As on March 31, 2022 none of the Promoter or Member of the Promoter's Group of the Company has pledged any shares of the Company.

m) Dematerialization of Shares and liquidity:

The Company's Shares are tradable compulsorily in electronic form. The Equity 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).

As on March 31, 2022, 99.48% of the total Subscribed and Fully Paid-up Equity Share Capital comprising of 4,96,84,890 Equity shares of the Company are in dematerialized form.

All the shares of the Company held by the Promoter or Promoter Group were held in Demat form.

n) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on Equity:

Not Applicable as there were no outstanding ADRs or GDRs, Warrants or any Convertible Instruments as on the date of this Report.

o) Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

p) Plant Location:

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

Factory II:
Plot No. 68, M.I.D.C. Dhatav - Roha,
Dist. Raigad, Maharashtra – 402 116

q) Address for correspondence:

(i) Registered Office:

Vidhi Specialty Food Ingredients Limited
E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400034
Tel.: 022-6140 6666 Fax: 022-2352 1980

(ii) For queries on Annual Report or investors' assistance:

Ms. Priyanka Suresh Soni,
Company Secretary and Compliance Officer
Vidhi Specialty Food Ingredients Limited
E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034

Investors can register their complaints/ grievances at the Company's e-mail id: vdmlcs@hotmail.com

The aforesaid e-mail id and other relevant details have been displayed on the website of the Company i.e. https://vidhifoodcolors.com/

(iii) For share transfer/dematerialisation of shares/other queries relating to the securities (Registrar & Share Transfer Agents):

Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083,
Tel: 022- 2249186270 Fax: 022- 2249186060
Website: www.linkintime.co.in
E-mail: rnt.helpdesk@linkintime.co.in

The aforesaid e-mail id and other relevant details have been displayed on the website of the Company at https://vidhifoodcolors.com/investor-relation/investor-contact/

r) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad: There was no debt instruments issued by the Company or any fixed deposit scheme announced by the Company. The Company has obtained credit rating of secured loan taken from Bank and financial institutions.

As at the financial year ended March 31, 2022, the Company had Long Term Rating of CRISIL BBB+/ Positive and Short Term Rating of CRISIL A2 on Bank Loan facilities

(11) Other Disclosures:

a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

During the financial year under review, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. The related party transactions are entered into by the Company are based on business exigencies and are intended to further the Company's interests.

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

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years and no penalties and/or strictures have been imposed on the Company in this regard. However, there were following departure from compliance of Listing Regulations:

- Mr. Awdhesh Pandey, Company Secretary and Compliance Officer of the Company had resigned w.e.f. closing working hour of May 12, 2021. The Company has appointed Ms. Priyanka Suresh Soni, Company Secretary, as Compliance Officer of the Company w.e.f. November 08, 2021. Hence, there was no Compliance Officer during the period from closure of working hour of May 12, 2021 till November 07, 2021.
- There was a delay in obtaining D&O insurance which was effective from March 28, 2022.

c) Details of establishment of Vigil Mechanism/ Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company has a Vigil Mechanism /Whistle Blower Policy in place, details of which have been furnished in the Board's Report. The Board of Directors affirms that no personnel have been denied access to the Audit Committee.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Schedule V of the Listing Regulations. The status of compliance with the non-mandatory requirements of this clause has been detailed in Point No. 12 below.

e) Web link where policy for determining 'material' subsidiaries is disclosed:

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/15.%20Policy%20For%20Material%20Subsidiary.pdf

f) Web link where policy on dealing with related party transactions is disclosed:

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/11.%20Policy%20on%20Related%20Party%20Transactions.pdf

g) Disclosure of commodity price risks and commodity hedging activities: Not applicable since the Company is not doing the commodity hedging activities.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A): During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.

i) Certificate from Mr. Hemanshu Kapadia (Membership: F3477 and CP No. 2285), Practicing Company Secretary, is attached herewith, which forms part of this Report, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board (SEBI)/ Ministry of Corporate Affairs or any such statutory authority.

j) During the financial year 2021-22, all the recommendations of the Committees of the Board have been accepted by the Board of Directors unanimously.

k) Total fees for all services paid by the Company and its subsidiaries, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part:

Type of services	FY 2021-22	FY 2020-21
Audit Fee	10,00,000	9,00,000
Others services	0	0
Total	**10,00,000**	**9,00,000**

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year: **Nil**

b. number of complaints disposed of during the financial year: **Nil**

c. number of complaints pending as on end of the financial year: **Nil**

m) Disclosure of Loans and advances in the nature of loans to firms/companies in which Directors are interested:

The Company has not provided any loans and advances to any firms/companies in which Directors are interested, except to Wholly-owned Subsidiary Company in which Directors of the Company are Directors. Details of the entities and loan are given below:

Sr. No.	Name of borrower	Name of Lender	Relation with Listed Entity	Type of transactions	Amount in ₹
1.	Arjun Food Colorants Manufacturing Private Limited	Vidhi Specialty Food Ingredients Limited	Wholly-owned Subsidiary	Loan	1,20,000/-

n) Reconciliation of Share Capital Audit:

A qualified Practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted Equity Share Capital with National Securities Depository Limited [NSDL], Central Depository Services (India) Limited [CDSL] and Equity Shares held in physical form and the total issued and listed Equity Share capital. The Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The Equity Shares of the Company are listed on BSE and NSE.

(12) Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed:

The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Clause (C) of the Schedule V of the Listing Regulations.

(13) Adoption of the discretionary requirements as specified in Part E of the Schedule II of the Listing Regulations:

(a) 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.

(b) Shareholder's Rights:

The Company's quarterly/half-yearly/annual results were furnished to the Stock Exchanges, published in the newspapers and also displayed on the website of the Company and therefore results were not separately sent to the Members. Quarterly/half-yearly/annual results of the Company are displayed on the website of the Company at the link https://vidhifoodcolors.com/investor-relation/financial-results/.

(c) Modified opinion(s) in Audit Report:

The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

(d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:

In the Company the Managing Director and Chairperson post is held by the same person, Mr. Bipin Madhavji Manek (DIN: 00416441).

(e) Reporting of Internal Auditor:

The Internal Auditor submits it's Reports directly to the Audit Committee.

(14) Disclosures of the compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46:

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46, except, the Company has obtained D&O insurance which was effective from March 28, 2022.

For and on behalf of the Board of Directors

Sd/-
Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 12/A, Sommerset House,
Off. Bhulabhai Desai Road,
Warden Road, Sophia College,
Mumbai – 400026

Date: August 12, 2022
Place: Mumbai

Registered Office:
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400 034
CIN: L24110MH1994PLC076156
https://vidhifoodcolors.com/

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT UNDER SCHEDULE V(F) OF THE LISTING REGULATIONS:

As per the details given by the R & TA, M/s. Link Intime India Private Limited, the Company does not have any Demat Suspense Account/Unclaimed Suspense Account.

DECLARATION BY THE MANAGING DIRECTOR UNDER SCHEDULE V(D) OF THE LISTING REGULATIONS REGARDING ADHERENCE TO THE CODE OF CONDUCT:

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the same is uploaded on the website of the Company at https://vidhifoodcolors.com/investor-relation/codes-policies/

I hereby confirm that all the Board Members 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, 2022.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Chief Executive Officer & Managing Director as on March 31, 2022.

Sd/-
Bipin M. Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 12/A, Sommerset House,
Off. Bhulabhai Desai Road,
Warden Road, Sophia College,
Mumbai – 400026

Date: August 12, 2022
Place: Mumbai

CERTIFICATE BY THE CHAIRMAN AND MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO)

To,
The Board of Directors
Vidhi Specialty Food Ingredients Limited

In terms of the Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we, to the best of our knowledge and belief, certify that:

A. We have reviewed financial statements and the cash flow statement for the financial year 2021-22 and that to the best of our knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2021-22 which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls.

D. We have indicated to the Auditors and the Audit Committee:

   1. That there are no significant changes in internal control over financial reporting during the financial year 2021-22;

   2. That there are no significant changes in accounting policies during the financial year 2021-22; and

   3. That there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Bipin Madhavji Manek
Chairman &Managing Director
(DIN: 00416441)

Sd/-
Mitesh Dinesh Manek
Chief Financial Officer

Date: August 12, 2022
Place: Mumbai

Compliance Certificate regarding Compliance of Condition of Corporate Governance

To the Members of VIDHI SPECIALTY FOOD INGREDIENTS LIMITED,

We have examined the compliance of conditions of Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ('Listing Regulations') by **VIDHI SPECIALTY FOOD INGREDIENTS LIMITED** ('the Company') for the financial year ended **March 31, 2022**.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated under the above mentioned Listing Regulations, as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations, as applicable, subject to our following observation:

The Company being, top 1000 listed entity by Market Cap as on March 31, 2021, was required to have D&O insurance w.e.f. January 01, 2022. The Company has obtained D&O insurance however, the same was effective from March 28, 2022.

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

For **Hemanshu Kapadia & Associates**
Practicing Company Secretaries

Sd/-
Hemanshu Kapadia
Proprietor
C.P. No.: **2285**
Membership No.: **F3477**
UDIN: **F003477D000786446**

Date: August 12, 2022
Place: Mumbai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To the Members of **VIDHI SPECIALTY FOOD INGREDIENTS LIMITED,**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VIDHI SPECIALTY FOOD INGREDIENTS LIMITED** having CIN:**L24110MH1994PLC076156** and having Registered Office at E/27, Commerce Center, 78, Tardeo Road, Mumbai - 400 034 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and based on the information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial Year ended on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Bipin Madhavji Manek	00416441	19/01/1994
2.	Pravina Bipin Manek	00416533	19/01/1994
3.	Vijay Krishnaswamirao Atre	00416853	02/05/1995
4.	Prafullachandra Anantlal Shah	00417022	06/01/2003
5.	Mihir Bipin Manek	00650613	31/07/2006
6.	Nirenbhai Dinkerrai Desai	01978382	06/01/2003
7.	Rahul Chakradhar Berde	06981981	30/09/2014
8.	Ashit Kantilal Doshi	08486679	20/06/2019
9.	Jyoti Sunil Modi	08699101	19/03/2020
10.	Vidhi Harsh Parekh	07584061	01/11/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Hemanshu Kapadia & Associates**
Practicing Company Secretaries

Sd/-
Hemanshu Kapadia
Proprietor
C.P. No.: **2285**
Membership No.: **F3477**
UDIN: **F003477D000786446**

Date: August 12, 2022
Place: Mumbai

MANAGEMENT DISCUSSION & ANALYSIS REPORT

This discussion provides an assessment by Management of the current financial position, results of operations for the financial year ended March 31, 2022, market scenario, industry position, global and Indian economy and its impact of the Company. Information presented in this discussion supplements the financial statement, schedules and exhibits for the financial year ended March 31, 2022.

Global Economic Overview:

The global economy witnessed erratic trends during the past one year. Economic activity bounced back sharply in the year 2021, post the first COVID-19 wave, supported by pent-up demand and unprecedented policy support. However, two successive waves of COVID-19, persistent labour market challenges and continuing bottlenecks in global supply chains that have led to inflationary pressures, have subdued the prospects of a broad-based economic recovery. The latter part of the financial year also witnessed significant rise in geopolitical tensions followed by sweeping sanctions and logistical challenges. The outlook is mixed with reopening of economies supporting greater demand coupled with challenges of Eastern Europe conflict having direct and global spill overs through commodity markets. In addition, there is the continued impact of lockdowns with new bottlenecks in global supply chains. Recent International Monetary Fund (IMF) Report projects global growth at 3.6% in the year 2022 and 2023, 0.8% and 0.2% lower than the January forecast, respectively.

Among the Emerging Market and Developing Economies ('EMDE'), China is expected to grow by 4.4% in calendar year 2022. India is expected to grow at the rate of 8.2% for calendar year 2022 and 6.9% in calendar year 2023.

Source: IMF World Economic Outlook April 2022

Domestic Economic Overview:

Advance estimates suggest that the Indian economy is expected to witness real GDP expansion of 9.2 per cent in 2021-22 after contracting in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Almost all indicators show that the economic impact of the "second wave" in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe. The industrial sector expanded by 22.9 percent in the first half of 2021- 22 compared to the same period in the previous fiscal year, and it is expected to grow by 11.8 percent this fiscal year. The Reserve Bank of India's Monetary Policy Committee (MPC) maintained an accommodative stance in order to achieve economic growth while keeping inflation under control.

Markets have also been heavily impacted by the ongoing standoff between Russia and Ukraine as foreign portfolio investors (FPIs) pulled out over ₹ 1 lakh crore from the Indian markets in the three months since the stalemate began, ₹ 50,000 crore more than the combined withdrawal of previous nine months.

Industry Structure & Development:

Food colours are standard in our everyday lives, and they may even be found in meals and drinks we wouldn't anticipate. Food colours are added to food or drink to modify the hue to make it more palatable. Natural food colours, synthetic food colours, and mixed food colours are the three food colours. Food colours are employed in commercial food manufacturing and home cooking to persuade consumers to buy a product based on its visual appeal. It improves the product's taste, texture, and appearance while preserving its flavour and freshness. Any dye, pigment, or chemical that gives Colour when added to food and drink is a food colouring or colour additive. They are available in liquids, powders, gels, and pastes. Food colouring is used in both commercial and household food manufacturing. Food colourants are also utilized in cosmetics, medicines, home craft projects, and medical gadgets, among other non-food, uses natural food colours, artificial food colours and contemporary trends are discussed in this article.

Food colours are ingredients that are added to food or beverage to enhance its appearance. When colours are added to food products imparts very bright and tempting effect which influences the consumer to buy a product through visual perception. Colour is a key component to enhance the ultimate appetizing value and consumer acceptance towards foods and beverages.

The food color market is segmented into type, application and region.

A) **Type** – Food color market is categorized into natural color and artificial color.

B) **Application** - Beverages, Dairy & Frozen Desserts, Bakery & confectionary, Meat products, Processed food & Vegetables, Oils & fats, sweets and snacks, cosmetic, Pharma product, etc.

C) **Region wise** – Food color market analyzed across North America (U.S., Canada and Mexico), Europe (Germany, France, UK, Italy, Spain and rest of Europe), Asia-Pacific (China, Japan, Australia, India and rest of Asia-Pacific), Latin America (Brazil, Argentina, Colombia and rest of Latin America), Middle East (Saudi Arabia, Egypt, Nigeria and rest of Middle East) and Africa (South Africa, Nigeria, and rest of Africa).

Every year incremental demand of ~₹ 1,500 to ₹ 1,700 crores is expected to generate globally for Food color. Global market of food colour/food colouring agents/powders is valued at US$ 3.7 billion in 2017. It is projected to reach US$ 5.1 billion by 2023 registering a CAGR of +6%.

Market Analysis

The global market for Natural Food Color Ingredients was valued at USD 4864.9 million in 2019. The market will be valued at USD 5481.5 million by the end of 2026, with a CAGR of 1.7 % from 2021 to 2026. In 2019, India's natural food colours industry was expected to be worth USD 74.09 million. It is predicted to reach USD 92.96 million by 2027, with a CAGR of 3.90 % across the area from 2020 to 2027. It is attributable to the expanding population and increased consumer awareness of health, expected to increase the industry. As people become increasingly aware of the detrimental health effects of synthetic food colours, demand for natural food colours is growing. Artificial food colours enhance the appeal of food. Brightly coloured meals pique the curiosity of consumers, particularly youngsters. Children who are fed processed food-flavoured eatables are more likely to develop attention deficit hyperactivity disorder. These behavioural changes are more common in youngsters who consume higher levels of artificial food colours.

The global food colour market is projected to reach approximately USD 5.7 billion by 2024 and is expected to register 4.9% CAGR during the forecast period, 2019–2024. Food color is a pigment or substance that adds color to the food & beverages after being mixed. These colors are sourced either through synthetic or natural sources.

Natural food colors are evaluated to be the largest product segment accounting for over 80% of the total global market revenue. Current world demand for this product is rising substantially owing to the burgeoning awareness among salubrious consumers regarding the health benefits associated with natural food colors. The demand for natural food colors is increasing significantly owing to rise in consumer preference and awareness regarding their health benefits associated with natural colors whereas the demand for artificial food color is increasing due to low cost with easy accessibility and variety of products. Synthetic food colours have been increasingly used than natural food colours by food manufacturers to attain certain properties such as low cost, improved appearance, high colour intensity, more colour stability, and uniformity.

The Indian Dye & Dyestuff industry plays a vital role in the economic development of the country. It is one of the core chemical industries in India. It is also the second highest export segment in the chemical industry.

India is a strong global dye supplier, accounting for approximately 16% of the world production of dyestuff and dye intermediates. Maharashtra and Gujarat account for 90% of dyestuff production in India due to the availability of raw materials and dominance of textile industry in these regions.

The major users of dyes in India are textiles, paper, plastics, printing ink and foodstuff industries. The textiles sector consumes around 80% of the total production due to high demand for polyester and cotton, globally.

Overview of Vidhi's Business and its Position in Food Colour Manufacturing Industry:

The relevant industry for your Company is food colours, which occupies an important position in the Indian economy.

Vidhi is a globally renowned player in the food colour industry and a leading manufacturer of Superior Synthetic including Synthetic Water Soluble Colours, Aluminum Lakes, FD&C Colours, FD&C lakes, D&C Colours, Blends, Co-blended Lakes & Co-blended Granules. Its business is manufacturing of food colours as an ingredient for foodstuffs, pharmaceuticals, confectionery, pet foods, healthcare, dairy, soft drinks, cosmetic industries, etc. and trading of food colours and trading in chemicals. The colours are being distributed and consumed in over 44 countries across 5 continents. The manufacturing facilities of the Company are spread over an area of 1,76,000 square feet, located in Dhatav Village of Raigad District in the State of Maharashtra - India.

The manufacturing facilities have been audited and found satisfactory by the U.S. FDA. All the products carry Halal and Kosher certification. Vidhi was the first Company in the field of manufacturing synthetic food colours in India to be awarded with ISO 9002 in the year of 2000. It is ISO 9001:2015, ISO 22000:2005 certified Company. Vidhi is also a FSSC 22000 accredited Company and hence GFSI compliant and also have GMP.

The Company is the third largest manufacturer of synthetic food grade dyes globally and 2nd largest in Asia with a capacity of above 3,500 MTPA and it is in process of additional production capacity of ~8,500 MTPA with two Greenfield expansion. Over the last 28 years, it has established strong relationships with global majors like Nestle, Britannia, Pepsi, Cipla, Parle G, Unilever, ITC and so on.

Half of the sale in FY 2021-22 comes from American continent followed by 22% from Europe and 18% from Australasia. 95.20% of all colours manufactured by the Company are exported globally.

The Company has unique in-house capabilities for the development and production of synthetic food grade colours backed by several decades of experience in the field. With manufacturing plants at Dhatav Village of Raigad District in the State of Maharashtra – India, the Company efficiently caters to customers across the country and across the world. More than 90% of goods manufactured by the Company were exported. The manufacturing capacity is elastic and is capable of meeting the expected sales growth for the next few years. The plants are modern, compliant with health, safety and environment norms, and the team is well trained to use the best manufacturing practices.

The Company has fully equipped & functional laboratory accredited by the Bureau of Indian Standards forms the core of Quality Control Department with dedicated R & D facility with a team of PHD's & qualified chemists, constantly working on process engineering of existing products and on development of new products to enhance the product portfolio and offerings. Stringent checks and processes established at each stage from Raw Material testing to In-Process to manufacturing processes to delivery of Finished Goods to ensure desired products with high standard of quality.

Vidhi has built up on technical services, marketing capabilities and production in bulk quantities to face competition from domestic as well as global markets. In this way, Vidhi enjoys a position of one of the leaders in food colour manufacturing Industry.

The Company is sharing of information & working hand in hand with the regulatory bodies like US FDA & EC for new product developments & standards to be implemented across the globe for food color industry.

Outlook:

The global food colour market is primarily driven by the increasing demand from beverage industry and bakery and confectionary. The high demand from flavoured drinks, fruit juices and nutritional drinks drives the global food colour market. For commercial adoption, synthetic food colours are in high demand because of the high stability under light, cheap in cost and less microbial contamination. However, natural food colours are expensive in comparison to synthetic ones.

Due to trade conflicts erupted around the world, especially among China, the United States and Western Europe. Large chemical markets that remain accessible in this scenario could present opportunities for chemical Companies in India.

The structure of China's chemical industry is changing due to stricter environmental norms, tighter financing and consolidation, which could present opportunities for India's chemical Companies in certain value chains and segments, especially in the short term.

While the capacity expansion plan remains on track, improving product mix, lower share of trading business and backward integration are expected to improve earnings. Operating margins should settle north.

The outlook for the business is stable in current year in view of COVID-19 however, the Company continues to work on manufacturing and distribution expansion and strengthening of supply chain. The Company is confident to meet the challenges posed globally due to COVID with its strength in marketing network, its strategic planning, productivity improvement and cost reduction exercise.

Opportunities and Threats:

The Company has a well set up infrastructure in respect to manufacturing capacities, human resources, technical expertise, etc. which are a key factor for future growth of its business. The Company can bank on its in-house R&D for development of new products, quality improvements and cost reductions. Another important aspect which helps the Company in having its diverse portfolio of products is the fact that, the manufacturing capacities are fungible. The dedicated teams for Quality Management and Quality Assurance, helps in maintaining the standards required for various products. The entire project or process is designed to ensure delivery of Best Quality Products. Company's products are having various quality certificates. Further, expansion plans and backward integration will enable the Company to cash on the various opportunities available to the Company.

Opportunities:

With the growing health consciousness among consumers, the demand for synthetic food coloring is declining. As a result of the adverse effects that these colors cause to human health, food manufacturers are constantly on the lookout for innovative ways to extract colors from alternative natural sources. Untapped raw material sources, such as cabbage and algae beta-carotene that are compliant with the regulatory mandates, offer opportunities for the growth of the food colors market. Intercropping of existing crops with coloring crops offers high growth opportunities for the key players in the market as they focus on offering new sources of food colors.

The global food colors market was estimated to be valued at USD 4,287.5 million in 2021. It is projected to reach USD 5,386.8 million by 2026, recording a CAGR of 4.7% during the forecast period. Food colors are vital ingredients of processed foods & beverages. Food processors reinforce the original product's quality by enhancing its visual appeal using food coloring. Improving the product appeal is a major factor that has led to the addition of colors to food products. Food colors balance the loss of colors due to the effect of heat, light, air, moisture, and other atmospheric conditions. Food colors play a significant role in enhancing the visual appeal of off-color or colorless products. They also help to retain the original properties of vitamins, flavors, and nutrients in food products that can get altered due to sunlight.

Due to COVID-19, for short term the growth forecast is lower single digit CAGR (Compounded Annual Growth Rate) in the medium term driven by improvising in COVID-19 situation due to awareness, regulatory requirements, commencement in manufacturing activities after gradually lifting lockdown by the Government and structural demand drivers for the food and beverage industry. Further, US-China Trade Off also gave Indian Colour manufacturing entities an opportunity to expand.

Further:

- There is large domestic market with increased income and expenditure on consumer products;
- Closures of industries in China due to environmental norms;
- Good quality products;
- Quality human resources;
- Established production facilities;
- Management experience and expertise in food colour business;
- Various pro industry initiative taken by the Government and the Reserve Bank of India;
- Access to international selling and sourcing markets is a key success factor and vital for the food colours manufacturing Industry; and
- Health benefits of certain natural food colors.

Threats:

- Impact of Russia-Ukraine War on Indian Food & Beverage Industry
- Impact of COVID-19 on Export due to increase in dwell time;
- Commoditization is a constant threat. Substantial resources and money is spent on developing products, which if superior can be sold at a high price, nevertheless, with time competitors are able to produce these or similar products.
- Most of the chemical companies in India are smaller in scale as compared to their global counterparts. As the global Companies enter and strengthen their presence in the Indian market, they will also invest in marketing, distribution and production systems that local companies may struggle to match.
- Cost of compliance makes operations uneconomical and unviable for small players.
- Chemical companies are affected by environmental regulations. However, awareness about the regulations and their positive effects on the Company will add to value creation and growth.
- Stringent regulations pertaining to the use of colors in food applications

Risks and Concerns:

The Year 2021-22 faced COVID-19 but not on the same level as 2020-21. Further, there was a 3rd wave in January 2022 which was moderate due to aggressive vaccination drive by Indian Government. Along with COVID-19 slowly disappearing from the world, we faced a new virus named MonkeyPox. Along with the viruses still prevailing in the world, food colour manufacturing industries have their own risk and concerns.

Even though the economy all over has impacted badly, the Company was impacted less as it was able to start Manufacturing activities effective from April 05, 2020. The Company was working with controlled Manpower capacity considering the safety of employees and guidelines issued by authorities from time to time. Further, there is no major decline whatsoever in demand for synthetic food colours in this situation as food colours are supplied to essential items like pharmaceuticals, food, feed, beverage, home care, personal care products etc.

As a manufacturing unit in addition to challenges of labour availability, limited working hours, and adherence to COVID-19 safety norms has also impacted. Slowly and gradually the economic activities are gaining momentum with increased vaccination and awareness among the people. The economic recovery and GDP growth also depend on roll out of Government stimulus and policy measures to be taken by the Government to 'reboot' and 'rebound' the economy.

The Company is exposed to health, safety, security and environmental risks, given the diversity and complexity of the industry in which the Company operates. Macro-economic conditions like the policy decisions of the Government, currency fluctuations and volatility in commodity prices like crude oil can also affect the business of the Company.

Other Concerns are:

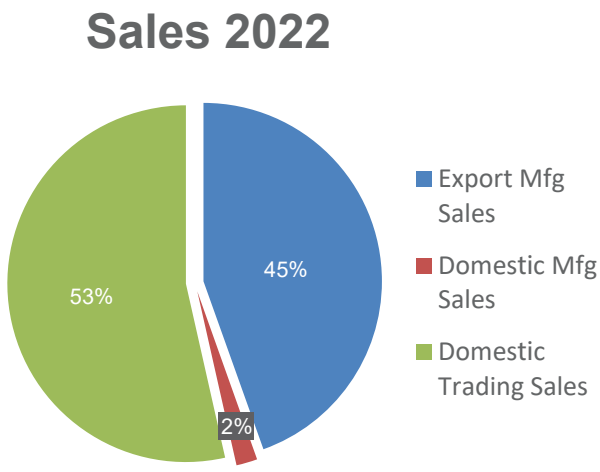
- Infrastructural challenges;
- Travel and transport restriction imposed by other countries due to COVID 19;
- Bilateral/multilateral trade agreements of the Country;
- High cost of power;
- Availability of skilled man power;
- High fragmentation of the chemical industry;
- Impact of Russia-Ukraine war in Indian market

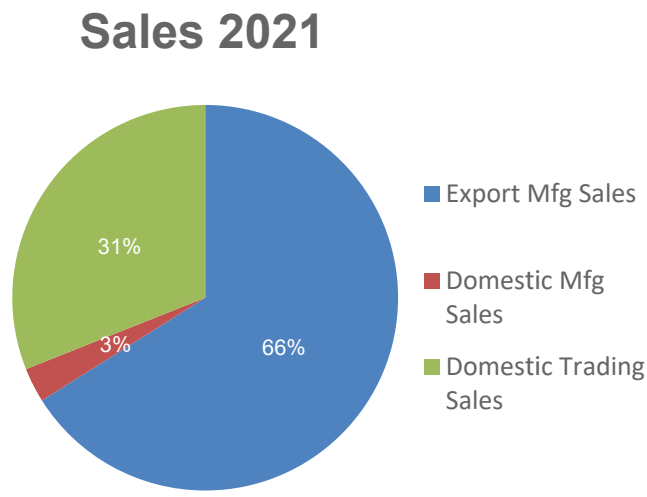
The Company fulfils its legal requirements concerning emission, waste water and waste disposal. Improving work place safety continued to be top priority at both the manufacturing plants. The Company continued its focus on compliance in all areas of its business operations by rationalizing and strengthening the controls. The Company has set in place the requisite mechanism for meeting with the compliance requirements and periodic monitoring to avoid any deviation. Company aims to set exemplary and sustainable standards, not only through products, services and performance, but also through integrity and behavior.

Segment–wise or product-wise performance:

In accordance with Ind-AS 108, the Company has a single reportable business segment, namely, manufacturing and trading of food colours and chemicals. Thus, the segment wise or product wise performance report is not given in the report. The Company has manufactured 3,573.81 MT food colours during the financial year 2021-22 against 3,660.66 MT in the previous year.

Net Sales by Geography:





Discussion on financial performance with respect to operational performance:

i. Financial Performance:

During the year under review, your Company has achieved Revenue from operations of ₹ 53,705.46 lakhs. The comparative figures are tabulated below. The Company has achieved net profit after tax of ₹ 5,875.86 lakhs for the financial year 2021-22. EBIDTA stood at ₹ 8,603.48 lakhs for the financial year 2021-22. An operational EBIDTA has increased from 20.30% for financial year ended March 31, 2021 to 61% for the financial year ended March 31, 2022.

Finance Cost has been increased to ₹ 391.11 lakhs for the financial year 2021-22 compared to ₹ 159.83 lakhs for the previous year. Depreciation and Amortization stood at ₹ 297.01 lakhs for the financial year 2021-22 compared to ₹ 278.00 lakhs for the previous year.

(₹ in Lakhs)

Particulars	**F.Y. 2021-22**	**F.Y. 2020-21**
Total Revenues from Operation	53,705.46	26,641.15
Revenues from Exports	23,468.86	17,186.31
EBDIT	8,603.48	5,408.65
PAT	5,875.86	3,672.00
Earnings per share	11.75	7.36

ii. **Operational Performance:**

Overall, the macro-economic situation is still challenging and policy measures taken by the Government are yet to impact the business in a big way. However, Company posted excellent growth in top as well as bottom line on the back of planned austerity measures and optimum resource management.

The Company's performance with regard to the export manufacturing sales volumes, decreased in the financial year 2021-22 to 45% of total sales from 66% of total sales in previous year. Domestic manufacturing sales decreased from 3% in FY 2020-21 to 2% in FY 2021-22, whereas domestic trading sales increased from 31% in FY 2020-21 to 53% in FY 2021-22.

The Company's main focus is on manufacturing activities and trading is not the focus area of business. However, to set-off the impact of COVID 19 on manufacturing activities, the Company has increased trading activities which resulted into increase in trading turnover from 31% in previous year to 53% in reporting period. By a combination of a better product mix helped by specialty products and continual improvement in the efficiency of operations at both the locations, the Company has tried keeping its operating margins healthy for all the four quarters and has achieved to have a good EBIDTA level. Turnover of the Company has been increased by 102.51% as compared to the previous year whereas the other income has decreased by 12.17% as compared to the previous year.

Environmental & Hazardous Safety and Quality Assurance:

Vidhi commits itself to ethical and sustainable operation and development in all business activities. Sustainability enhances innovative ways to do business. This is a necessary prerequisite for value creation. Sustainability at the Company is an integral part of the way we work and this helps the company to position itself in the sustainable market, build a competitive advantage through differentiation, support profitable growth, create added value for stakeholders, build brand image and reputation and anticipate and mitigate risk.

Our ability to treat customers, employees, neighbors and environment in a responsible way is not only ethically correct but also strengthens our partnership with those stakeholders upon whom our success as a Company ultimately depends. The Company takes initiatives to reduce environment, health and safety risks in the production, storage, distribution, use of products and disposal of waste. These include efficient use of energy and resources and continuous improvement of our processes to minimize the impact of our activities on the environment.

As your Company deals with chemicals and is in the business of manufacturing food colours and trading in specialty chemicals, it has to make sure that the highest degree of safety measures is maintained in order to avoid any risk at the workplace. Your Company is committed to maintain its operations and workplace free from incidents and significant risk to the health and safety of its stakeholders through improved their work skills, strong channels of communication, safety awareness, and sound training practices.

The Company's certified manufacturing activities complies with ISO 9001:2015, ISO 22000:2005, FSSC 22000 and HACCP which reflects the Company's continued commitment towards Quality, Environment, Occupational Health and safety approaches.

Internal Control Systems and its Adequacy:

The Company has a system of internal controls to ensure that all its assets are properly safeguarded and not exposed to risks arising out of unauthorized use or disposal. The Internal Control system is supplemented by programs of internal audit to ensure that the assets are properly accounted for and the business operations are conducted in adherence to the laid down policies and procedures. The internal control system also focuses on processes to ensure integrity of the Company's financial accounting and reporting processes and compliance with the Company's legal obligations. The Company has a well-defined risk management programme for identifying and mitigating risks across all the functions which are reviewed by the Audit Committee and Board of Directors of the Company periodically.

The Company has a Risk Management Committee of the Board of Directors which meets regularly to review inter alia risk management policies, adequacies of internal controls, the financial information and other issues related to the Company's operations. The Internal Auditors along with finance team plans the audit schedule for the year in consultation with CFO and the Audit Committee. The Audit Committee of the Board approves the internal audit plan at the start of every financial year to ensure the coverage of most of the functions with a view to minimise associated risks. Independent external teams have been engaged as the Internal Auditors to perform the internal audit function, assess the internal controls and statutory compliances in various areas and also provide suggestions for improvement. The Audit Committee regularly reviews the major findings of the internal audits with respect to different locations and functions to help take effective steps in ensuring compliance.

Human Resources:

Performance measurement is a fundamental principle of the management. The measurement of performance is important because it identifies performance gaps between current and desired performance and provides indication of progress towards closing the gaps. The Company believes that human resources are a critical factor for its growth. The Company invests in its employees for the growth of their skills and talents so as to meet the growth aspirations of the business. The emphasis is on grooming in-house talent enabling them to take on larger responsibilities. The senior management team spends considerable time in reviewing the existing talent base and processes used for honing the skills of the members in the talent pool and assessing their preparedness for taking on new assignments.

Compensation and benefits packages have always been pivotal to retaining and motivating employees. To remain competitive in compensation and rewards offered, continual efforts were made to make compensation and benefits flexible and market-linked.

The relations with the employees and workers remained cordial and harmonious throughout the year. The Company had total work force of 71 as on March 31, 2022.

Details of significant changes in key financial ratios (i.e. change of 25% or more as compared to the immediately previous financial year):

Ratios	F.Y. 2021-22	F.Y. 2020-21	% Change
Debtors Turnover	3.51	2.75	27.64
Inventory Turnover	7.25	6.51	11.37
Interest Coverage Ratio	22.00	33.84	-34.99
Current Ratio	2.32	2.99	-22.41
Debt Equity Ratio	0.30	0.36	-16.67
Operating Profit Margin (%)	16.33%	20.79%	-21.45
Net Profit Margin (%)	11.15%	14.11%	-20.98
Return on Net worth (%)	27.02%	22.72%	18.93

Reason for change in change of 25% or more in key financial ratios as compared to the immediately previous financial year:

a) **Debtors Turnover:** During the year under Report, Company's Debt Turnover ratio improved to 3.51 times against 2.75 times in previous financial year. This was due to increase in Trade Receivables by 58.74%.

b) **Interest Coverage Ratio:** During the year under Report, Company's interest coverage ratio declined to 22.00 times against 33.84 times in previous financial year. This was due to increase in finance cost by 144.70%.

c) **Change in Return on Net worth:** Due to increase in Profit after Tax, as compare to the previous year, Net Worth of the Company has been increased, resulting increase in Return on Net worth.

Cautionary Statement

Certain statements under 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Independent Auditor's Report

To the Members of Vidhi Specialty Food Ingredients Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Vidhi Specialty Food Ingredients Limited **("the Company")**, which comprises of the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements gives a true and fair view in conformity, with the aforesaid Ind AS and other accounting principles generally accepted in India prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Inventory Existence:** The Company recognized inventory of ₹7,266.38 Lakhs as at 31 March 2022. Within each location, inventory is stored in packet, drums at factory and third party locations. This is a key audit matter because of the • Significance of the inventory balance to the statement of financial position and • Complexity involved in determining inventory quantities on hand due to the number, conversion from Ltr. to Kgs., location and diversity of inventory storage locations, inventories lying with third parties etc.	We attended inventory counts at factory, which we selected based on financial significance and risk We performed the following procedures at each site: • Selected a sample of inventory items and compared the quantities we counted; • Observed a sample of managements inventory count procedures to assess compliance with Company Policy and • Made enquiries regarding obsolete inventory items and inspected the condition of items counted. We have also evaluated a selection of controls over inventory existence across the Company. Also obtained confirmation for inventories held with third parties.
2	**Trade Receivables:** Trade receivables comprise a significant portion of the current assets of the Company and serve as security for a majority of the Company short-term debt. As indicated in Note 4.2 to the financial statements. The receivables provision has made based on Expected Credit Loss method. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.	We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts receivable. We also considered payments received subsequent to year-end, insurance held for overseas trade receivables, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Company including: ● Assessing the appropriateness and reasonableness of the assumptions applied in the managements' assessment of the receivables allowance; ● Consideration of the creditworthiness of significant trade receivables over 90 days; ● Consideration and concurrence of the agreed payment terms;

Sr. No.	Key Audit Matter	Auditor's Response
		● Verification of receipts from trade receivables subsequent to year-end; ● Inspection of credit insurance policies; and ● Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the Company's trade receivables are fairly valued and adequately provided. We further considered whether the provisions were misstated and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the financial statements are appropriate.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Standalone Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process of the Company.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 9 to the standalone financial statements:

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

CA. Nikesh Jain
Partner
Membership No. 114003
Place: Mumbai
UDIN: 22114003AIVVUR2252
Date: 12 May 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vidhi Specialty Food Ingredients Limited of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Vidhi Specialty Food Ingredients Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

CA. Nikesh Jain
Partner
Membership No. 114003
Place: Mumbai
UDIN: 22114003AIVVUR2252
Date: 12 May 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Vidhi Specialty Food Ingredients Limited** of even date.)

i. In respect of property, plant and equipment and intangible assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) As informed to us, the property, plant and equipment's have been physically verified by the management during the period according to a phased program. In our opinion, such program is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification by the management.

c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company

d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder

ii. In respect of its inventories:

(a) As informed to us, the physical verification of the inventories was done by the management at reasonable intervals at the end of each month and for the year-end. We have received confirmation with respect to inventories lying with third parties. In our opinion, the frequency of verification is reasonable. Further, on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

(b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly Information statements filed by the company with financial institutions or banks are in agreement with the books of account of the Company except details pertaining to creditor which is not matching with the books of accounts as mentioned in note 36.

iii. a) During the year, the Company has not provided loans or provided advances in the nature of loans or provided security to any other entity, however provided loan, to its wholly own subsidiary.

b) In our opinion, the Company has not made investments made in the shares of listed companies and not provided guarantee, accordingly, this clause is not applicable to the Company.

c) The Company has not provided loans or provided advance in nature of loans and therefore reporting under clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company.

iv. The Company has not granted any loan under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act, with respect to the investment and guarantees. The Company has neither given any security nor given any loans during the year.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of section 73 to 76 of the Act and rules framed thereunder, and accordingly, the provisions of Clause (v) of Para 3 of the Order are not applicable to the Company.

vi. According to the information and explanation given to us, central Government has not prescribed the maintenance of cost records under section (1) of section 148 of the act, for any of the services rendered by the company.

vii. In respect of statutory dues:

a) According to the information and explanations given to us and according to the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, Employees' State Insurance, Income-tax, Goods and Service tax, cess or/and any other material statutory dues wherever applicable.

b) According to the information and explanations given to us, there were no outstanding statutory dues as on 31 March 2022 for a period of more than six months from the date they became payable.

c) According to the information and explanation given to us, there are no dues outstanding in respect of Income-tax, VAT, Excise duty, Service tax, Custom duty, Goods and Service tax, Cess or/and any other material statutory dues wherever applicable, which have not been deposited on account of any dispute, except the following;

Name of the Statute	**Nature of the Dues**	**Amount**	**Period to which the amount relates**	**Forum where dispute is pending**
Central Sales Tax Act, 1956	Central Sales Tax	8,68,350	2005-06	Central Sales Tax Appellate Authority
Value Added Tax Act, 2002	Value Added Tax	2,88,377	2012-13	Value Added Tax Appellate Authority
Value Added Tax Act, 2002	Value Added Tax	36,839	2013-14	Value Added Tax Appellate Authority
Central Sales Tax Act, 1956	Central Sales Tax	3,58,975	2013-14	Central Sales Tax Appellate Authority

viii. In our opinion, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company do not have any borrowings from financial institutions, government or dues to debenture holders.

b) Based on our audit procedures and on the basis of information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) Based on our audit procedures and on the basis of information and explanations given to us, term loans raised by the Company during the year and outstanding term loans at the beginning of the year have been applied by the Company during the year for the purposes for which they were raised.

d) on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) based on our audit procedures and on the basis of information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiary.

x. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

xi. (a) Based upon the audit procedures performed and the information and explanations given by the management, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us, the Company has not received any whistle blower complaints during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of Clause (xii) of Para 3 of the Order are not applicable to the Company.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors, requiring compliance with Section 192 of the Companies Act.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing

at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **JMR & Associates LLP**
Chartered Accountants
Firm Registration No. 106912W / W100300

CA. Nikesh Jain
Partner
Membership No. 114003
Place: Mumbai
UDIN: 22114003AIVVUR2252
Date: 12 May 2022

Balance Sheet as at 31 March 2022

₹ In lakhs

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
1. Non-current assets			
(a) Property, plant and equipment	3	3,568.23	2,681.65
(b) Capital work-in-progress	3	3,337.90	459.70
(c) Right-of-use assets	3.1	190.69	192.78
(d) Financial assets			
(i) Investments	4.1	1,320.15	1,320.15
(f) Other non-current assets	5	14.17	17.00
Total Non current Assets		**8,431.14**	**4,671.28**
Non-current liabilities			
2. Current assets			
(a) Inventories	6	7,266.38	3,993.29
(b) Financial assets			
(i) Investments			
(ii) Trade receivables	4.2	15,012.74	9,457.28
(iii) Cash and cash equivalents	4.3	101.07	403.33
(iv) Bank balances other than (iii) above	4.3	45.34	655.30
(v) Loans and Advances	4.4	90.42	82.07
(vi) Others	4.5	1,131.30	919.44
(c) Current tax assets (net)	4.6	40.33	-
(d) Other current assets	7	3,097.53	2,401.76
Total Current Assets		**26,785.11**	**17,912.47**
Total Assets		**35,216.25**	**22,583.75**
Equity and Liabilities			
Equity			
(a) Equity share capital	8	500.20	500.20
(b) Other equity	9	21,250.05	15,664.55
Total Equity		**21,750.25**	**16,164.75**
Liabilities			
1. Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	10.2	1,597.64	183.17
(b) Provision	11	55.95	57.48
(c) Deferred tax liabilities (net)	12	264.07	182.92
Total Non -current Liabilities		**1,917.66**	**423.57**
2. Current Liabilities			
(a) Financial liabilities			
(i) Lease Liability	10.1	-	-
(ii) Borrowings	10.3	7,352.66	2,818.43
(iii) Trade payables - MSME	10.4	264.33	174.55
(iii) Trade payables - other than MSME	10.5	3,406.03	2,552.78
(iv) Other financial liabilities	10.6	171.94	166.82
(b) Provisions	11	15.53	14.82
(c) Current tax liabilities (Net)	13	-	149.70
(d) Other current liabilities	14	337.85	118.33
Total Current Liabilities		**11,548.34**	**5,995.43**
Total Equity and Liabilities		**35,216.25**	**22,583.75**
Significant Accounting Policies	2		
Notes to the financial statements	3-46		

As per our report of even date
For JMR & Associates LLP
Chartered Accountants
Firm Registration No. 106912W/W100300

CA. Nikesh Jain
Partner
Membership No: 114003

Mumbai, May 12, 2022

For and on behalf of the board of directors of
Vidhi Specialty Food Ingredients Limited

Bipin M. Manek
Chairman & Managing Director
DIN: 00416441

Mihir B. Manek
Joint Managing Director
DIN: 00650613

Mitesh D. Manek
Chief Financial Officer

Priyanka Soni
Company Secretary
A63701

Mumbai, May 12, 2022

Profit and Loss Statement for the year ended 31 March 2022

₹ In lakhs

Particulars	Notes	Year Ended 31 March 2022	Year Ended 31 March 2021
Income			
Revenue from operations	15	53,705.46	26,641.15
Other income	16	138.38	157.55
Total Revenue		**53,843.84**	**26,798.70**
Expenses			
Cost of material consumed	17(a)	14,719.72	10,164.28
Purchase of traded goods	17(b)	26,776.18	7,420.31
Change in inventories of traded goods and finished goods	17(c)	(1,686.92)	(298.96)
Employee benefits expense	18	947.45	781.16
Finance costs	19	391.11	159.83
Depreciation and amortisation expense	20	297.01	278.00
Other expenses	21	4,483.93	3,323.26
Total Expenses		**45,928.48**	**21,827.88**
Profit/(loss) before tax		7,915.36	4,970.82
Tax expenses			
Current tax	22	1,960.00	1,322.00
Deferred tax	22	79.50	(23.18)
Total tax expenses		**2,039.50**	**1,298.82**
Profit/(loss) for the year		**5,875.86**	**3,672.00**
Other Comprehensive Income			
i) Items that will not be reclassified subsequently to profit or loss		10.96	6.71
ii) Income tax related to above		(1.65)	(2.41)
Other Comprehensive Income		**9.31**	**4.30**
Total Comprehensive Income		**5,885.17**	**3,676.30**
Earnings per equity share (nominal value of share ₹ 10)			
Basic	30	11.76	7.35
Diluted		11.76	7.35
Summary of Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For JMR & Associates LLP
Chartered Accountants
Firm Registration No. 106912W/W100300

CA. Nikesh Jain
Partner
Membership No: 114003

Mumbai, May 12, 2022

For and on behalf of the board of directors of
Vidhi Specialty Food Ingredients Limited

Bipin M. Manek
Chairman & Managing Director
DIN: 00416441

Mihir B. Manek
Joint Managing Director
DIN: 00650613

Mitesh D. Manek
Chief Financial Officer

Priyanka Soni
Company Secretary
A63701

Mumbai, May 12, 2022

Cash flow statement for the year ended 31 March 2022

₹ In lakhs

Particulars	31-Mar-22 Standalone (Audited)	31-Mar-21 Standalone (Audited)
Cash flow from Operating activities		
Profit before Income tax	7,915.36	4,970.82
Adjustments for :		
Depreciation	297.01	278.00
Finance Cost	391.11	159.83
Sundry Balance Written Back	17.18	(46.15)
Interest income	(44.85)	(46.23)
Expected Credit loss	-	115.47
Interest on MSME	(0.97)	1.54
Operating profit before Working Capital changes	**8,574.84**	**5,433.28**
(Increase)/Decrease in Trade Receivables	(5,555.46)	(1,934.26)
(Increase)/ Decrease in Inventories	(3,273.09)	(575.99)
(Increase)/Decrease in Financial Assets - Loans	(8.35)	(44.79)
(Increase)/Decrease in Financial Assets - Others	(210.98)	(360.20)
(Increase)/ Decrease in Other non-current assets	2.83	3.71
(Increase)/Decrease in Other current assets	(695.54)	(1,044.39)
Increase/ (Decrease) in Trade payables	925.86	987.85
Increase/(Decrease) in Provisions	10.14	12.48
Increase/(Decrease) in Other financial liabilities	5.12	(129.44)
Increase/(Decrease) in Other current liabilities	219.53	21.32
Net changes in Working Capital	**(8,579.95)**	**(3,063.71)**
Cash generated from Operations	(5.11)	2,369.57
Direct taxes paid	(2,149.89)	(1,250.01)
Net cash Inflow/(Outflow) from operating activities [A]	**(2,155.00)**	**1,119.56**
Cash flow from Investing activities		
Purchase of Fixed Assets	(4,059.76)	(331.92)
Interest received	44.62	48.16
Investment		
Net cash Inflow /(Outflow) from Investing activities [B]	**(4,015.14)**	**(283.76)**
Cash flow from Financing activities		
Dividend paid	(299.16)	(400.86)
Finance Cost	(391.11)	(159.83)
Proceeds/ (Repayment) of Long Term Borrowings	1,414.47	57.60
Proceeds/ (Repayment) of Short Term Borrowings	4,534.23	(283.53)
Net cash Inflow/(Outflow) from Financing activities [C]	**5,258.43**	**(786.62)**

Cash flow statement for the year ended 31 March 2022

₹ In lakhs

Particulars	31-Mar-22 Standalone (Audited)	31-Mar-21 Standalone (Audited)
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	**(911.71)**	**49.18**
Cash and cash equivalents at the beginning of the year	1,030.28	981.10
Cash and cash equivalents at the end of the year	**118.57**	**1,030.28**
Reconciliation of Cash and Cash Equivalents as per the cash flow statement		
Cash and Cash Equivalents as per above comprise of the following		
Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Balances with banks		
- in current accounts	92.24	388.47
Deposits with maturity of less than three months		
- Bank balance other than Cash and Cash equivalents	17.50	626.95
Cash on hand	8.83	14.86
Balance as per statement of Cash Flows	**118.57**	**1,030.28**

* The company can utilize these balances only towards the settlement of the respective unpaid dividend.

Note :

The Cash Flow Statement has been prepared under the “Indirect Method” as set out in Ind As 7 specified under section 133 of the Companies Act, 2013.

Previous year’s figures have been regrouped/rearranged wherever necessary to make them comparable with those of current year.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For JMR & Associates LLP
Chartered Accountants
Firm Registration No. 106912W/W100300

CA. Nikesh Jain
Partner
Membership No: 114003

Mumbai, May 12, 2022

For and on behalf of the board of directors of
Vidhi Specialty Food Ingredients Limited

Bipin M. Manek
Chairman & Managing Director
DIN: 00416441

Mihir B. Manek
Joint Managing Director
DIN: 00650613

Mitesh D. Manek
Chief Financial Officer

Priyanka Soni
Company Secretary
A63701

Mumbai, May 12, 2022

Statement of changes in equity for the year ended 31 March 2022

Equity Share Capital				₹ In lakhs
Balance as at 31 March 2021	Changes in equity share capital due to prior period years	Restated balances as at April, 2021	Changes in equity share capital during the years	Balance as at March 31 , 2022
500.20	-	-	-	**500.20**

Balance as at April 1, 2020	Changes in equity share capital due to prior period years	Restated balances as at April, 2020	Changes in equity share capital during the years	Balance as at March 31 , 2021
500.20	-	-	-	**500.20**

Other Equity

₹ In lakhs

Particulars	Reserves and Surplus		Total Other Equity
	General Reserve	Retained Earnings	
Balance as at 1 April 2020	1,490.77	10,897.03	**12,387.80**
Profit for the year	-	3,672.00	**3,672.00**
Transfer to General Reserve	367.63	(367.63)	**-**
Other comprehensive income	-	4.30	**4.30**
Dividend for 2020-2021	-	(399.56)	**(399.56)**
Balance as at 31 March 2021	**1,858.40**	**13,806.14**	**15,664.54**
Profit for the year	-	5,875.86	**5,875.86**
Transfer from/(to) General Reserve	588.52	(588.52)	**-**
Other comprehensive income	-	9.31	**9.31**
Dividend	-	(299.67)	**(299.67)**
Balance as at 31 March 2022	**2,446.92**	**18,803.12**	**21,250.04**

Notes:

General Reserve: General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend

Retained Earnings: This represents profits remaining after all appropriations. This is free reserve and can be used for distribution of profits.

As per our report of even date attached
For JMR & Associates LLP
Chartered Accountants
Firm Registration No. 106912W/W100300

CA. Nikesh Jain
Partner
Membership No: 114003

Mumbai, May 12, 2022

For and on behalf of the board of directors of
Vidhi Specialty Food Ingredients Limited

Bipin M. Manek
Chairman & Managing Director
DIN: 00416441

Mihir B. Manek
Joint Managing Director
DIN: 00650613

Mitesh D. Manek
Chief Financial Officer

Priyanka Soni
Company Secretary
A63701

Mumbai, May 12, 2022

Notes to Financial Statements for the year ended 31 March 2022

(1) Corporate Information:

The Company was incorporated on 19th January, 1994 and is engaged in the business of manufacturing and trading in synthetic food colors and trading in chemicals. The company was formerly known as "Vidhi Dyestuffs Manufacturing Limited" and w.e.f. 25th August, 2016, it is changed to "Vidhi Specialty Food Ingredients Limited".

The equity shares of the company are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

Authorization of financial statements

The standalone financials statemente were authorised for issue in accordance with a resolution of the books of Directors passed on 12th May 2022.

(2) Significant Accounting Policies:

(i) Basis of preparation

The Financial Statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements upto the year ended 31st March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Effective 1st April 2017, the company has adopted Ind AS and adoption was carried out in accordance with Ind AS 101 first time adoption of accounting standard, with 1st April, 2016 as the transition was carried out from Indian Accounting

Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Use of Estimates

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

(iii) Current / Non-Current classification

The normal operating cycle of the Company is 12 months. Assets and Liabilities which are expected to be realizable / payable within 12 months are to be classified as current and rest will be classified as non-current.

Notes to Financial Statements for the year ended 31 March 2022

(iv) 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 and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are stated exclusive of sales tax & GST and net of trade discount 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 under consideration.

(v) Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at their reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

(vi) Property, plant and equipment

(i) Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.

(ii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

Notes to Financial Statements for the year ended 31 March 2022

(iii) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

(iv) An Item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognized.

(v) In line with the provisions of Schedule II to the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.

(vi) Depreciation on property, plant and equipment is provided as per straight line method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

The property, plant and equipment acquired under finance lease are depreciated over the period of lease. Depreciation on stores and spares specific to an item or property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the stores and spares are depreciated over their estimated useful life based on the technical assessment.

(vii) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

(viii) Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. These are stated at cost to date relating to items or project in progress, incurred during construction / preoperative period. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

(vii) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets comprising of “Computer Software” are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Estimated useful life of software is assessed to be 10 years.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(viii) 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.

Notes to Financial Statements for the year ended 31 March 2022

The Inventories [Raw Materials, Traded Goods, Packaging Material, Stock in transit (RM) and Stock with Third Parties (RM)] are valued at lower of cost and net realizable value on First-In-First-Out basis (FIFO).

The Work-in-process and finished goods valued at the batch cost which comprises of cost of raw material, manufacturing expenses, labour charges and other direct expenses.

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

(ix) Foreign currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) Forward Contracts

The premium or discount arising at the inception of forward exchange contracts is booked as expense or income immediately. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

(x) Employee benefits

All employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Retirement benefits in the form of Provident Fund, Employee State Insurance and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Notes to Financial Statements for the year ended 31 March 2022

Defined Contribution plan:

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund are due. There are no other obligations other than the contribution payable to the respective fund.

Defined Benefit Plans:

The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The premium has been so adjusted as to cover the liability under the scheme in respect of all employees at the end of their future anticipated services with the company.

(xi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as Lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other

Notes to Financial Statements for the year ended 31 March 2022

assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(xii)Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xiii)Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent liability is disclosed in the case of:

- Present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past event, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(xiv)Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Notes to Financial Statements for the year ended 31 March 2022

(xv) Financial instruments

(i) Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial asset not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial asset measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified into two broad categories:

- Financial asset at fair value
- Financial asset at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income)

A financial asset that meet the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: the objective of the Company's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes)
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meet the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Debt Instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit or loss.

Notes to Financial Statements for the year ended 31 March 2022

Equity Instruments: All equity instruments within scope of Ind AS 109 are measured at fair value. Equity instruments which are classified as held for trading are measured at FVTPL. For all other equity instruments, the company decides to measure the same either at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such selection on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments measured at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of profit or loss, even on sale of such instruments.

The Investments are measured at Fair Market Value. The diminution in the market value of investments is not considered unless such diminution is considered permanent and accordingly provision for diminution is made in books of accounts.

All other financial asset is measured at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either

  a) the Company has transferred substantially all the risks and rewards of the asset, or

  b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets:

In accordance with Ind-AS 109, the company applies Expected Credit Losses (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The company follows “Simplified Approach” for recognition of impairment loss on these financial assets. The application of simplified approach does not require the company to track changes

Notes to Financial Statements for the year ended 31 March 2022

in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) Financial liabilities:

Initial recognition and measurement:

Financial Liabilities are classified at initial recognition as:

(i) Financial liabilities at fair value through profit or loss,

(ii) Loans and borrowings, payables, net of directly attributable transaction costs or

(iii) Derivatives designed as hedging instruments in an effective hedge, as appropriate.

The company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in the Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Notes to Financial Statements for the year ended 31 March 2022

Derivative financial instruments:

The Company uses derivative financial instruments, such as foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Loans and borrowings – subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The Effective Interest Rate (EIR) amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(xvi)Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purpose). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecongnition of the property is included in the Statement of Profit and Loss in the period in which the property is derecognized.

(xvii)Borrowing Costs

Borrowing costs are charged to Statement of Profit and Loss except to the extent attributable to acquisition / construction of and asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Notes to Financial Statements for the year ended 31 March 2022

(xviii)Impairment of Non-financial Assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments clarify the accounting of the proceeds before intended use wherein the amounts received from selling items produced while the company is preparing the asset for its intended use needs to be deducted from the cost of property, plant and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that

Notes to Financial Statements for the year ended 31 March 2022

relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to Financial Statements for the year ended 31 March 2022

3. Property, Plant and Equipment

₹In lakhs

Particulars	Leasehold Land	Freehold Land	Factory Building	Adminis-trative Building	Furniture and Fixtures	Office Premises	Office Equipments	Plant and Machinery	Electrical Installation	Computers	Telephones	Vehicles	Solar Power Project	Total
Gross Block														
At 1 April 2020	-	3.75	1,053.96	18.57	0.49	277.36	6.86	2,213.56	135.76	0.14	0.60	168.59	-	3,879.64
Additions during the year	-		-					47.04	-			-	-	47.04
Asset reclassified to Right-ofuse assets	-													-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-			-
At 31st March 2021	**-**	**3.75**	**1,053.96**	**18.57**	**0.49**	**277.36**	**6.86**	**2,260.60**	**135.76**	**0.14**	**0.60**	**168.59**	**-**	**3,926.68**
Additions during the year	16.14	-	26.65	-	1.93	-	-	195.90	-	-	-	54.87	886.07	1,181.56
Asset reclassified to Right-ofuse assets	-													-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-		-
At 31st March 2022	16.14	3.75	1,080.61	18.57	2.42	277.36	6.86	2,456.50	135.76	0.14	0.60	223.46	886.07	5,108.24
Accumulated Depreciation														
At 1 April 2020	-	-	170.64	6.25	0.44	38.46	4.56	594.09	76.29	0.14	0.60	79.78	-	971.25
Depreciation during the year	-	-	42.95	1.56	0.05	9.61	1.25	181.90	12.05	-	-	24.40	-	273.77
Asset reclassified to Right-ofuse assets	-													-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-		-
At 31st March 2021	-	-	213.59	7.81	0.49	48.07	5.81	775.99	88.34	0.14	0.60	104.18	-	1,245.02
Depreciation during the year	0.11	-	43.17	1.56	0.01	9.61	0.99	188.59	12.05	-	-	19.71	19.19	294.99
Asset reclassified to Right-ofuse assets	-													-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-		-
At 31st March 2022	0.11	-	256.76	9.37	0.50	57.68	6.80	964.58	100.39	0.14	0.60	123.89	19.19	1,540.01

Notes to Financial Statements for the year ended 31 March 2022

₹In lakhs

Particulars	Leasehold Land	Freehold Land	Factory Building	Adminis-trative Building	Furniture and Fixtures	Office Premises	Office Equipments	Plant and Machinery	Electrical Installation	Computers	Telephones	Vehicles	Solar Power Project	Total
Net Block														
At 31st March 2021	-	3.75	840.37	10.76	-	229.29	1.05	1,484.61	47.42	-	-	64.41	-	2,681.65
At 31st March 2022	16.03	3.75	823.85	9.20	1.92	219.68	0.06	1,491.92	35.37	-	-	99.57	866.88	3,568.23
Capital work-in-progress														
At 31 March 2021	459.70													459.70
At 31 March 2022	3,337.90													3,337.90

Notes:-

1 The Board currently estimates that there are no components which have significantly different lives from the underlying primary assets

2 Capital work in progress includes Dahej Project ₹ 2,996.99 Lakhs and Maharashtra Warehouse 310.91 Lakhs

3.1 Capital Work-in-progress Ageing

	2021-2022					2020-2021				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,060.49	102.59	174.82	-	3,337.90	284.88	174.82	-	-	459.70
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

Notes to Financial Statements for the year ended 31 March 2022

3.1 Right-Of-Use Assets

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 5.82 Lakhs, and a lease liability of ₹ 5.82 Lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

d) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind As 17

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 14.72%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

Category of ROU Assets : Building

₹ In lakhs

Particulars	Building	Leasehold Land
I. Gross Carrying Amount		
At 1 April 2020	7.05	197.04
Addition during the year	-	-
Asset reclassified to Right-ofuse assets	-	-
Disposal during the year	-	-
At 31st March 2021	**7.05**	**197.04**
Addition during the year	-	-
Asset reclassified to Right-ofuse assets	-	-
Disposal during the year	-	-
At 31st March 2022	**7.05**	**197.04**

Notes to Financial Statements for the year ended 31 March 2022

Accumulated Depreciation		
At 1 April 2020	4.92	2.16
Depreciation during the year	2.13	2.10
Asset reclassified to Right-ofuse assets	-	-
Disposals during the year		
At 31st March 2021	**7.05**	**4.26**
Depreciation during the year	-	2.10
Asset reclassified to Right-ofuse assets	-	-
Disposals during the year	-	-
At 31st March 2022	**7.05**	**6.36**
Net Block		
At 31st March 2021	**-**	**192.78**
At 31st March 2022	**-**	**190.69**

4 Financial Assets

4.1 Non Current Investments

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in subsidiaries		
Investments in equity instruments		
Unquoted		
82,750 (31 March 2021: 82,750) Equity shares of Arjun Food Colorants Mfg Pvt Ltd	1,320.15	1,320.15
	1,320.15	**1,320.15**
Aggregate amount of Unquoted Investments - gross	**1,320.15**	**1,320.15**
Aggregate amount of impairment in value of investments	**-**	**-**
Aggregate amount of Unquoted Investments - net	**1,320.15**	**1,320.15**
Other Investments		
Quoted		
10,057 (31 March 2021: 10,057) Equity shares Ontrack Systems Limited	0.15	0.15
Less: Provision for diminuition of equity shares Ontrack Systems Limited	(0.15)	(0.15)
	-	-
Aggregate amount of Quoted Investments - gross	**0.15**	**0.15**
Aggregate amount of impairment in value of investments	**(0.15)**	**(0.15)**
Aggregate amount of Quoted Investments - net	**-**	**-**

Note:

The non- current investments in unquoted equity shares of subsidiaries are stated at amortised cost.

Notes to Financial Statements for the year ended 31 March 2022

4.2 Trade Receivables

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Unsecured, Considered good	15,012.74	9,457.28
Unsecured, Considered doubtful	104.30	179.11
Unsecured, credit impaired	-	-
	15,117.04	**9,636.39**
Less: Impairment under expected credit loss	(104.30)	(179.11)
	15,012.74	**9,457.28**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The Provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matix at the end of the reporting period is as follow. The Management provided specific provision for credit impaired parties.

(i) Trade Receivables

Ageing of trade receivables: Undisputed trade receivables, considered good

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than six months	14,485.23	8,939.17
6 month to 1 year	-	38.60
One - two years	51.07	52.20
Two - three years	21.70	54.14
More than three years	559.04	552.28
	15,117.04	**9,636.39**

Ageing of credit impaired Receivables:

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than six months	14,240.31	8,898.27
6 month to 1 year	-	38.60
One - two years	22.49	49.63
Two - three years	20.09	36.43
More than three years	541.92	534.24
	14,824.81	**9,557.17**

Notes to Financial Statements for the year ended 31 March 2022

4.3 Cash and cash equivalents

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Balance with banks		
In current accounts	92.24	388.47
Cheque in hand	-	-
Cash balance		
Cash on hand	8.83	14.86
	101.07	**403.33**
Other bank balances		
Unpaid dividend accounts	27.84	28.35
Bank deposit with original maturity of more than 3 months but less than 12 moths*	17.50	626.95
	45.34	**655.30**

* Deposits are lying against Overdraft Facility, LC Margin and Bank Gaurantees.

4.4 Loans and Advances

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Other Loans		
Unsecured, considered good	90.42	82.07
	90.42	**82.07**

4.5 Other financial assets

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Bank deposit with original maturity of more than12 months**	983.78	791.75
Accrued interest	2.57	2.34
Interest receivable on Subvention	51.85	-
Security deposits	89.46	89.88
Others	3.64	35.47
	1,131.30	**919.44**

** Deposits are lying against Overdraft Facility, LC Margin and Bank Gaurantees.

Notes to Financial Statements for the year ended 31 March 2022

4.6 Current tax assets (net)

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax [Net of Provision for Tax of INR 1960 Lacs]	40.33	-
	40.33	**-**

5 Other non current assets

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Long term prepaid expenses	14.17	17.00
	14.17	**17.00**

6 Inventories

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials (Includes stock in transit ₹176.49 lakhs P.Y.₹157.67 lakhs)	3,033.73	1,457.42
Work-in-progress	1,484.51	764.60
Finished goods	810.25	934.85
Traded goods	1,895.11	803.50
Packaging material	42.78	32.92
	7,266.38	**3,993.29**

Note: There is a charge in favour of HDFC Bank and Vijaya Bank by way of hypothecation of fully insured raw materials, work in progress and finished goods comprising of food colours and other material.

7 Other current assets

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Advance to suppliers	1,577.44	935.39
Prepaid expenses	84.69	42.51
Deposits /Balance with statutory/government authorities	1,220.78	965.44
Export incentives receivables	212.67	456.47
Refund of wealth tax AY 12-13	1.95	1.95
	3,097.53	**2,401.76**

Notes to Financial Statements for the year ended 31 March 2022

8 Equity Share capital

Authorised equity share capital

₹ In lakhs

Particulars	Number of Shares (in lakhs) of ₹ 1 each	Number of Shares (in lakhs) of ₹ 1 each
As at 1 April 2020	600.00	600.00
Increase during the year	-	-
As at 31 March 2021	600.00	600.00
Increase during the year	-	-
As at 31 March 2022	600.00	600.00

Issued share capital

₹ In lakhs

Particulars	Number of Shares (in lakhs) of ₹ 1 each	Number of Shares (in lakhs) of ₹ 1 each
As at 1 April 2020	500.34	500.34
Increase during the year	-	-
As at 31 March 2021	500.34	500.34
Increase during the year	-	-
As at 31 March 2022	500.34	500.34

(i) Subscribed and fully paid up

₹ In lakhs

Particulars	Number of Shares (in lakhs) of ₹ 1 each	Number of Shares (in lakhs) of ₹ 1 each
As at 1 April 2020	499.45	499.45
Increase during the year	-	-
As at 31 March 2021	499.45	499.45
Increase during the year	-	-
As at 31 March 2022	499.45	499.45

(ii) Subscribed but not fully paid share capital

₹ In lakhs

Particulars	Number of Shares (in lakhs) of ₹ 1 each	Number of Shares (in lakhs) of ₹ 1 each
Forfeited shares	0.89	0.89

Total Subscribed share capital

₹ In lakhs

Particulars	Number of Shares (in lakhs) of ₹ 1 each	Number of Shares (in lakhs) of ₹ 1 each
As at 1 April 2020	500.20	500.20
As at 31 March 2021	500.20	500.20
As at 31 March 2022	500.20	500.20

Notes to Financial Statements for the year ended 31 March 2022

Terms and Right Attached to Equity Shares:

The Company has only one class of equity shares having a par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

(iii) Details of shareholders holding more than 5% shares in the company

No of Shares ₹ In lakhs

Name of Holders	As at 31-Mar-22	As at 31-Mar-21
Bipin M. Manek	26.10	26.10
Pravina B. Manek	34.91	34.91
Bipin Manek Family Private Trust	115.00	115.00
Pravina Manek Family Private Trust	130.00	130.00

Percentage of Holding ₹ In lakhs

Name of Holders	As at 31-Mar-22	As at 31-Mar-21
Bipin M. Manek	5.23%	5.23%
Pravina B. Manek	6.99%	6.99%
Bipin Manek Family Private Trust	23.03%	23.03%
Pravina Manek Family Private Trust	26.02%	26.02%

Promoter's Holding

Details of shareholding of Promoters is as under:

Shares held by Promoters at the end of the year

Promoter's name	No of Shares	% Total Shares	% change during the year
Bipin M. Manek	2610333	5.23%	0%
Pravina B. Manek	3490667	6.99%	0%

Promoter's name	No of Shares	% Total Shares	% change during the year
Bipin M. Manek	2610333	5.23%	0%
Pravina B. Manek	3490667	6.99%	0%
Bipin Manek Family Private Trust	11500000	23.03%	0%
Pravina Manek Family Private Trust	13000000	26.02%	0%

Notes to Financial Statements for the year ended 31 March 2022

9 Other Equity

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
General reserve	2,446.92	1,858.40
Retained earnings	18,803.13	13,806.15
Closing Balance	**21,250.05**	**15,664.55**
General reserve		
Balance at the beginning of the year	1,858.40	1,490.77
Add: Transfer from retained earnings	588.52	367.63
Balance at the end of the year	**2,446.92**	**1,858.40**
Retained earnings		
Balance at the beginning of the year	13,806.15	10,897.03
Add: Profit / (Loss) for the year	5,875.86	3,672.00
Add/Less: Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	9.31	4.30
Less:Tranfer to general reserve	(588.52)	(367.63)
Less:Dividend paid	(299.67)	(399.56)
Balance at the end of the year	**18,803.13**	**13,806.15**

Dividends:

The following dividend were declared and paid by the Company during the year :

Particulars	31-Mar-22	31-Mar-21
₹ 0.8 per equity share (31 March 2022: ₹ 0.8)	299.67	399.56
	299.67	**399.56**

Particulars	31-Mar-22	31-Mar-21
₹ 0.4 per equity share (31 March 2021: ₹ 0.20)	199.78	99.89
	199.78	**99.89**

10. Financial liabilities

10.1 Lease liabilities

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Non Current		
Non Current lease liability	-	-
Current		
Current lease liability	-	-
	-	**-**

The following is the movement in lease liabilities during the year ended March 31, 2022 :

Notes to Financial Statements for the year ended 31 March 2022

Particulars	31-Mar-22	31-Mar-21
Balance at the beginning	-	2.53
Additions	-	-
Finance cost accrued during the period	-	0.09
Deletions		
Payment of lease liabilities	-	2.62
Translation Difference		
Balance at the end	**-**	**-**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	31-Mar-22	31-Mar-21
Less than one year	-	-
One to five years	-	-
More than five years	-	-
Total	**-**	**-**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

10.2Non Current Borrowings

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Term Loans		
From banks*	790.47	175.01
From others**	73.70	79.69
	864.17	**254.70**
Less: Current maturities of long-term debt	88.57	71.54
Unsecured	822.04	
From related parties		
Total Non-current Borrowings	**1,597.64**	**183.17**

Particulars	Rate of Interest	Maturity Date	Terms of Repayment
From banks*			
Standard Chartered Bank	10.75%	First day of the Month	180 Monthly Instalments
Vijaya Bank	11% to 13%	23-Mar-21	60 Monthly Instalments
From others**			
Bajaj Allianz Life Insurance Company Ltd.	10%	Ranging from December 2018 to December 2024 [Different Maturity period of 10 Policies]	Repayment of loan on maturity of policy

10.3 Current Borrowings

Notes to Financial Statements for the year ended 31 March 2022

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Loans repayable on demand		
Secured		
From banks		
Working capital loans	7,352.66	2,818.43
	7,352.66	**2,818.43**

a) Secured borrowings and assets mortgaged/ hypothecated as security

i) Term Loan from Vijaya bank is secured as under:

Primary Security

Charge on Plot No. 68 under Vijaya Bank Term loan.

Collateral Security

a) Charge in favour Vijaya Bank by way of mortgage of Property mentioned as per below details:

Property Description	Type of Property	Owned by
Factory Land and Building situated at Roha	Industrial Unit	Vidhi Specialty Food Ingredients Ltd.
E/ 27 Commerce Centre, Mumbai	Commercial Office	Jointly owned by : Mrs. Pravina Manek- Director and Alka Modi- Ex Director
E/28 & 29, Commerce centre, Mumbai	Commercial Office	Vidhi Specialty Food Ingredients Ltd.
Term Deposits	Term Deposits	Vidhi Specialty Food Ingredients Ltd.

Stock & book Debts

ii) Term Loans from Bajaj Allianze Life Insurance Company Limited

Term Loan taken against Keyman Insurance Policy in the Name of the Bipin M. Manek [Director] and Naresh Modi.

iii) Working capital loan from HDFC bank is secured as under:

Primary Security

Charge in favour of HDFC Bank, Vijaya Bank by way of hypothecation of stocks, book debts and plant and machinery of the company.

Collateral Security

Factory Land and Building situated at Roha and E/ 27 -28 & 29 Commerce Centre, Mumbai.

iv) Working capital loan from Vijaya bank is secured as under:

Primary Security

Charge by way of hypothecation of fully insured raw material, work in progress and finished goods comprising of food colours and other material.

Notes to Financial Statements for the year ended 31 March 2022

Charge on plant and machinery and manufacturing facility at Plot No.59B & 68, Roha, Mumbai.

Collateral Security

Factory Land and Building situated at Roha and E/ 27, E/28 and E/29, Commerce Centre, Mumbai.

Term Deposits

v) Loan from Standard Chartered bank is secured by personal assets of a director.

b) The carrying amounts of financial and non-financial assets mortgaged/ hypothecated as security for current and non current borrowings are disclosed in Note 25.

10.4 Trade payables - from MSME

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Trade payables	264.33	174.55
	264.33	**174.55**

10.5 Trade payables - from other than MSME

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Trade payables	3,406.03	2,552.78
	3,406.03	**2,552.78**

(iii) Trade payables

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues to Micro, small and medium enterprises	264.33	174.55
Total outstanding dues to creditors other than micro, small and medium enterprises	3,406.03	2,552.78
	3,670.36	**2,727.33**

MSME Disclosure

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(i) The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information collected by the Management.

Notes to Financial Statements for the year ended 31 March 2022

(ii) The Disclosure relating Micro and Small Enterprises is as under:

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year.	264.33	174.55
(ii) Interest on above	-	-
(iii) The amount of interest paid along with the principal payment made to the supplier beyond the appointed date during the year	-	-
(iv) Amount of interest due and payable on delayed payments	-	-
(v) Amount of further interest remaining due and payable for the earlier years	-	-
(vi) Amount of Interest payable on last years interest outstanding		
(vii) Total outstanding dues of Micro and Small Enterprises		
- Principal	264.33	174.55
- Interest	-	-

Ageing of trade payables- MSME: Undisputed trade payables

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than six months	264.33	174.55
Six months - one year	-	-
One - two year	-	-
Two - three year	-	-
More than 3 years	-	-

Ageing of trade payables- Others: Undisputed trade payables

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than six months	3,400.32	2,552.78
Six months - one year	-	-
One - two year	5.72	
Two - three year	-	-
More than 3 years	-	-
Total	**3,406.04**	**2,552.78**

Notes to Financial Statements for the year ended 31 March 2022

10.6 Other financial liabilities

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Current maturities of long-term debt	88.57	71.54
Unpaid dividend	27.87	28.35
Outstanding expenses	51.26	63.04
Other liabilities	4.24	3.89
	171.94	**166.82**

11 Provision

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Non Current		
Provision for gratuity (Refer note 23)	55.95	57.48
	55.95	**57.48**
Current		
Provision for bonus	15.53	14.82
	15.53	**14.82**

12 Deferred tax Liability (Net)

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred Tax Liability	309.60	247.57
Deferred Tax Assets	45.53	64.65
Net Deferred Tax Liability	**264.07**	**182.92**
Deferred Tax Asset		
Provision for Bonus	3.91	3.73
Security Deposit	1.29	1.37
Provision for ECL	26.25	45.08
Defined benefit obligation	14.08	11.73
Deferrred Tax on OCI	-	2.74
	45.53	**64.65**
Deferred Tax Liabilities		
Property, plant and equipment and investment property	308.94	247.57
Deferrred Tax on OCI	0.66	-
	309.60	**247.57**

Notes to Financial Statements for the year ended 31 March 2022

13 Current Tax Liabilities

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for tax [Net of Advance Tax of INR 1976 Lacs (PY - 1180 Lacs)]		149.70
	-	**149.70**

14 Other current liabilities

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from customers	292.22	79.28
Outstanding statutory liabilities	45.63	39.05
	337.85	**118.33**

15 Revenue from Operations

A. Revenue from customers disaggregated based on nature of product

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Sale of products		
Finished products	24,481.69	17,941.99
Traded products	28,201.10	8,073.33
	52,682.79	**26,015.32**
Other operating revenue		
Export incentive	257.24	325.23
Net gain on foreign currency transaction and translation	765.43	300.61
	1,022.67	625.83
Total Revenue from Operations	**53,705.46**	**26,641.15**

B. Disaggregated revenue information

The table below presents disaggregated revenue from contact with customers for the year ended March 2022 and March 2021. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Revenue from contracts with customers disaggregated based on geography

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Domestic	30,236.60	9,454.84
Exports	23,468.86	17,186.31
Total Revenue from Operations	**53,705.46**	**26,641.15**

Notes to Financial Statements for the year ended 31 March 2022

16 Other Income

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Interest received	44.85	44.73
Claim received for Loss	-	37.17
Proceeds on maturity of keymen policy	16.19	-
Interest on Loan Given	-	1.50
Interest on Income Tax Refund	-	19.89
Lifting charges	2.53	0.96
Interest on FV of rent deposit	-	7.15
Reversal of Provision for doubtful debts and advances	74.81	
Sundry balances written back	-	46.15
Total Other Income	**138.38**	**157.55**

17(a) Cost of Materials Consumed

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
(i) Opening Stock		
Raw materials	1,299.75	941.69
Packing material	32.92	54.86
Stock in transit	157.67	216.76
(ii) Add: Purchases		
Raw materials	13,995.69	9,108.31
Packing material	488.31	343.51
Fuel	487.72	253.15
(iii) Less: Closing Stock		
Raw materials	2,857.25	1,299.75
Packing material	42.78	32.92
Stock in transit	176.49	157.67
Add: Labour charges	1,334.18	736.35
Total	**14,719.72**	**10,164.28**

17 (b) Purchase of stock in trade

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Traded Goods	26,776.18	7,420.31
Total	**26,776.18**	**7,420.31**

Notes to Financial Statements for the year ended 31 March 2022

17 (c) (Increase) / Decrease in Inventories

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Inventories at the end of the year		
Finished Goods	810.25	934.85
Traded Goods	1,895.11	803.50
Work in Progress	1,484.51	764.60
	4,189.87	**2,502.95**
Inventories at the beginning of the year		
Finished Goods	934.85	1,130.07
Traded Goods	803.50	470.85
Work in Progress	764.60	603.08
	2,502.95	**2,203.99**
Total	**(1,686.92)**	**(298.96)**

18 Employee benefit expense

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Salaries and wages	321.64	284.33
Bonus	21.49	22.54
Remuneration & commission to Directors	520.00	405.00
Contribution to provident and other funds	12.25	11.68
Gratuity expense	12.04	8.59
Leave compensation	3.33	7.83
Staff welfare expenses	56.70	41.21
Total Employee Benefit Expense	**947.45**	**781.16**

19 Finance cost

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Interest	259.29	75.46
Interest expense on lease laibilities	-	0.09
Bank charges	131.82	84.28
Total Finance Cost	**391.11**	**159.83**

Notes to Financial Statements for the year ended 31 March 2022

20 Depreciation / Amortisation

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Depreciation on property, plant and equipment	297.01	273.77
Amortisation of lease assets	-	4.23
Total Depreciation and Amortisation Expense	**297.01**	**278.00**

21 Other expenses

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
a) Manufacturing and operating expenses		
Factory salaries and wages	49.33	45.06
Clearing and forwarding	137.11	126.61
Conveyance	1.34	1.18
Commission on Purchase	-	0.37
Effluent treatment charges	0.35	0.61
Freight and octroi charges	305.18	218.46
Insurance charges	19.61	17.85
Loading and unloading charges	27.03	13.29
Power charges	492.47	522.39
Professional and consultancy fees	2.93	6.75
Repairs and maintenance:		
- Buildings	13.37	8.00
- Plant and machinery	521.24	414.39
- Others	227.63	162.26
Stores and spares consumed	223.23	198.87
Warehousing charges	60.28	26.68
Import charges	99.86	60.74
Miscellaneous manufacturing and operating expenses	119.31	98.95
Manufacturing and operating expense (subtotal)	**2,300.27**	**1,922.44**
b) Administrative expenses		
Agency charges	37.20	27.22
Keyman insurance premium	23.02	15.44
Insurance charges-others	3.33	2.44
Printing and stationery	30.77	30.27
Payments to Auditors (refer note 21.1)	10.00	9.00
Communication expenses	4.52	4.08
Electricity expenses	3.89	5.79
Rent	12.83	17.52

Notes to Financial Statements for the year ended 31 March 2022

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Rates & taxes	25.62	43.14
Professional and consultancy charges	123.15	77.20
Donation	2.45	7.36
Listing fees	6.15	8.34
Travelling charges	2.51	5.42
Commission	90.00	90.00
Director sitting fees	2.25	2.50
Interest on others	1.80	6.53
Interest on FV of rent deposit	2.31	
Corporate social responsibility (refer note 21.2)	91.00	75.11
Miscellaneous administrative expenses	217.18	84.87
Administrative expense (subtotal)	**689.98**	**512.22**
c) Selling and distribution expenses		
Advertisement	4.55	2.94
Allowance for doubtful debts and advances	-	115.47
Business promotion	78.81	52.20
Clearing and forwarding(S)	16.96	11.14
Commission expenses	163.15	52.16
E. C. G. C. premium	8.42	6.79
Insurance	5.34	2.86
ISI / FDA marketing fees	207.73	107.99
Freight and octroi charges	827.87	408.89
Terminal handling charges	128.70	85.14
Packing and forwarding	47.53	37.96
Miscellaneous distribution and selling expenses	4.62	5.05
Selling and distribution expense (subtotal)	**1,493.68**	**888.60**
Total Other Expense	**4,483.93**	**3,323.26**

21.1 Details of payment to auditors (excluding GST)

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
As auditor:		
Statutory audit and limited review fees	10.00	9.00
Total Payment to Auditors	**10.00**	**9.00**

Notes to Financial Statements for the year ended 31 March 2022

21. 2 Corporate social responsibility expenditure

The Company has spent ₹ 91.00 lakhs (Previous year ₹ 75.11 lakhs) towards Corporate Social Responsibility expenditure (including capital expenditure - Nil, Previous year - Nil) and debited the same to the Statement of Profit and Loss as against ₹ 90.59 lakhs (Previous year ₹ 74.00 lakhs) computed as per the provisions of section 135(5) of the Companies Act, 2013.

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Amount to be spent during the year	90.59	74.00
Amount spent during the year	91.00	75.11

22 Income Tax Expense

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
(a) Amounts recognised in the statement of profit and loss		
Current year	1,960.00	1,322.00
Changes in estimates relating to prior years	-	-
Current tax expense	**1,960.00**	**1,322.00**
Deferred tax expense	79.50	(23.18)
Deferred tax expense	**79.50**	**(23.18)**
Tax expense recognised in the statement of profit and loss	**2,039.50**	**1,298.82**

(b) Amounts recognised in other comprehensive income

₹ In lakhs

Particulars	Before Tax	Tax (expenses) / benefit	Net of Tax
Items that will not be reclassified to profit or loss:			
FY 2021-22			
Re-measurements of the defined benefit plans	10.96	(1.65)	9.31
FY 2020-21			
Re-measurements of the defined benefit plans	6.71	(2.41)	4.31

(c) Reconciliation of effective tax rate

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Profit before tax	7,915.36	4,970.82
Statutory income tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	**1,992.14**	**1,251.06**

Notes to Financial Statements for the year ended 31 March 2022

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Tax effect of:		
Non-deductible tax expenses / disallowances under Income Tax Act	29.08	21.51
Tax-exempt income and deductions under Chapter VI A of Income Tax Act	-	
Temporary difference recognised in deferred taxes	(79.23)	35.41
Others	97.51	(9.15)
	47.36	**47.77**
Income Tax expense	**2,039.50**	**1,298.83**

Amounts recognised in the statement of profit and loss

The balance comprises temporary difference attributable to:

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Deferred Tax Liability on account of:		
Property, plant and equipment and intangible assets	308.94	247.57
OCI	0.66	-
Deferred Tax Asset on account of:		
Employee Retirement Benefits	14.08	11.73
Provision for ECL	26.25	45.08
Provision for Bonus	3.91	3.73
Security Deposit	1.29	1.37
OCI	-	2.74
Net Deferred Tax Liability / (Assets)	**264.07**	**182.92**

(d) Movement in deferred tax Liability / (Assets)

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	182.92	209.18
Deferred Tax Liability		
Recognised in profit or loss	80.94	21.69
Recognised in other comprehensive income	2.73	
Deferred Tax Asset		
Recognised in profit or loss	(2.52)	(45.21)
Recognised in other comprehensive income	-	(2.74)
Net Deferred Tax Liability / (Assets)	**264.07**	**182.92**

Notes to Financial Statements for the year ended 31 March 2022

23 Employee Benefits:

i) Defined Contribution Plan:

Company's contribution to Provident Fund: ₹12.10 lakhs (Previous year ₹ 11.44 lakhs).

The company also contributes to the following:

Employee State Insurance Contribution Fund : ₹ 0.13 lakhs (Previous year ₹ 0.22 lakhs)

ii) Defined Benefit Plan:

The following table sets out the funded status of the Gratuity Plan and the amounts recognised in the Company's financial statements:

(a) Change in the obligation benefits:

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Projected benefit obligation at the beginning of the year	96.50	87.51
Current service cost	5.31	5.09
Past service cost	-	-
Interest expense/(income)	6.46	5.94
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	(4.00)	1.00
Due to change in demographic assumption	-	-
Due to experience adjustments	(4.38)	(3.04)
Benefit paid	-	-
Projected benefit obligation at the end of the year	**99.89**	**96.50**

(b) Change in the plan assets

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of the plan assets at the beginning of the year	39.01	34.32
Interest expense/(income)	2.72	2.44
Return on plan assets, excluding amounts included in interest expense/(income)	(0.15)	(0.35)
Assets distributed on settlements	-	-
Contributions by employer	2.36	2.60
Fair value of the plan assets at the end of the year	**43.94**	**39.01**

Notes to Financial Statements for the year ended 31 March 2022

The net liability disclosed above relates to funded and unfunded plans are as follows:

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of funded obligations	99.89	96.50
Fair value of plan assets	43.94	39.02
Deficit of funded plan	**55.95**	**57.48**
Unfunded plans	-	-
Deficit of gratuity plan	-	-

Profit & Loss Expense

The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Current service cost	5.31	5.09
Past service cost	-	-
Interest on net defined benefit liability/(asset)	3.74	2.44
(Gain) /Losses on settlement	-	-
Total Expenses charged to P&L A/c	**9.05**	**7.53**

The significant actuarial assumptions were as follows:

Particulars	31-Mar-22	31-Mar-21
Discount rate (p.a.)	7.20%	6.80%
Salary escalation rate (p.a.)	7.00%	7.00%

Sensitivity Analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Discount rate Sensitivity

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Increase by 0.5%	95.17	91.63
	-4.72%	-5.05%
Decrease by 0.5%	104.92	101.72
	5.04%	5.41%

Notes to Financial Statements for the year ended 31 March 2022

Salary growth rate Sensitivity

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Increase by 0.5%	103.98	100.08
	4.10%	4.37%
Decrease by 0.5%	96.01	92.52
	-3.88%	-4.12%

Note 24: Fair values Measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ in lakhs

Particulars	As at 31st March 2022				
	Classification				
	Carrying Value	FVTPL	FVTOCI	Amortised cost	Fair Value
Current Financial assets					
Trade receivables	15,012.74	-	-	15,012.74	15,012.74
Cash and cash equivalents	101.07	-	-	101.07	101.07
Bank balances other than cash and cash equivalents	45.34	-	-	45.34	45.34
Current loans	90.42	-	-	90.42	90.42
Other current financial assets	1,111.16	-	-	1,111.16	1,111.16
- Rent deposits	20.14	20.14	-		20.14
	16,380.87	**20.14**	**-**	**16,360.73**	**16,380.87**
Non Current Financial liabilities					
Borrowings	1,597.64	-	-	1,597.64	1,597.64
Current Financial liabilities					
Lease Liability	-	-	-	-	-
Borrowings	7,352.66	-	-	7,352.66	7,352.66
Trade payables - MSME	264.33	-	-	264.33	264.33
Trade payables - other than MSME	3,406.03	-	-	3,406.03	3,406.03
Other current financial liabilities	171.94	-	-	171.94	171.94
	12,792.60	**-**	**-**	**12,792.60**	**12,792.60**

Notes to Financial Statements for the year ended 31 March 2022

₹ in lakhs

Particulars	As at 31st March 2021				
	Classification				
	Carrying Value	FVTPL	FVTOCI	Amortised cost	Fair Value
Current Financial assets					
Trade receivables	9,457.28	-	-	9,457.28	9,457.28
Cash and cash equivalents	403.33	-	-	403.33	403.33
Bank balances other than cash and cash equivalents	655.30	-	-	655.30	655.30
Current loans	82.07	-	-	82.07	82.07
Other current financial assets	896.99	-	-	896.99	896.99
- Rent deposits	22.45	22.45	-		22.45
	11,517.42	**22.45**	**-**	**11,494.97**	**11,517.42**
Non Current Financial liabilities					
Borrowings	183.17	-	-	183.17	183.17
Current Financial liabilities					
Current Financial liabilities					
Lease Liability	-	-	-	-	-
Borrowings	2,818.43	-	-	2,818.43	2,818.43
Trade payables - MSME	174.55	-	-	174.55	174.55
Trade payables - other than MSME	2,552.78	-	-	2,552.78	2,552.78
Other current financial liabilities	**166.82**	**-**	**-**	**166.82**	**166.82**
	5,895.75	**-**	**-**	**5,895.75**	**5,895.75**

₹ in lakhs

Particulars	As at 31st March 2022			As at 31st March 2021		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Current Financial assets						
Trade receivables	-	-	15,012.74	-	-	9,457.28
Cash and cash equivalents	-	-	101.07	-	-	403.33
Bank balances other than cash and cash equivalents	-	-	45.34	-	-	655.30
Current loans	-	-	90.42	-	-	82.07
Other current financial assets	-	-	1,111.16	-	-	896.99
- Rent deposits	-	-	20.14	-	-	22.45
	-	**-**	**16,380.87**	**-**	**-**	**11,517.42**
Non Current Financial liabilities						
Borrowings			1,597.64			183.17
Current Financial liabilities						
Lease Liability	-	-	-	-	-	-
Borrowings	-	-	7,352.66	-	-	2,818.43
Trade payables - MSME	-	-	264.33	-	-	174.55
Trade payables - other than MSME	-	-	3,406.03	-	-	2,552.78
Other current financial liabilities	-	-	171.94	-	-	166.82
	-	**-**	**12,792.60**	**-**	**-**	**5,895.75**

Notes to Financial Statements for the year ended 31 March 2022

B. Fair value heirarchy

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 heirarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level. This is the case for unlisted equity securities included in level 3.

C. Description of significant observable inputs to valuation:

The following table shows the valuation techniques used to determine fair value :

Type	Valuation technique
Investment in equity shares (unquoted)	Book value *
Current loans	Based on prevailing market interest rate

* Based on unobservable inputs which generally approximates to the carrying value of the investments unless significantly impaired. Fair value has been considered Nil for significantly impaired investments. Sensitivity change in the unobservable input does not have a significant impact in its value and accordingly, sensitivity disclosure is not given.

Note 25: Financial Risk Management

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables . We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

A. Currency risk

The Company is exposed to currency risk on account of transaction with foreign subsidiaries and other parties. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

Notes to Financial Statements for the year ended 31 March 2022

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)
The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

₹ in lakhs

As at 31st March 2022	USD	INR	EUR	INR	AED	INR
Financial assets (A)						
Trade and other receivables	8,243,477.10	6,249.14	580,052.91	491.07	-	-
Advance given to suppliers	386,570.99	293.05	-	-	-	-
Financial liabilities (B)						
Trade and other payables	1,114,586.60	844.94	-	-	176,028.51	36.39
Advance from customers	189,793.62	143.88	-	-	390,710.02	80.78
Net exposure (A - B)	**7,325,667.87**	**5,553.37**	**580,052.91**	**491.07**	**(566,738.53)**	**(117.17)**
As at 31st March 2021	**USD**	**INR**	**EUR**	**INR**	**AED**	**INR**
Financial assets (A)						
Trade and other receivables	6,219,982.98	4,571.98	541,285.35	466.04	-	-
Advance given to suppliers	552,945.41	406.44	2,043.20	1.76	68,716.25	13.70
Financial liabilities (B)						
Trade and other payables	1,715,328.22	1,260.85	68,988.00	59.40	42,997.50	8.57
Advance from customers	288,910.42	212.36	-	-	-	-
Net exposure (A - B)	**4,768,689.75**	**3,505.21**	**474,340.55**	**408.40**	**25,718.75**	**5.13**

The following significant exchange rates have been applied in respective year:

Particulars	Exchange rate as on	
	31-Mar-22	31-Mar-21
USD	75.81	73.50
EUR	84.66	86.10
AED	20.67	19.94

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at March 31 2022 would have affected the measurement of financial instruments denominated in foreign currencies and affected Statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Trade Receivable & advance given to suppliers

Impact on profit or loss due to 3 % increase / (decrease) in currency

Particulars	2021-22		2020-21	
	Increase	(Decrease)	Increase	(Decrease)
USD	187.47	(187.47)	105.16	(105.16)
EUR	14.73	(14.73)	12.25	(12.25)
AED	-	-	0.15	(0.15)

Notes to Financial Statements for the year ended 31 March 2022

B. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment in securities.

a. Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Company uses an allowance matrix to measure the expected credt losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

As at 31st March 2022

Ageing	Gross carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-180 days past due	14,443.14	0.00%	-	14,443.14
180-365 days past due	20.37	11.72%	2.39	17.98
More than 365 days past due	653.53	15.59%	101.91	551.62

Note - Expected credit loss is worked out on the trade receivable for which no specific provision is made.

As at 31st March 2021

Ageing	Gross carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-180 days past due	63.65	5.78%	3.63	59.18
180-365 days past due	38.68	11.72%	4.53	34.15
More than 365 days past due	1,096.24	15.59%	170.94	925.29

b. Cash and cash equivalents and Other bank balances

The Company held cash and cash equivalents and other bank balances of ₹ 146.41 lakhs at March 31, 2022 (March 31, 2021: ₹ 1,058.63 lakhs) The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

c. Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Notes to Financial Statements for the year ended 31 March 2022

The carrying amounts of financial assets represent the maximum credit risk exposure.

Exposure to Credit Risk	As at 31-Mar-2022	As at 31-Mar-2021
Financial risk for which loss allowance is measured using 12 months expected Credit Losses (ECL)		
Loans	90.42	82.07
Cash & cash equivalent	101.07	1,058.63
Trade receivables	15,012.74	9,457.28
Financial risk for which loss allowance is measured using Lifetime expected Credit Losses (ECL)		
Trade receivables	104.30	179.11

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

C. Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ in lakhs

Particulars	Less than 1 Year	1 to 5 Years	More than 5 Year	Total
As on 31-Mar-2022				
Current borrowings	7,352.66	-	-	7,352.66
Trade payables	3,670.36	-	-	3,670.36
Other financial liabilities	171.94	-	-	171.94
Term loans- from banks	-	1,597.64	-	1,597.64
As on 31-Mar-2021				
Current borrowings	2,818.43	-	-	2,818.43
Trade payables	2,727.33	-	-	2,727.33
Other financial liabilities	166.82	-	-	166.82
Lease liabilities	-	-	-	-
Term loans- from banks	-	183.17	-	183.17

Notes to Financial Statements for the year ended 31 March 2022

Maturity profile of financial assets

The table below provide details regarding the contractual maturities of financial assets at the reporting date

₹ in lakhs

Particulars	Less than 1 Year	1 to 5 Years	More than 5 Year	Total
As on 31-Mar-2022				
Trade receivables	15,012.74	-	-	15,012.74
Current loans	90.42	-	-	90.42
Bank deposit with original maturity of more than12 months	-	17.50	-	17.50
Other current financial assets	2.57	89.46	3.64	95.67
As on 31-Mar-2021				
Trade receivables	9,457.28	-	-	9,457.28
Current loans	82.07	-	-	82.07
Bank deposit with original maturity of more than12 months	-	791.75	-	791.75
Other current financial assets	2.34	89.88	35.47	127.69

D. Interest Rate Risk Exposure

I. Interest rate risk expousre

The Exposure of the borrowing to interest rate changes at the end of the reporting period are included in the table below.As at the end of the reporting period the following weighted average interest rate on the borrowings.

₹ In lakhs

Particulars	31st March 2022			31st March 2021		
	Weighted average Interest rate	Balance	% of Total Loans	Weighted average Interest rate	Balance	% of Total Loans
Bank Overdrafts , Bank Loan The percentage of total loans shows the proportion of loans that are currently at weighted average in relation to the total amount of borrowings.	7.93%	9,038.87	100	9.87%	2,299.67	100

II. Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowingsas a result of changes in interest rate.In interest rate risk note we have considered impact on profit after tax.

Notes to Financial Statements for the year ended 31 March 2022

₹ In lakhs

Particulars	Impact on Profit after tax	
	31st March 2022	31st March 2021
Interest rate - Increase by 100 Basis Points	67.64	17.21
Interest rate - Decrease by 100 Basis Points	(67.64)	(17.21)

Note 26: Assets Pledged/ Mortgaged/Hypothecated as security

The carrying amounts of assets mortgaged/hypothecated as security for current and non-current borrowings are:

₹ In lakhs

Particulars	As at 31 March 2021	As at 31 March 2021
Current Financial Assets		
First Charge		
Book debts	15,117.04	9,636.39
Stock of raw material	3,033.73	1,457.42
Stock of work in progress	1,484.51	764.60
Stock of finished goods	810.25	934.85
Stock of traded goods	1,895.11	803.50
Stock of packaging material	42.78	32.92
Total current assets mortgaged/hypothecated as security	**22,383.42**	**13,629.68**
Non-current		
First Charge		
Freehold land	3.75	3.75
Leasehold land	-	192.79
Factory building	1,080.61	840.37
Administrative building	9.20	10.75
Furniture and fixtures	1.92	71.46
Office premises	219.68	229.29
Office equipments	0.06	1.05
Plant & machinery	1,491.92	1,484.61
Electrical installation	35.37	47.42
Total non-current assets mortgaged/hypothecated as security	**2,842.51**	**2,881.49**
Total assets mortgaged/hypothecated as security	**25,225.93**	**16,511.17**

27 Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial statements.

Notes to Financial Statements for the year ended 31 March 2022

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Total borrowings (Refer note 10.2,10.3 & 10.6)	9,038.87	3,073.13
Total equity (Refer note 8 ,9 & 27)	30,789.12	19,237.88
Debt to Equity ratio	**29.36%**	**15.97%**

28 Details of related party transactions in accordance with Ind AS 24 'Related Party Disclosures'

Information in accordance with the requirement of Indian Accounting Standard 24 on Related Party Disclosure:

a) Related Party Relationships

Name of the Party	Relationship
Arjun Food Colorants Manufacturing Private Limited	Wholly Owned Subsidiary
Trident Colours & Chemicals	Enterprises in which relative of KMP is a Proprietor
Vibgyor Exports	Enterprises in which director is a Proprietor
Bipin M. Manek	Key Mangement Personnel - Executive Director
Mihir B. Manek	Key Mangement Personnel - Executive Director
Vidhi H Parekh	Key Mangement Personnel - Executive Director
Pravina B. Manek	Key Mangement Personnel - Non Executive Director
Vijay K. Atre	Key Mangement Personnel - Non Executive Director
Rahul Berde	Key Mangement Personnel - Independent Director
Niren Desai	Key Mangement Personnel - Independent Director
Prafulchandra Shah	Key Mangement Personnel - Independent Director
Ashit Doshi	Key Mangement Personnel - Independent Director
Jyoti Modi	Key Mangement Personnel - Independent Director
Mitesh Manek	Chief Financial Officer
Kripa M Manek	Spouse of CFO
Chroma Food Ingredients Pvt Ltd	KMP is a Director
Vidhi Finechem Pvt Ltd	KMP is a Director
Vidhi Food Colours Dahej Pvt Ltd	KMP is a Director
Priyanka Soni	Company Secretary (w.e.f 08.11.2021)
Awdhesh Kumar Pandey	Company Secretary (Resigned w.e.f. 12.05.2021)

Notes to Financial Statements for the year ended 31 March 2022

b) Transactions with Related Parties

Transaction with Key Managerial Personnel and relatives of Key Managerial Personnel

₹ In lakhs

Particulars	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Remuneration paid to Key Managerial Personnel		
Bipin M. Manek	60.00	60.00
Mihir B. Manek	60.00	60.00
Vidhi H Parekh	12.00	5.00
Vijay K Atre	6.00	6.00
Mitesh D Manek	18.00	18.00
Payment of commission		
Bipin M. Manek	200.00	142.50
Mihir B. Manek	200.00	142.50
Payment of Bank Guarantee Commission		
Bipin M. Manek	45.00	45.00
Pravina B. Manek	45.00	45.00
Remuneration paid to company secreatry		
Priyanka Soni	2.15	-
Awdhesh Kumar Pandey	0.42	3.60
Transactions with other related parties		
Net Sales during the year		
Vibgyor Exports (Net of GST)	161.98	235.96
Chroma Food Ingredients Pvt Ltd (Net of GST)	58.94	
Professional Fees		
Kripa M Manek	10.00	10.00
Net Purchase during the year		
Vibgyor Exports (Net of GST)	221.21	-
Trident Colours and chemicals	8.40	-
Chroma Food Ingredients Pvt Ltd (Net of GST)	0.77	-
Loan Given		
Arjun Food Colorants Manufacturing Private Ltd	1.37	1.14
Loan taken		
Mihir B. Manek	1,515.00	-
Pravina B. Manek	395.00	-
Bipin Manek	205.00	-
Loan Paid		
Mihir B. Manek	1,128.10	-
Pravina B. Manek	100.00	-
Bipin Manek	135.00	-

Notes to Financial Statements for the year ended 31 March 2022

₹ In lakhs

Particulars	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Interest on Loan taken		
Mihir B. Manek	52.31	-
Pravina B. Manek	20.36	-
Bipin Manek	7.72	-
Director's Sitting Fees		
Rahul Berde	0.50	0.50
Niren Desai	0.50	0.50
Prafulchandra Shah	0.50	0.50
Jyoti Sunil Modi	0.25	0.50
Ashit Kantilal Doshi	0.50	0.50
Reimbursement of Expense		
Vijay K Atre	1.20	1.20

c) Balances with the parties outstanding

₹ In lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Pravina B. Manek - Security Deposit	10.07	8.77
Pravina B. Manek	(16.25)	-
Trident Colours and chemicals	283.09	292.99
Chroma Food Ingredients Pvt Ltd	28.32	-
Bipin Manek	(143.32)	(60.59)
Mihir B. Manek	(45.44)	(88.57)
Mitesh D Manek	0.29	1.72
Priyanka Soni	(0.45)	-
Rahul Berde	(0.11)	(0.11)
Jyoti Sunil Modi	(0.11)	-
Arjun Food Colorants Private Ltd	2.52	1.16
Vijay K Atre	(0.60)	(0.60)
Vidhi H Parekh	(0.75)	(0.75)
Kripa M Manek	(0.45)	(0.45)
Vibgyor Exports	(15.30)	50.14

Notes to Financial Statements for the year ended 31 March 2022

29 Commitments and Contingencies

i. Contingent Liabilities

₹ In lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Central Sales Tax (FY 2005 - 2006)	8.68	8.68
Central Sales Tax (FY 2013 - 2014)	3.59	3.59
Maharashtra VAT (FY 2013 - 2014)	0.37	0.37
Maharashtra VAT (FY 2012 - 2013)	2.88	2.88

ii. Commitments

₹ In lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	219.89	1,418.32

30 Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations :

₹ In lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Profit after tax attributable to equity shareholders	5,875.86	3,672.00
Net profit for calculation of basic and diluted EPS	**5,875.86**	**3,672.00**

₹ In lakhs

Particulars	No. of shares (in lakhs)	No. of shares (in lakhs)
Weighted average number of equity shares in calculating basic EPS	499.45	499.45
Basic Earnings per share	11.76	7.35
Diluted Earnings per share	11.76	7.35

31 Commitments

Non Cancellable Operating Leases:

₹ In lakhs

Particulars	31-Mar-22	31-Mar-21
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	-	
Later than 1 year but not later than 5 years	-	
Later than 5 years	-	
Commitments for minimum lease payments in relation to leases other than non-cancellable operating leases are payable as follows:		
Within 1 year	-	
Later than 1 year but not later than 5 years	-	

Notes to Financial Statements for the year ended 31 March 2022

₹ In lakhs

Particulars	31-Mar-22	31-Mar-21
Later than 5 years	-	
Rental expenses relating to operating leases		
Total Rental expense relating to operating leases	10.00	16.43

32 Segment Reporting

The Company operates in single business segment namely manufacturing and trading of food colors and chemicals. Hence, no separate disclosure as per "Ind AS-108" is required for the business segment.

The Company's operating divisions are managed from India. The principal geographical areas in which the Company operates are Asian Countries, European Countries, South Africa, Middle East Countries, United States and others.

For the purpose of geographical segment the sales are divided into two segments - within India and outside India. The accounting policies of the segments are the same as those described in Note 2.

₹ in lakhs

Particulars	FY 2021-22		
	Within india	Outside india	Total
Revenue			
Sales to external customers	30,236.60	23,468.86	53,705.46
Other segment information			
Non-current Assets *	7,110.99		7,110.99

₹ in lakhs

Particulars	FY 2020-21		
	Within india	Outside india	Total
Revenue			
Sales to external customers	9,454.84	17,186.31	26,641.15
Other segment information			
Non-current Assets *	3,351.15		3,351.15

* Non-current assets excludes investment in subsidiaries, Other investments, Other financials assets, Income tax assets (Net) and Deferred tax assets (Net).

33 Additional Regulatory Information

Ratios

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance*	Remarks
Current Ratio (in times)	Total current assets	Total current liabilities	2.32	2.99	-22%	
Debt-Equity ratio (in times)	Debt consists of borrowings	Total equity	0.07	0.01	548%	*Note no 1

Notes to Financial Statements for the year ended 31 March 2022

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance*	Remarks
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	0.01	0.02	-27%	*Note no 2
Inventory turnover ratio	Revenue from operations	Average Inventory	7.41	6.71	10%	
Return on equity ratio (in %)	Profit for the year (after tax)	Average total equity	0.31	0.25	23%	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.59	2.83	27%	*Note no 3
Trade payables turnover ratio (in times)	Cost of material consumed and purchase of stock-in-trade + Manufacturing cost + Other expenses	Average trade payables	12.53	7.67	63%	*Note no 4
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	3.97	2.61	52%	*Note no 5
Net profit ratio (in %)	Profit for the year (after tax)	Revenue from operations	0.11	0.14	-20%	
Return on capital employed (in %)	Profit for the year (after tax)	Tangible net worth + Debt consists of borrowings + Deferred tax liabilities	0.28	0.25	14%	
Return on Investement						
Quoted	Income generated from Investements	Time weighted average investements	-	-	0.00%	
Unquoted	Income generated from Investements	Time weighted average investements	-	-	0.00%	

Notes:-

1. During the year the Company has borrowed Term loan, resulting in adverse debt equity ratio.
2. During the year the Company has borrowed Term loan, resulting in adverse debt service coverage ratio.
3. Significant growth in revenue increases trade receivables, accordingly resulted in an improvement in ratio.
4. Significant growth in purchases increases trade payables, accordingly resulted in an improvement in ratio.
5. Significant increase in revenue and working capital resulted in an improvement in ratio.

Notes to Financial Statements for the year ended 31 March 2022

34 Current assets and current liabilities

Balances of certain trade receivables, trade payables are subject to confirmation/reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation/ adjustments.In the opinion of management, financial & non-financial assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably stated.

35 Contingent Liability and Capital Commitments (As certified by the Management)

The Company has trade receivables of ₹ 52,69,411 from Export debtors which is receivable is US $ 91,812.95, as the same is outstanding more than 9 months. As per the Foreign Exchange Management Act 1999, the company need to apply for extension to Reserve Bank of India (“RBI”) for receipt of foregin exchange from Export Debtors if same is not received within 9 months from the date of invoice. As the debt is receivable in US $, the writing off of the debt also needs approval from RBI. However, this trade receivables are received in part earlier. The company is confident to receive the balance of ₹ 52,69,411 in US $ 91,812.95 from export debtors in due course. The export debtors are regularly doing the business with the company. The delay in amount receivable from export debtors is due to commercial on mutually discussed with them by company

36 Details of submission with Bank for working capital loan

The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly Information statements filed by the company with financial institutions or banks are in agreement with the books of account of the Company except details pertain creditor which is not matching with the books of accounts:

Creditor outstanding a the end of quarter (Q)	Q1	Q2	Q3	Q4
As per Bank Submission	876.52	286.62	1,225.49	1,489.19
As per Books of Accounts	451.29	1,278.31	1,417.86	687.54
Difference Excess/ (Short)	425.23	(991.69)	(192.37)	801.65
% Of Change	94.23%	-77.58%	-13.57%	116.60%

The difference is occurred due to invoices received of Imports from CHA after submitting the Stock statement with the bank, hence this difference occurred.

37 Reporting on Rule 11 as per Disclosures required under schedule III

a) The Company has not given Loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, that are repayable on demand or without specifying any terms or period of repayment.

b) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to Financial Statements for the year ended 31 March 2022

c) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

38 Code On Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and the Rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from the stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account the same once the rules are notified and become effective.

39 Scheme of Arrangement

The Company has not any entered in scheme of arrangement under section 230 to 237 of Companies Act 2013.

40 Benami Transactions

The Company does not hold any Benami Property as defined under Benami Transactions (Prohibition) Act (45) of 1988 and rules made thereunder.

41 Transactions with struck off Companies

The Company does not have any transactions with companies struck off under section 248 of Companies Act 2013 or Section 560 of Companies Act 1956, during the financial year ending 31 March 2022 and 31 March 2021.

42 Restriction on number of layers

The Company has complied with the number of layer prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

43 Undisclosed Income

The Company does not have any undisclosed income during the financial year ended 31 March 2022 and 31 March 2021.

44. Crypto/Virtual Currency

The Company does not traded or invested in Crypto Currency or Virtual Currency during the financial year ended 31 March 2022 and 31 March 2021.

45 Impairment

There was no impairment loss on the non-financial assets on the basis of review carried out by the management in accordance with Indian Accounting Standard (Ind AS) – 36 'Impairment of Assets'.

Notes to Financial Statements for the year ended 31 March 2022

46 The company has reclassified previous year figures to conform to this year's classification.

Signature to Notes 1 to 46 of the financial statements

As per our report of even date attached

For JMR & Associates LLP
Chartered Accountants
Firm Registration No. 106912W/W100300

CA. Nikesh Jain
Partner
Membership No: 114003

Mumbai, May 12, 2022

For and on behalf of the board of directors of
Vidhi Specialty Food Ingredients Limited

Bipin M. Manek
Chairman & Managing Director
DIN: 00416441

Mihir B. Manek
Joint Managing Director
DIN: 00650613

Mitesh D. Manek
Chief Financial Officer

Priyanka Soni
Company Secretary
A63701

Mumbai, May 12, 2022

Independent Auditor's Report

To the Members of Vidhi Specialty Food Ingredients Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Vidhi Specialty Food Ingredients Limited** ("the Company") and its wholly owned subsidiary company i.e. **Arjun Food Colorants Manufacturing Private Limited** (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity, with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, the consolidated profit, consolidated other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Sr. No.	Key Audit Matter	Auditor's Response
1	**Inventory Existence:** The Company recognized inventory of ₹7,266.38 Lakhs as at 31 March 2022. Within each location, inventory is stored in packet, drums at factory and third party locations. This is a key audit matter because of the • Significance of the inventory balance to the statement of financial position and • Complexity involved in determining inventory quantities on hand due to the number, conversion from Ltr. to Kgs., location and diversity of inventory storage locations, inventories lying with third parties etc.	We attended inventory counts at factory, which we selected based on financial significance and risk We performed the following procedures at each site: • Selected a sample of inventory items and compared the quantities we counted; • Observed a sample of managements inventory count procedures to assess compliance with Company Policy and • Made enquiries regarding obsolete inventory items and inspected the condition of items counted. We have also evaluated a selection of controls over inventory existence across the Company. Also obtained confirmation for inventories held with third parties.
2	**Trade Receivables:** Trade receivables comprise a significant portion of the current assets of the Company and serve as security for a majority of the Company short-term debt. As indicated in Note 4.2 to the financial statements. The receivables provision has made based on Expected Credit Loss method. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.	We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts receivable. We also considered payments received subsequent to year-end, insurance held for overseas trade receivables, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Company including: ● Assessing the appropriateness and reasonableness of the assumptions applied in the managements' assessment of the receivables allowance; ● Consideration of the creditworthiness of significant trade receivables over 90 days; ● Consideration and concurrence of the agreed payment terms; ● Verification of receipts from trade receivables subsequent to year-end; ● Inspection of credit insurance policies; and

Sr. No.	Key Audit Matter	Auditor's Response
2		● Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the Company's trade receivables are fairly valued and adequately provided. We further considered whether the provisions were misstated and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the financial statements are appropriate.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our report thereon

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements of the wholly owned subsidiary i.e. **Arjun Food Colorants Manufacturing Private Limited**, whose financial statements reflect total assets of ₹518.15 lakhs as at 31 March 2022, total comprehensive income and net profit after tax of ₹ (7.09) lakhs for the year ended 31 March 2022 as considered in the consolidated Ind AS financial statements. These financial statements of the subsidiary have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

   Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies(Auditor's Report)Order,2020(''the order")issued by the central Government of india in terms of section 143(11) of the Act, We give in "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the auditors on separate financial statements of such subsidiary as were audited by other auditor ,as noted in the "other matter" paragraph ,we report ,to the extent applicable,that: :

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements, including, inter-alia financial statement of the subsidiary duly audited by the component auditor;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Company as on 31 March 2022 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the Company, for reasons stated therein. Internal control over financial reporting is not applicable to the subsidiary, which is incorporated outside India.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts, including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 9 to the consolidated financial statements:

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

(c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For JMR Associates LLP
Chartered Accountants
Firm Registration No.106912W / W100300

Nikesh Jain
Partner
Membership No. 114003
Place: Mumbai
UDIN: 22114003AIVWIV4739
Date: 12 May 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

With reference to the Annexure referred to the Independent Auditor's Report to the member of the company on the consolidated financial statements for the year ended 31 March 2022, we report the following:

In our opinion and according to the information and explanation given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavorable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the companies (Auditor's Report) Order,2020(CARO):

Sr. No.	Name of the Entity	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavorable or qualified or adverse
1.	Vidhi Specialty Food Ingredients Limited	L24110MH1994PLC076156	HoldingCompany	3(ii)(b) & 3(vii)(c)

For JMR Associates LLP
Chartered Accountants
Firm Registration No.106912W / W100300

Nikesh Jain
Partner
Membership No. 114003
Place: Mumbai
UDIN: 22114003AIVWIV4739
Date: 12 May 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Vidhi Specialty Food Ingredients Limited** of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls over financial reporting of **Vidhi Specialty Food Ingredients Limited** (hereinafter referred to as "Company") as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in

reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For JMR Associates LLP
Chartered Accountants
Firm Registration No.106912W / W100300

Nikesh Jain
Partner
Membership No. 114003
Place: Mumbai
UDIN: 22114003AIVWIV4739
Date: 12 May 2022

Consolidated Balance Sheet as at 31 March 2022

₹ In lakhs

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
1. Non-current assets			
(a) Property, plant and equipment	3	3,568.23	2,681.65
(b) Capital work-in-progress	3	3,723.57	835.37
(c) Right-of-use assets	3.1	319.74	324.26
(d) Intangible assets	3.2	762.89	774.92
(f) Other non-current assets	5	14.17	27.00
Total Non current Assets		**8,388.60**	**4,643.20**
Non-current liabilities			
2. Current assets			
(a) Inventories	6	7,266.38	3,993.29
(b) Financial assets			
(i) Investments			
(ii) Trade receivables	4.2	15,012.74	9,457.28
(iii) Cash and cash equivalents	4.3	101.59	404.53
(iv) Bank balances other than (iii) above	4.3	45.34	655.30
(v) Loans and Advances	4.4	87.90	80.91
(vi) Others	4.5	1,131.30	919.44
(c) Current tax assets (net)	4.6	40.33	-
(d) Other current assets	7	3,100.44	2,404.44
Total Current Assets		**26,786.02**	**17,915.19**
Total Assets		**35,174.62**	**22,558.39**
Equity and Liabilities			
Equity			
(a) Equity share capital	8	500.20	500.20
(b) Other equity	9	21,199.00	15,632.60
Total Equity		**21,699.20**	**16,132.80**
Liabilities			
1. Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	10.2	1,599.70	185.25
(b) Provision	11	55.95	57.48
(c) Deferred tax liabilities (net)	12	264.07	182.92
(d) Other non-current liabilities		-	-
Total Non -current Liabilities		**1,919.72**	**425.65**
2. Current Liabilities			
(a) Financial liabilities			
(i) Lease Liability	10.1	-	-
(ii) Borrowings	10.3	7,352.66	2,818.43
(iii) Trade payables - MSME	10.4	264.53	175.11
(iii) Trade payables - other than MSME	10.5	3,412.87	2,556.11
(iv) Other financial liabilities	10.6	171.94	167.42
(b) Provisions	11	15.53	14.82
(c) Current tax liabilities (Net)	13	-	149.73
(d) Other current liabilities	14	338.17	118.32
Total Current Liabilities		**11,555.70**	**5,999.94**
Total Equity and Liabilities		**35,174.62**	**22,558.39**
Significant Accounting Policies	2		
Notes to the financial statements	3-46		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For JMR & Associates LLP
Chartered Accountants
Firm Registration No. 106912W/W100300

CA. Nikesh Jain
Partner
Membership No: 114003

Mumbai, May 12, 2022

For and on behalf of the board of directors of
Vidhi Specialty Food Ingredients Limited

Bipin M. Manek
Chairman & Managing Director
DIN: 00416441

Mihir B. Manek
Joint Managing Director
DIN: 00650613

Mitesh D. Manek
Chief Financial Officer

Priyanka Soni
Company Secretary
A63701

Mumbai, May 12, 2022

Consolidated Profit and Loss Statement for the year ended 31 March 2022

₹ In lakhs

	Notes	Year Ended 31 March 2022	Year Ended 31 March 2021
Income			
Revenue from operations	15	53,705.46	26,641.15
Other income	16	138.21	159.07
Total Revenue		**53,843.67**	**26,800.22**
Expenses			
Cost of material consumed	17(a)	14,719.72	10,164.28
Purchase of traded goods	17(b)	26,776.18	7,420.31
Change in inventories of traded goods and finished goods	17(c)	(1,686.92)	(298.96)
Employee benefits expense	18	947.45	781.18
Finance costs	19	391.11	159.83
Depreciation and amortisation expense	20	311.46	292.44
Other expenses	21	4,488.41	3,325.43
Total Expenses		**45,947.41**	**21,844.51**
Profit/(loss) before tax		7,896.26	4,955.71
Tax expenses			
Current tax	22	1,960.00	1,323.00
Deferred tax	22	79.50	(23.18)
Total tax expenses		**2,039.50**	**1,299.82**
Profit/(loss) for the year		**5,856.76**	**3,655.89**
Other Comprehensive Income			
i) Items that will not be reclassified subsequently to profit or loss		10.96	6.71
ii) Income tax related to above		(1.65)	(2.41)
Other Comprehensive Income		**9.31**	**4.30**
Total Comprehensive Income		**5,866.07**	**3,660.19**
Earnings per equity share (nominal value of share ₹ 10)			
Basic	30	11.73	7.32
Diluted		11.73	7.32
Summary of Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For JMR & Associates LLP
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Mumbai, May 12, 2022

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Chief Financial Officer

Priyanka Soni
Company Secretary
A63701

Mumbai, May 12, 2022

Consolidated Cash flow statement for the year ended 31 March 2022

₹ In lakhs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cash flow from Operating activities		
Profit before Income tax	7,896.26	4,955.73
Adjustments for :		
Depreciation	311.46	292.44
Finance Cost	391.11	159.83
Sundry Balance Written Back	17.18	(47.66)
Interest income	(44.85)	(46.23)
Expected Credit loss	-	115.47
Interest on MSME	(0.97)	1.54
Operating profit before Working Capital changes	**8,570.19**	**5,431.11**
(Increase)/Decrease in Trade Receivables	(5,555.46)	(1,934.26)
(Increase)/ Decrease in Inventories	(3,273.09)	(575.99)
(Increase)/Decrease in Financial Assets - Loans	(6.99)	(44.79)
(Increase)/Decrease in Financial Assets - Others	(210.98)	(360.20)
(Increase)/ Decrease in Other non-current assets	12.83	3.91
(Increase)/Decrease in Other current assets	(695.77)	(1,045.85)
Increase/ (Decrease) in Trade payables	928.99	986.17
Increase/(Decrease) in Provisions	10.14	12.81
Increase/(Decrease) in Other financial liabilities	4.52	(126.57)
Increase/(Decrease) in Other current liabilities	219.85	21.48
Net changes in Working Capital	**(8,565.97)**	**(3,063.28)**
Cash generated from Operations	4.22	2,367.83
Direct taxes paid	(2,149.89)	(1,250.02)
Net cash Inflow/(Outflow) from operating activities [A]	**(2,145.67)**	**1,117.81**
Cash flow from Investing activities		
Purchase of Fixed Assets	(4,069.76)	(331.92)
Interest received	44.62	48.16
Investment		
Net cash Inflow /(Outflow) from Investing activities [B]	**(4,025.14)**	**(283.76)**
Cash flow from Financing activities		
Dividend paid	(299.16)	(400.86)
Finance Cost	(391.11)	(159.83)
Proceeds/ (Repayment) of Long Term Borrowings	1,414.46	57.57
Proceeds/ (Repayment) of Short Term Borrowings	4,534.23	(283.53)
Net cash Inflow/(Outflow) from Financing activities [C]	**5,258.43**	**(786.65)**
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	**(912.39)**	**47.40**
Cash and cash equivalents at the beginning of the year	1,031.48	984.08
Cash and cash equivalents at the end of the year	**119.09**	**1,031.48**

Reconciliation of Cash and Cash Equivalents as per the cash flow statement
Cash and Cash Equivalents as per above comprise of the following

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Balances with banks		
- in current accounts	92.76	389.67
Deposits with maturity of less than three months		
- Bank balance other than Cash and Cash equivalents	17.50	626.95
Cash on hand	8.83	14.86
Balance as per statement of Cash Flows	**119.09**	**1,031.48**

* The company can utilize these balances only towards the settlement of the respective unpaid dividend.

Note :

The Cash Flow Statement has been prepared under the “Indirect Method” as set out in Ind As 7 specified under section 133 of the Companies Act, 2013.

As per our report of even date attached
For JMR & Associates LLP
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Firm Registration No. 106912W/W100300

CA. Nikesh Jain
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Membership No: 114003

Mumbai, May 12, 2022

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Chief Financial Officer

Priyanka Soni
Company Secretary
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Mumbai, May 12, 2022

Consolidated Statement of changes in equity for the year ended 31 March 2022

Equity Share Capital				₹ In lakhs
Balance as at 31 March 2021	**Changes in equity share capital due to prior period years**	**Restated balances as at April, 2021**	**Changes in equity share capital during the years**	**Balance as at March 31 , 2022**
500.20	-	-	-	**500.20**

Balance as at April 1, 2020	**Changes in equity share capital due to prior period years**	**Restated balances as at April, 2020**	**Changes in equity share capital during the years**	**Balance as at March 31 , 2021**
500.20	-	-	-	**500.20**

Other Equity

₹ In lakhs

Particulars	**Reserves and Surplus**		**Items of other comprehensive income**	**Total Other Equity**
	General Reserve	**Retained Earnings**	**Capital Reserve**	
Balance as at 1 April 2020	1,490.77	10,873.41	-	**12,364.18**
Profit for the year	-	3,655.90	-	**3,655.90**
Transfer to General Reserve	367.63	(367.63)	-	**-**
Business Combination	-	-	7.77	**7.77**
Other comprehensive income	-	4.31	-	**4.31**
Transitional Provision	-	-	-	**-**
Dividend for 2020-2021	-	(399.56)	-	**(399.56)**
Dividend tax on Dividend for 2020-21	-	-	-	**-**
Balance as at 31 March 2021	**1,858.40**	**13,766.43**	**7.77**	**15,632.60**
Profit for the year	-	5,856.76	-	**5,856.76**
Transfer to General Reserve	586.61	(586.61)	-	**-**
Adjustment for OCI	-	-	-	**-**
Other comprehensive income	-	9.31	-	**9.31**
Dividend for 2021-2022	-	(299.67)	-	**(299.67)**
Dividend tax on Dividend for 2021-2022	-	-	-	**-**
Balance as at 31 March 2021	**2,445.01**	**18,746.22**	**7.77**	**21,199.00**

Notes:

General Reserve: General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as dividend

Retained Earnings: This represents profits remaining after all appropriations. This is free reserve and can be used for distribution of profits.

As per our report of even date attached
For JMR & Associates LLP
Chartered Accountants
Firm Registration No. 106912W/W100300

CA. Nikesh Jain
Partner
Membership No: 114003

Mumbai, May 12, 2022

For and on behalf of the board of directors of
Vidhi Specialty Food Ingredients Limited

Bipin M. Manek
Chairman & Managing Director
DIN: 00416441

Mihir B. Manek
Joint Managing Director
DIN: 00650613

Mitesh D. Manek
Chief Financial Officer

Priyanka Soni
Company Secretary
A63701

Mumbai, May 12, 2022

Consolidate Notes to Financial Statements for the year ended 31 March 2022

(1). Corporate Information:

The Company was incorporated on 19th January, 1994 and is engaged in the business of manufacturing and trading in synthetic food colors and trading in chemicals. The company was formerly known as "Vidhi Dyestuffs Manufacturing Limited" and w.e.f. 25th August, 2016, it is changed to "Vidhi Specialty Food Ingredients Limited".

The equity shares of the company are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

Authorization of financial statements

The standalone financials statemente were authorised for issue in accordance with a resolution of the books of Directors passed on 12th May 2022.

(2) Significant Accounting Policies:

(i) Basis of preparation

The Financial Statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements upto the year ended 31st March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Effective 1st April 2017, the company has adopted Ind AS and adoption was carried out in accordance with Ind AS 101 first time adoption of accounting standard, with 1st April, 2016 as the transition was carried out from Indian Accounting

Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Use of Estimates

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

(iii) Current / Non-Current classification

The normal operating cycle of the Company is 12 months. Assets and Liabilities which are expected to be realizable / payable within 12 months are to be classified as current and rest will be classified as non-current.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

(iv) 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 and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are stated exclusive of sales tax & GST and net of trade discount 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 under consideration.

(v) Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at their reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

(vi) Property, plant and equipment

(i) Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.

(ii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

(iii) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

(iv) An Item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognized.

(v) In line with the provisions of Schedule II to the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.

(vi) Depreciation on property, plant and equipment is provided as per straight line method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

(vii) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets comprising of “Computer Software” are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Estimated useful life of software is assessed to be 10 years.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(viii)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.

The Inventories [Raw Materials, Traded Goods, Packaging Material, Stock in transit (RM) and Stock with Third Parties (RM)] are valued at lower of cost and net realizable value on First-In-First-Out basis (FIFO).

The Work-in-process and finished goods valued at the batch cost which comprises of cost of raw material, manufacturing expenses, labour charges and other direct expenses.

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

(ix) Foreign currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) Forward Contracts

The premium or discount arising at the inception of forward exchange contracts is booked as expense or income immediately. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

(x) Employee benefits

All employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Retirement benefits in the form of Provident Fund, Employee State Insurance and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Defined Contribution plan:

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund are due. There are no other obligations other than the contribution payable to the respective fund.

Defined Benefit Plans:

The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The premium has been so adjusted as to cover the liability under the scheme in respect of all employees at the end of their future anticipated services with the company.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

(xi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as Lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xiii)Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent liability is disclosed in the case of:

- Present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past event, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(xiv)Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(xv)Financial instruments

(i) Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial asset not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial asset measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified into two broad categories:

- Financial asset at fair value

Consolidate Notes to Financial Statements for the year ended 31 March 2022

- Financial asset at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income)

A financial asset that meet the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: the objective of the Company's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes)
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meet the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Debt Instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit or loss.

Equity Instruments: All equity instruments within scope of Ind AS 109 are measured at fair value. Equity instruments which are classified as held for trading are measured at FVTPL. For all other equity instruments, the company decides to measure the same either at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such selection on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments measured at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of profit or loss, even on sale of such instruments.

The Investments are measured at Fair Market Value. The diminution in the market value of investments is not considered unless such diminution is considered permanent and accordingly provision for diminution is made in books of accounts.

All other financial asset is measured at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

Consolidate Notes to Financial Statements for the year ended 31 March 2022

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

a) he Company has transferred substantially all the risks and rewards of the asset, or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets:

In accordance with Ind-AS 109, the company applies Expected Credit Losses (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The company follows "Simplified Approach" for recognition of impairment loss on these financial assets. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) Financial liabilities:

Initial recognition and measurement:

Financial Liabilities are classified at initial recognition as:

(i) Financial liabilities at fair value through profit or loss,

(ii) Loans and borrowings, payables, net of directly attributable transaction costs or

(iii) Derivatives designed as hedging instruments in an effective hedge, as appropriate.

The company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Borrowings:

Consolidate Notes to Financial Statements for the year ended 31 March 2022

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in the Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments:

The Company uses derivative financial instruments, such as foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Loans and borrowings – subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The Effective Interest Rate (EIR) amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,or the terms of an existing liability are substantially modified, such an

Consolidate Notes to Financial Statements for the year ended 31 March 2022

exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(xvi)Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purpose). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecongnition of the property is included in the Statement of Profit and Loss in the period in which the property is derecognized.

(xvii)Borrowing Costs

Borrowing costs are charged to Statement of Profit and Loss except to the extent attributable to acquisition / construction of and asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xviii)Impairment of Non-financial Assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from

Consolidate Notes to Financial Statements for the year ended 31 March 2022

April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments clarify the accounting of the proceeds before intended use wherein the amounts received from selling items produced while the company is preparing the asset for its intended use needs to be deducted from the cost of property, plant and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to Financial Statements for the year ended 31 March 2022

3. Property, Plant and Equipment

`In lakhs

Particulars	Leasehold Land	Freehold Land	Factory Building	Adminis-trative Building	Furniture and Fixtures	Office Premises	Office Equipments	Plant and Machinery	Electrical Installation	Computers	Telephones	Vehicles	Solar Power Project	Total
Gross Block														
At 1 April 2020	-	3.75	1,053.96	18.57	0.49	277.36	6.86	2,213.56	135.76	0.14	0.60	168.59	-	3,879.64
Additions during the year	-		-					47.04	-			-	-	47.04
Asset reclassified to Right-ofuse assets	-													-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-			-
At 31st March 2021	**-**	**3.75**	**1,053.96**	**18.57**	**0.49**	**277.36**	**6.86**	**2,260.60**	**135.76**	**0.14**	**0.60**	**168.59**		**3,926.69**
Additions during the year	16.14	-	26.65	-	1.93	-	-	195.90	-	-	-	54.87	886.07	1,181.56
Asset reclassified to Right-ofuse assets	-													-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-		-
At 31st March 2022	16.14	3.75	1,080.61	18.57	2.42	277.36	6.86	2,456.50	135.76	0.14	0.60	223.46	886.07	5,108.24
Accumulated Depreciation														
At 1 April 2020	-	-	170.64	6.26	0.44	38.47	4.56	594.08	76.29	0.14	0.60	79.78	-	971.26
Depreciation during the year	-	-	42.95	1.56	0.05	9.61	1.25	181.90	12.05	-	-	24.40		273.77
Asset reclassified to Right-ofuse assets	-													-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-		-
At 31st March 2021	-	-	213.59	7.82	0.49	48.08	5.81	775.98	88.34	0.14	0.60	104.18		1,245.03
Depreciation during the year	0.11	-	43.17	1.56	0.01	9.61	0.99	188.59	12.05	-	-	19.71	19.19	294.99
Asset reclassified to Right-ofuse assets	-													-
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-		-
At 31st March 2022	0.11	-	256.76	9.38	0.50	57.69	6.80	964.57	100.39	0.14	0.60	123.89	19.19	1,540.02

Notes to Financial Statements for the year ended 31 March 2022

`In lakhs

Particulars	Leasehold Land	Freehold Land	Factory Building	Adminis-trative Building	Furniture and Fixtures	Office Premises	Office Equipments	Plant and Machinery	Electrical Installation	Computers	Telephones	Vehicles	Solar Power Project	Total
Net Block														
At 31st March 2021	-	3.75	840.37	10.75	-	229.28	1.05	1,484.62	47.42	-	-	64.41	-	2,681.65
At 31st March 2022	16.03	3.75	823.85	9.19	1.92	219.67	0.06	1,491.93	35.37	-	-	99.57	866.88	3,568.23
Capital work-in-progress														
At 31 March 2021	835.37													835.37
At 31 March 2022	3,723.57													3,723.57

Notes:-

1 The Board currently estimates that there are no components which have significantly different lives from the underlying primary assets

2 Capital work in progress includes Dahej Project ₹ 2,996.99 Lakhs and Maharashtra Warehouse 310.91 Lakhs

3.1 Capital Work-in-progress Ageing

	2021-2022					2020-2021				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
CWIP	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,060.49	102.59	174.82	385.67	3,723.57	284.88	174.82	-	375.67	835.37
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

Consolidate Notes to Financial Statements for the year ended 31 March 2022

3.1 Right-Of-Use Assets

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 5.82 Lakhs, and a lease liability of ₹ 5.82 Lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments

The following is the summary of practical expedients elected on initial application:

a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

d) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind As 17

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 14.72%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

Category of ROU Assets : Building

₹ In lakhs

Particulars	Building	Leasehold Land
Gross Block		
At 1 April 2020	7.05	333.39
Additions during the year	-	-
Asset reclassified to Right-ofuse assets	-	-
Disposals during the year	-	-
At 31st March 2021	**7.05**	**333.39**
Additions during the year	-	-
Asset reclassified to Right-ofuse assets	-	
Disposals during the year	-	-
At 31st March 2022	7.05	333.39

Consolidate Notes to Financial Statements for the year ended 31 March 2022

Accumulated Depreciation		
At 1 April 2021	4.92	4.59
Depreciation during the year	2.13	4.53
Asset reclassified to Right-ofuse assets	-	
Disposals during the year	-	-
At 31st March 2021	**7.05**	**9.13**
Depreciation during the year	-	4.53
Asset reclassified to Right-ofuse assets	-	
Disposals during the year	-	-
At 31st March 2022	**7.05**	**13.66**
Net Block		
At 31st March 2021	**-**	**324.26**
At 31st March 2022	**-**	**319.74**

3.2 Intangible Assets

₹ In lakhs

Particulars	Intangible Assets
Gross Block	
At 1 April 2020	798.94
Additions during the year	-
Asset reclassified to Right-ofuse assets	-
Disposals during the year	-
At 31st March 2021	**798.94**
Additions during the year	-
Asset reclassified to Right-ofuse assets	
Disposals during the year	-
At 31st March 2022	**798.94**

Accumulated Depreciation	
At 1 April 2020	**12.01**
Depreciation during the year	12.01
Asset reclassified to Right-ofuse assets	
Disposals during the year	-
At 31st March 2021	**24.02**
Depreciation during the year	12.01
Asset reclassified to Right-ofuse assets	
Disposals during the year	-
At 31st March 2022	**36.03**
Net Block	
At 31st March 2021	**774.92**
At 31st March 2022	**762.89**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

4 Financial Assets

4.1 Non Current Investments

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in subsidiaries		
Investments in equity instruments		
Unquoted		
82,750 (31 March 2021: 82,750) Equity shares of Arjun Food Colorants Mfg Pvt Ltd	-	-
	-	-
Aggregate amount of Unquoted Investments - gross	-	-
Aggregate amount of impairment in value of investments	-	-
Aggregate amount of Unquoted Investments - net	-	-
Other Investments		
Quoted		
10,057 (31 March 2021: 10,057) Equity shares Ontrack Systems Limited	0.15	0.15
Less: Provision for diminuition of equity shares Ontrack Systems Limited	(0.15)	(0.15)
	-	-
Aggregate amount of Quoted Investments - gross	**0.15**	**0.15**
Aggregate amount of impairment in value of investments	**(0.15)**	**(0.15)**
Aggregate amount of Quoted Investments - net	**-**	**-**

Note:

The non- current investments in unquoted equity shares of subsidiaries are stated at amortised cost.

4.2 Trade Receivables

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Unsecured, Considered good	15,012.74	9,457.28
Unsecured, Considered doubtful	104.30	179.11
Unsecured, credit impaired	-	-
	15,117.04	**9,636.39**
Less: Impairment under expected credit loss	(104.30)	(179.11)
	15,012.74	**9,457.28**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The Provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the

Consolidate Notes to Financial Statements for the year ended 31 March 2022

days the receivables are due and the rates as given in the provision matrix. The provision matix at the end of the reporting period is as follow. The Management provided specific provision for credit impaired parties.

(i) Trade Receivables

Ageing of trade receivables: Undisputed trade receivables, considered good

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than six months	14,485.23	8,939.17
6 month to 1 year	-	38.60
One - two years	51.07	52.20
Two - three years	21.70	54.14
More than three years	559.04	552.28
	15,117.04	**9,636.39**

Ageing of credit impaired Receivables:

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than six months	14,240.31	8,898.27
6 month to 1 year	-	38.60
One - two years	22.49	49.63
Two - three years	20.09	36.43
More than three years	541.92	534.24
	14,824.81	**9,557.17**

4.3 Cash and cash equivalents

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Balance with banks		
In current accounts	92.76	389.67
Cheque in hand	-	-
Cash balance		
Cash on hand	8.83	14.86
	101.59	**404.53**
Other bank balances		
Unpaid dividend accounts	27.84	28.35
Bank deposit with original maturity of more than 3 months but less than 12 moths*	17.50	626.95
	45.34	**655.30**

* Deposits are lying against Overdraft Facility, LC Margin and Bank Gaurantees.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

4.4 Loans and Advances

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Other Loans		
Unsecured, considered good	87.90	80.91
	87.90	**80.91**

4.5 Other financial assets

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Bank deposit with original maturity of more than12 months**	983.78	791.75
Accrued interest	2.57	2.34
Interest receivable on Subvention	51.85	-
Security deposits	89.46	89.88
Others	3.64	35.47
	1,131.30	**919.44**

** Deposits are lying against Overdraft Facility, LC Margin and Bank Gaurantees.

4.6 Current tax assets (net)

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Advance tax [Net of Provision for Tax of INR 1960 Lacs]	40.33	-
	40.33	**-**

5 Other non current assets

₹ In lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Long term prepaid expenses	14.17	27.00
	14.17	**27.00**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

6 Inventories

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials (Includes stock in transit ₹176.49 lakhs P.Y.₹157.67 lakhs)	3,033.73	1,457.42
Work-in-progress	1,484.51	764.60
Finished goods	810.25	934.85
Traded goods	1,895.11	803.50
Packaging material	42.78	32.92
	7,266.38	**3,993.29**

Note: There is a charge in favour of HDFC Bank and Vijaya Bank by way of hypothecation of fully insured raw materials, work in progress and finished goods comprising of food colours and other material.

7 Other current assets

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Advance to suppliers	1,577.44	935.40
Prepaid expenses	84.69	42.54
Deposits /Balance with statutory/government authorities	1,223.69	968.08
Export incentives receivables	212.67	456.47
Refund of wealth tax AY 12-13	1.95	1.95
	3,100.44	**2,404.44**

8 Equity Share capital

Authorised equity share capital

₹ In lakhs

Particulars	Number of Shares (in lakhs) of ₹ 1 each	Equity Share Capital
As at 1 April 2020	600.00	600.00
Increase during the year	-	-
As at 31 March 2021	600.00	600.00
Increase during the year	-	-
As at 31 March 2022	600.00	600.00

Consolidate Notes to Financial Statements for the year ended 31 March 2022

Issued share capital

₹ In lakhs

Particulars	Number of Shares (in lakhs) of ₹ 1 each	Equity Share Capital
As at 1 April 2020	500.34	500.34
Increase during the year	-	-
As at 31 March 2020	500.34	500.34
Increase during the year	-	-
As at 31 March 2022	500.34	500.34

(i) Subscribed and fully paid up

₹ In lakhs

Particulars	Number of Shares (in lakhs) of ₹ 1 each	Equity Share Capital
As at 1 April 2020	499.45	499.45
Increase during the year	-	-
As at 31 March 2021	499.45	499.45
Increase during the year	-	-
As at 31 March 2022	499.45	499.45

(ii) Subscribed but not fully paid share capital

₹ In lakhs

Particulars	Number of Shares (in lakhs) of ₹ 1 each	Equity Share Capital
Forfeited shares	0.89	0.75

Total Subscribed share capital

₹ In lakhs

Particulars	Number of Shares (in lakhs) of ₹ 1 each	Equity Share Capital
As at 1 April 2020	500.20	500.20
As at 31 March 2021	500.20	500.20
As at 31 March 2022	500.20	500.20

Terms and Right Attached to Equity Shares:

The Company has only one class of equity shares having a par value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

(iii) Details of shareholders holding more than 5% shares in the company

No of Shares **In Lakhs**

Name of Holders	As at 31-Mar-22	As at 31-Mar-21
Bipin M. Manek	26.10	26.10
Pravina B. Manek	34.91	34.91
Bipin Manek Family Private Trust	115.00	115.00
Pravina Manek Family Private Trust	130.00	130.00

Percentage of Holding **In Lakhs**

Name of Holders	As at 31-Mar-22	As at 31-Mar-21
Bipin M. Manek	5.23%	5.23%
Pravina B. Manek	6.99%	6.99%
Bipin Manek Family Private Trust	23.03%	23.03%
Pravina Manek Family Private Trust	26.02%	26.02%

Promoter's Holding

Details of shareholding of Promoters is as under:

Shares held by Promoters at the end of the year

Promoter's name	No of Shares	% Total Shares	% change during the year
Bipin M. Manek	2610333	5.23%	0%
Pravina B. Manek	3490667	6.99%	0%

Promoter Group

Promoter's name	No of Shares	% Total Shares	% change during the year
Bipin M. Manek	2610333	5.23%	0%
Pravina B. Manek	3490667	6.99%	0%
Bipin Manek Family Private Trust	11500000	23.03%	0%
Pravina Manek Family Private Trust	13000000	26.02%	0%

9 Other Equity

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
General reserve	2,445.01	1,858.40
Capital Reserve (Business Combination)	7.77	7.77
Retained earnings	18,746.22	13,766.43
Closing Balance	**21,199.00**	**15,632.60**
General reserve		
Balance at the beginning of the year	1,858.40	1,490.77
Add: Transfer from retained earnings	586.61	367.63
Balance at the end of the year	**2,445.01**	**1,858.40**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Retained earnings		
Balance at the beginning of the year	13,766.43	10,873
Add: Profit / (Loss) for the year	5,856.76	3,655.90
Add/Less: Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	9.31	4.31
Less:Tranfer to general reserve	(586.61)	(367.63)
Less:Dividend paid	(299.67)	(399.56)
Balance at the end of the year	**18,746.22**	**13,766.43**

Dividends:

The following dividend were declared and paid by the Company during the year :

Particulars	31-Mar-22	31-Mar-21
₹ 0.6 per equity share (31 March 2022: ₹ 0.8)	299.67	399.56
	299.67	**399.56**

Particulars	31-Mar-22	31-Mar-21
₹ 0.4 per equity share (31 March 2021: ₹ 0.20)	199.78	99.89
	199.78	**99.89**

10. Financial liabilities

10.1 Lease liabilities

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Non Current		
Non Current lease liability	-	-
Current		
Current lease liability	-	-
	-	**-**

The following is the movement in lease liabilities during the year ended March 31, 2022 :

Particulars	31-Mar-2022	31-Mar-2021
Balance at the beginning	-	2.53
Additions	-	-
Finance cost accrued during the period	-	0.09
Deletions		
Payment of lease liabilities	-	2.62
Translation Difference		
Balance at the end	**-**	**-**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	31-Mar-22	31-Mar-21
Less than one year	-	-
One to five years	-	-
More than five years	-	-
Total	**-**	**-**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

10.2 Non Current Borrowings

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Term Loans		
From banks*	790.47	175.01
From others**	75.78	81.77
	866.25	**256.78**
Less: Current maturities of long-term debt	88.57	71.54
Unsecured	822.04	-
From related parties		
Total Non-current Borrowings	**1,599.70**	**185.25**

Particulars	Rate of Interest	Maturity Date	Terms of Repayment
From banks*			
Standard Chartered Bank	10.75%	First day of the Month	180 Monthly Instalments
Vijaya Bank	11% to 13%	23-Mar-21	60 Monthly Instalments
From others**			
Bajaj Allianz Life Insurance Company Ltd.	10%	Ranging from December 2018 to December 2024 [Different Maturity period of 10 Policies]	Repayment of loan on maturity of policy

Consolidate Notes to Financial Statements for the year ended 31 March 2022

10.3 Current Borrowings

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Loans repayable on demand		
Secured		
From banks		
Working capital loans	7,352.66	2,818.43
	7,352.66	**2,818.43**

a) Secured borrowings and assets mortgaged/ hypothecated as security

i) Term Loan from Vijaya bank is secured as under:

Primary Security

Charge on Plot No. 68 under Vijaya Bank Term loan.

Collateral Security

a) Charge in favour Vijaya Bank by way of mortgage of Property mentioned as per below details:

Property Description	Type of Property	Owned by
Property Description	Type of Property	Owned by
Factory Land and Building situated at Roha	Industrial Unit	Vidhi Specialty Food Ingredients Ltd.
E/ 27 Commerce Centre, Mumbai	Commercial Office	Jointly owned by : Mrs. Pravina Manek- Director and Alka Modi- Ex Director
E/28 & 29, Commerce centre, Mumbai	Commercial Office	Vidhi Specialty Food Ingredients Ltd.
Term Deposits	Term Deposits	Vidhi Specialty Food Ingredients Ltd.

Stock & book Debts

ii) Term Loans from Bajaj Allianze Life Insurance Company Limited

Term Loan taken against Keyman Insurance Policy in the Name of the Bipin M. Manek [Director] and Naresh Modi.

iii) Working capital loan from HDFC bank is secured as under:

Primary Security

Charge in favour of HDFC Bank, Vijaya Bank by way of hypothecation of stocks, book debts and plant and machinery of the company.

Collateral Security

Factory Land and Building situated at Roha and E/ 27 -28 & 29 Commerce Centre, Mumbai.

iv) Working capital loan from Vijaya bank is secured as under:

Primary Security

Charge by way of hypothecation of fully insured raw material, work in progress and finished goods comprising of food colours and other material.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

Charge on plant and machinery and manufacturing facility at Plot No.59B & 68, Roha, Mumbai.

Collateral Security

Factory Land and Building situated at Roha and E/ 27, E/28 and E/29, Commerce Centre, Mumbai.

Term Deposits

v) Loan from Standard Chartered bank is secured by personal assets of a director.

b) The carrying amounts of financial and non-financial assets mortgaged/ hypothecated as security for current and non current borrowings are disclosed in Note 25.

10.4 Trade payables - from MSME

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Trade payables	264.53	175.11
	264.53	**175.11**

10.5 Trade payables - from other than MSME

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Trade payables	3,412.67	2,556.11
	3,412.67	**2,556.11**

(iii) Trade payables

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues to Micro, small and medium enterprises	264.53	175.11
Total outstanding dues to creditors other than micro, small and medium enterprises	3,412.67	2,556.11
	3,677.20	**2,731.22**

MSME Disclosure

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(i) The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information collected by the Management.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

(ii) The Disclosure relating Micro and Small Enterprises is as under:

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year.	264.53	175.11
(ii) Interest on above	-	-
(iii) The amount of interest paid along with the principal payment made to the supplier beyond the appointed date during the year	-	-
(iv) Amount of interest due and payable on delayed payments	-	-
(v) Amount of further interest remaining due and payable for the earlier years	-	-
(vi) Amount of Interest payable on last years interest outstanding		
(vii) Total outstanding dues of Micro and Small Enterprises		
- Principal		
- Interest	-	-

Ageing of trade payables- MSME: Undisputed trade payables

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than six months	264.53	175.11
Six months - one year	-	-
One - two year	-	-
Two - three year	-	-
More than 3 years	-	-

Ageing of trade payables- Others: Undisputed trade payables

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Less than six months	3,400.32	2,552.78
Six months - one year	-	-
One - two year	12.35	
Two - three year	-	-
More than 3 years	-	-
Total	**3,412.67**	**2,556.11**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

10.6 Other financial liabilities

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current		
Current maturities of long-term debt	88.57	71.54
Unpaid dividend	27.87	28.35
Outstanding expenses	51.26	63.64
Other liabilities	4.24	3.89
	171.94	**167.42**

11 Provision

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Non Current		
Provision for gratuity (Refer note 23)	55.95	57.48
	55.95	**57.48**
Current		
Provision for bonus	15.53	14.82
	15.53	**14.82**

12 Deferred tax Liability (Net)

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred Tax Liability	309.60	247.57
Deferred Tax Assets	45.53	64.65
Net Deferred Tax Liability	**264.07**	**182.92**
Deferred Tax Asset		
Deferred Tax Asset		
Provision for Bonus	3.91	3.73
Security Deposit	1.29	1.37
Provision for ECL	26.25	45.08
Defined benefit obligation	14.08	11.73
Deferrred Tax on OCI	-	2.74
	45.53	**64.65**
Deferred Tax Liabilities		
Property, plant and equipment and investment property	308.94	247.57
Deferrred Tax on OCI	0.66	-
	309.60	**247.57**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

13 Current Tax Liabilities

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for tax [Net of Advance Tax of INR 1976 Lacs (PY - 1180 Lacs)]		149.73
	-	**149.73**

14 Other current liabilities

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Advance from customers	292.22	79.27
Outstanding statutory liabilities	45.95	39.05
	338.17	**118.32**

15 Revenue from Operations

A. Revenue from customers disaggregated based on nature of product

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Sale of products		
Finished products	24,481.69	17,941.99
Traded products	28,201.10	8,073.33
	52,682.79	**26,015.32**
Other operating revenue		
Export incentive	257.24	325.23
Net gain on foreign currency transaction and translation	**765.43**	**300.61**
	1,022.67	**625.83**
Total Revenue from Operations	**53,705.46**	**26,641.15**

B. Disaggregated revenue information

The table below presents disaggregated revenue from contact with customers for the year ended March 2022 and March 2021. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors. Revenue from contracts with customers disaggregated based on geography

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Domestic	30,237.00	9,454.84
Exports	23,468.86	17,186.31
Total Revenue from Operations	**53,705.46**	**26,641.15**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

16 Other Income

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Interest received	44.67	44.73
Claim received for Loss	-	37.17
Proceeds on maturity of keymen policy	16.19	-
Interest on Loan Given	-	1.50
Interest on Income Tax Refund	-	19.89
Lifting charges	2.54	0.96
Interest on FV of rent deposit	-	7.15
Reversal of Provision for doubtful debts and advances	74.81	
Sundry balances written back	-	47.66
Total Other Income	**138.21**	**159.07**

17(a) Cost of Materials Consumed

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
(i) Opening Stock		
Raw materials	1,299.75	941.69
Packing material	32.92	54.86
Stock in transit	157.67	216.76
(ii) Add: Purchases		
Raw materials	13,995.69	9,108.31
Packing material	488.31	343.51
Fuel	487.72	253.15
(iii) Less: Closing Stock		
Raw materials	2,857.25	1,299.75
Packing material	42.78	32.92
Stock in transit	176.49	157.67
Add: Labour charges	1,334.18	736.35
Total	**14,719.72**	**10,164.28**

17 (b) Purchase of stock in trade

₹ In lakhs

Particulars	Year Ending 31 March 2021	Year Ending 31 March 2020
Traded Goods	26,776.18	7,420.31
Total	**26,776.18**	**7,420.31**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

17(c) (Increase) / Decrease in Inventories

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Inventories at the end of the year		
Finished Goods	810.25	934.85
Traded Goods	1,895.11	803.50
Work in Progress	1,484.51	764.60
	4,189.87	**2,502.95**
Inventories at the beginning of the year		
Finished Goods	934.85	1,130.07
Traded Goods	803.50	470.85
Work in Progress	764.60	603.08
	2,502.95	**2,203.99**
Total	**(1,686.92)**	**(298.96)**

18 Employee benefit expense

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Salaries and wages	321.64	284.33
Bonus	21.49	22.54
Remuneration & commission to Directors	520.00	405.00
Contribution to provident and other funds	12.24	11.68
Gratuity expense	12.04	8.59
Leave compensation	3.33	7.83
Staff welfare expenses	56.70	41.21
Total Employee Benefit Expense	**947.45**	**781.18**

19 Finance cost

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Interest	259.29	75.46
Interest expense on lease laibilities	-	0.09
Bank charges	131.82	84.28
Total Finance Cost	**391.11**	**159.83**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

20 Depreciation / Amortisation

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Depreciation on property, plant and equipment	299.45	273.77
Amortisation of lease assets	-	6.66
Amortisation of intangible assets	12.01	12.01
Total Depreciation and Amortisation Expense	**311.46**	**292.44**

21 Other expenses

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
a) Manufacturing and operating expenses		
Factory salaries and wages	49.33	45.06
Clearing and forwarding	137.11	126.61
Conveyance	1.34	1.18
Commission on Purchase	-	0.37
Effluent treatment charges	0.35	0.61
Freight and octroi charges	305.18	218.46
Insurance charges	19.61	17.85
Loading and unloading charges	27.03	13.29
Power charges	492.47	522.39
Professional and consultancy fees	2.93	6.75
Repairs and maintenance:		
- Buildings	13.37	8.00
- Plant and machinery	521.24	414.39
- Others	227.63	162.26
Stores and spares consumed	223.23	198.87
Warehousing charges	60.28	26.68
Import charges	99.85	60.74
Miscellaneous manufacturing and operating expenses	119.31	98.95
Manufacturing and operating expense (subtotal)	**2,300.27**	**1,922.44**
b) Administrative expenses		
Agency charges	37.20	27.22
Keyman insurance premium	23.02	15.44
Insurance charges-others	3.33	2.44
Printing and stationery	30.77	30.27
Payments to Auditors (refer note 21.1)	10.00	9.25
Communication expenses	4.52	4.08
Electricity expenses	3.89	5.79

Consolidate Notes to Financial Statements for the year ended 31 March 2022

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Rent	12.83	17.52
Rates & taxes	25.62	43.14
Professional and consultancy charges	123.15	77.69
Donation	2.45	7.36
Listing fees	6.15	8.34
Travelling charges	2.51	5.42
Commission	90.00	90.00
Director sitting fees	2.25	2.50
Interest on others	1.80	6.53
Interest on FV of rent deposit	2.31	75.11
Corporate social responsibility (refer note 21.2)	91.00	-
Miscellaneous administrative expenses	221.67	86.31
Administrative expense (subtotal)	**694.47**	**514.39**
c) Selling and distribution expenses		
Advertisement	4.55	2.94
Allowance for doubtful debts and advances	-	115.47
Business promotion	78.80	52.20
Clearing and forwarding(S)	16.96	11.14
Commission expenses	163.15	52.16
E. C. G. C. premium	8.42	6.79
Insurance	5.34	2.86
ISI / FDA marketing fees	207.73	107.99
Freight and octroi charges	827.87	408.89
Terminal handling charges	128.70	85.14
Packing and forwarding	47.53	37.96
Miscellaneous distribution and selling expenses	4.62	5.05
Selling and distribution expense (subtotal)	**1,493.67**	**888.60**
Total Other Expense	**4,488.41**	**3,325.43**

21.1 Details of payment to auditors (excluding GST)

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
As auditor:		
Statutory audit and limited review fees	10.00	9.25
Total Payment to Auditors	**10.00**	**9.25**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

21. 2 Corporate social responsibility expenditure

The Company has spent ₹ 91.00 lakhs (Previous year ₹ 75.11 lakhs) towards Corporate Social Responsibility expenditure (including capital expenditure - Nil, Previous year - Nil) and debited the same to the Statement of Profit and Loss as against ₹ 90.59 lakhs (Previous year ₹ 74.00 lakhs) computed as per the provisions of section 135(5) of the Companies Act, 2013.

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Amount to be spent during the year	90.59	74.00
Amount spent during the year	91.00	75.11

22 Income Tax Expense

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
(a) Amounts recognised in the statement of profit and loss		
Current year	1,960.00	1,322.00
Changes in estimates relating to prior years	-	1.00
Current tax expense	**1,960.00**	**1,323.00**
Deferred tax expense	79.50	(23.18)
Deferred tax expense	79.50	(23.18)
Tax expense recognised in the statement of profit and loss	**2,039.50**	**1,299.82**

(b) Amounts recognised in other comprehensive income

₹ In lakhs

Particulars	Before Tax	Tax (expenses) / benefit	Net of Tax
Items that will not be reclassified to profit or loss:			
FY 2021-22			
Re-measurements of the defined benefit plans	10.96	(1.65)	9.31
FY 2020-21			
Re-measurements of the defined benefit plans	(14.85)	(0.33)	(15.18)

(c) Reconciliation of effective tax rate

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Profit before tax	7,896.26	4,955.72
Statutory income tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate	**1,987.33**	**1,247.26**
Tax effect of:		
Non-deductible tax expenses / disallowances under Income Tax Act	29.08	21.51
Tax-exempt income and deductions under Chapter VI A of Income Tax Act	-	
Temporary difference recognised in deferred taxes	(79.23)	35.41
Others	102.32	(4.36)
	52.17	**52.56**
Income Tax expense	**2,039.50**	**1,299.82**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

Amounts recognised in the statement of profit and loss

The balance comprises temporary difference attributable to:

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred Tax Liability on account of:		
Property, plant and equipment and intangible assets	308.94	247.57
OCI	0.66	-
Deferred Tax Asset on account of:		
Employee Retirement Benefits	14.08	11.73
Provision for ECL	26.25	45.08
Provision for Bonus	3.91	3.73
Security Deposit	1.29	1.37
ROU	-	-
OCI	-	2.74
Others	-	-
Net Deferred Tax Liability / (Assets)	**264.07**	**182.92**

(d) Movement in deferred tax Liability / (Assets)

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Balance	182.92	209.18
Deferred Tax Liability		
Recognised in profit or loss	80.94	21.69
Recognised in other comprehensive income	2.73	-
Deferred Tax Asset		
Recognised in profit or loss	(2.52)	(45.21)
Recognised in other comprehensive income	-	(2.74)
Net Deferred Tax Liability / (Assets)	**264.07**	**182.92**

23 Employee Benefits:

i) Defined Contribution Plan:

Company's contribution to Provident Fund: ₹12.10 lakhs (Previous year ₹ 11.44 lakhs).

The company also contributes to the following:

Employee State Insurance Contribution Fund : ₹ 0.13 lakhs (Previous year ₹ 0.22 lakhs)

ii) Defined Benefit Plan:

The following table sets out the funded status of the Gratuity Plan and the amounts recognised in the Company's financial statements:

Consolidate Notes to Financial Statements for the year ended 31 March 2022

(a) Change in the obligation benefits:

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Projected benefit obligation at the beginning of the year	96.50	87.51
Current service cost	5.31	5.09
Past service cost	-	-
Interest expense/(income)	6.46	5.94
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	(4.00)	1.00
Due to change in demographic assumption	-	-
Due to experience adjustments	(4.38)	(3.04)
Benefit paid	-	-
Projected benefit obligation at the end of the year	**99.89**	**96.50**

(b) Change in the plan assets

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of the plan assets at the beginning of the year	39.02	34.32
Interest expense/(income)	2.72	2.44
Return on plan assets, excluding amounts included in interest expense/(income)	(0.15)	(0.35)
Assets distributed on settlements	-	-
Contributions by employer	2.36	2.60
Fair value of the plan assets at the end of the year	**43.95**	**39.01**

The net liability disclosed above relates to funded and unfunded plans are as follows:

₹ In lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of funded obligations	99.89	96.50
Fair value of plan assets	43.95	39.02
Deficit of funded plan	**55.94**	**57.48**
Unfunded plans	-	-
Deficit of gratuity plan	-	-

Consolidate Notes to Financial Statements for the year ended 31 March 2022

Profit & Loss Expense

The expenses charged to the profit & loss account for period along with the corresponding charge of the previous period is presented in the table below:

₹ In lakhs

Particulars	Year Ending 31 March 2022	Year Ending 31 March 2021
Current service cost	5.31	5.09
Past service cost	-	-
Interest on net defined benefit liability/(asset)	3.74	2.44
(Gain) /Losses on settlement	-	-
Total Expenses charged to P&L A/c	**9.05**	**7.53**

The significant actuarial assumptions were as follows:

Particulars	31-Mar-22	31-Mar-21
Discount rate (p.a.)	7.20%	6.80%
Salary escalation rate (p.a.)	7.00%	7.00%

Sensitivity Analysis:

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Discount rate Sensitivity

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Increase by 0.5%	95.17	91.63
	-4.72%	-5.05%
Decrease by 0.5%	104.92	101.72
	5.04%	5.41%

Salary growth rate Sensitivity

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Increase by 0.5%	103.98	100.08
	4.10%	4.37%
Decrease by 0.5%	96.01	92.52
	3.88%	-4.12%

Note 24: Fair values Measurement

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

₹ in lakhs

Particulars	As at 31st March 2022				
	Classification				
	Carrying Value	FVTPL	FVTOCI	Amortised cost	Fair Value
Current Financial assets					
Trade receivables	15,012.74	-	-	15,012.74	15,012.74
Cash and cash equivalents	101.59	-	-	101.59	101.59
Bank balances other than cash and cash equivalents	45.34	-	-	45.34	45.34
Current loans	87.90	-	-	87.90	87.90
Other current financial assets	1,111.16	-	-	1,111.16	1,111.16
- Rent deposits	20.14	20.14	-	-	20.14
	16,378.87	**20.14**	**-**	**16,358.73**	**16,378.87**
Non Current Financial liabilities					
Borrowings	1,599.70	-	-	1,599.70	1,599.70
Current Financial liabilities					
Lease Liability	-	-	-	-	-
Borrowings	7,352.66	-	-	7,352.66	7,352.66
Trade payables - MSME	264.53	-	-	-	264.53
Trade payables - other than MSME	3,412.87	-	-	3,412.87	3,412.87
Other current financial liabilities	171.94	-	-	171.94	171.94
	12,801.70	**-**	**-**	**12,537.17**	**12,801.70**

₹ in lakhs

Particulars	As at 31st March 2021				
	Classification				
	Carrying Value	FVTPL	FVTOCI	Amortised cost	Fair Value
Current Financial assets					
Trade receivables	9,457.28	-	-	9,457.28	9,457.28
Cash and cash equivalents	404.53	-	-	404.53	404.53
Bank balances other than cash and cash equivalents	655.30	-	-	655.30	655.30
Current loans	80.91	-	-	80.91	80.91
Other current financial assets	896.99	-	-	896.99	896.99
- Rent deposits	22.45	22.45	-	-	22.45
	11,517.46	**22.45**	**-**	**11,495.01**	**11,517.46**
Non Current Financial liabilities					
Borrowings	185.25	-	-	185.25	185.25
Current Financial liabilities					
Lease Liability	-	-	-	-	-
Borrowings	2,818.43	-	-	2,818.43	2,818.43
Trade payables - MSME	175.11	-	-	-	175.11
Trade payables - other than MSME	2,556.11	-	-	2,556.11	2,556.11
Other current financial liabilities	167.42	-	-	167.42	167.42
	5,902.32	**-**	**-**	**5,727.21**	**5,902.32**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

₹ in lakhs

Particulars	As at 31st March 2022			As at 31st March 2021		
	Fair value			Fair value		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Current Financial assets						
Trade receivables	-	-	15,012.74	-	-	9,457.28
Cash and cash equivalents	-	-	101.59	-	-	404.53
Bank balances other than cash and cash equivalents	-	-	45.34	-	-	655.30
Current loans	-	-	87.90	-	-	80.91
Other current financial assets	-	-	1,111.16	-	-	896.99
- Rent deposits	-	-	20.14	-	-	22.45
	-	**-**	**16,378.87**	**-**	**-**	**11,517.46**
Non Current Financial liabilities						
Borrowings	-	-	1,599.70	-	-	185.25
Current Financial liabilities						
Lease Liability	-	-	-	-	-	-
Borrowings	-	-	7,352.66	-	-	2,818.43
Trade payables - MSME	-	-	-	-	-	-
Trade payables - other than MSME	-	-	3,412.87	-	-	2,556.11
Other current financial liabilities	-	-	171.94	-	-	167.42
	-	**-**	**12,537.17**	**-**	**-**	**5,727.21**

B. Fair value heirarchy

Ind AS 107, 'Financial Instrument - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). The three levels of the fair-value-hierarchy under Ind AS 107 are described below:

Level 1: Level 1 heirarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level. This is the case for unlisted equity securities included in level 3.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

C. Description of significant observable inputs to valuation:

The following table shows the valuation techniques used to determine fair value :

Type	Valuation technique
Investment in equity shares (unquoted)	Book value *
Current loans	Based on prevailing market interest rate

* Based on unobservable inputs which generally approximates to the carrying value of the investments unless significantly impaired. Fair value has been considered Nil for significantly impaired investments. Sensitivity change in the unobservable input does not have a significant impact in its value and accordingly, sensitivity disclosure is not given.

Note 25: Financial Risk Management

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables . We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

A. Currency risk

The Company is exposed to currency risk on account of transaction with foreign subsidiaries and other parties. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

Exposure to currency risk (Exposure in different currencies converted to functional currency i.e. INR)

The currency profile of financial assets and financial liabilities as at March 31, 2022 and March 31, 2021 are as below:

₹ in lakhs

As at 31st March 2022	USD	INR	EUR	INR	AED	INR
Financial assets (A)						
Trade and other receivables	8,243,477.10	6,249.14	580,052.91	491.07	-	-
Advance given to suppliers	386,570.99	293.05	-	-	-	-
Financial liabilities (B)						
Trade and other payables	1,114,586.60	844.94	-	-	176,028.51	36.39
Advance from customers	189,793.62	143.88	-	-	390,710.02	80.78
Net exposure (A - B)	**7,325,667.87**	**5,553.37**	**580,052.91**	**491.07**	**(566,738.53)**	**(117.17)**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

₹ in lakhs

As at 31st March 2021	USD	INR	EUR	INR	AED	INR
Financial assets (A)						
Trade and other receivables	6,219,982.98	4,571.98	541,285.35	466.04	-	-
Advance given to suppliers	552,945.41	406.44	2,043.20	1.76	68,716.25	13.70
Financial liabilities (B)						
Trade and other payables	1,715,328.22	1,260.85	68,988.00	59.40	42,997.50	8.57
Advance from customers	288,910.42	212.36	-	-	-	-
Net exposure (A - B)	**4,768,689.75**	**3,505.21**	**474,340.55**	**408.40**	**25,718.75**	**5.13**

The following significant exchange rates have been applied in respective year:

Particulars	Exchange rate as on	
	31-Mar-22	31-Mar-21
USD	75.81	73.50
EUR	84.66	86.10
AED	20.67	19.94

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against foreign currencies at March 31 2022 would have affected the measurement of financial instruments denominated in foreign currencies and affected Statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Trade Receivable & advance given to suppliers

Impact on profit or loss due to 3 % increase / (decrease) in currency

Particulars	2021-22		2020-21	
	Increase	(Decrease)	Increase	(Decrease)
USD	187.47	(187.47)	105.16	(105.16)
EUR	14.73	(14.73)	12.25	(12.25)
AED	-	-	0.15	(0.15)

B. Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and investment in securities.

a. Trade receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

The group uses an allowance matrix to measure the expected credt losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

As at 31st March 2022

Ageing	Gross carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-180 days past due	14,443.14	0.00%	-	14,443.14
180-365 days past due	20.37	11.72%	2.39	17.98
More than 365 days past due	653.53	15.59%	101.91	551.62

Note - Expected credit loss is worked out on the trade receivable for which no specific provision is made.

As at 31st March 2021

Ageing	Gross carrying Amount	Expected Credit Loss Rate	Credit Loss	Net Carrying Amount
0-180 days past due	63.65	5.78%	3.63	59.18
180-365 days past due	38.68	11.72%	4.53	34.15
More than 365 days past due	1,096.24	15.59%	170.94	925.29

b. Cash and cash equivalents and Other bank balances

The group held cash and cash equivalents and other bank balances of ₹ 146.93 lakhs at March 31, 2022 (March 31, 2021: ₹ 1,059.83 lakhs) The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

c. Investments

The group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Exposure to Credit Risk	As at 31-Mar-2022	As at 31-Mar-2021
Financial risk for which loss allowance is measured using 12 months expected Credit Losses (ECL)		
Loans	87.90	80.91
Cash & cash equivalent	146.93	1,059.83
Trade receivables	15,012.74	9,457.28
Financial risk for which loss allowance is measured using Lifetime expected Credit Losses (ECL)		
Trade receivables	104.30	179.11

Other than trade and other receivables, the group has no other financial assets that are past due but not impaired.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

C. Liquidity risk:

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

₹ in lakhs

Particulars	Less than 1 Year	1 to 5 Years	More than 5 Year	Total
As on 31-Mar-2022				
Current borrowings	7,352.66	-	-	7,352.66
Trade payables	3,677.40	-	-	3,677.40
Other financial liabilities	171.94	-	-	171.94
Term loans- from banks	-	1,599.70	-	1,599.70
As on 31-Mar-2021				
Current borrowings	2,818.43	-	-	2,818.43
Trade payables	2,731.22	-	-	2,731.22
Other financial liabilities	167.42	-	-	167.42
Term loans- from banks	-	185.25	-	185.25

Maturity profile of financial assets

The table below provide details regarding the contractual maturities of financial assets at the reporting date.

₹ in lakhs

Particulars	Less than 1 Year	1 to 5 Years	More than 5 Year	Total
As on 31-Mar-2022				
Trade receivables	15,012.74	-	-	15,012.74
Current loans	87.90	-	-	87.90
Bank deposit with original maturity of more than12 months	-	17.50	-	17.50
Other current financial assets	2.57	3.64	89.46	95.67
As on 31-Mar-2021				
Trade receivables	9,457.28	-	-	9,457.28
Current loans	80.91	-	-	80.91
Bank deposit with original maturity of more than12 months	-	791.75	-	791.75
Other current financial assets	2.34	35.47	89.88	127.69

Consolidate Notes to Financial Statements for the year ended 31 March 2022

D. Interest Rate Risk Exposure

I. Interest rate risk expousre

The Exposure of the borrowing to interest rate changes at the end of the reporting period are included in the table below.As at the end of the reporting period the following weighted average interest rate on the borrowings.

₹ In lakhs

Particulars	31st March 2022			31st March 2021		
	Weighted average Interest rate	Balance	% of Total Loans	Weighted average Interest rate	Balance	% of Total Loans
Bank Overdrafts , Bank Loan The percentage of total loans shows the proportion of loans that are currently at weighted average in relation to the total amount of borrowings.	7.93%	9,038.87	100	9.87%	2,299.67	100

II. Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowingsas a result of changes in interest rate.In interest rate risk note we have considered impact on profit after tax.

Particulars	Impact on Profit after tax	
	31st March 2022	31st March 2021
Interest rate - Increase by 100 Basis Points	67.64	17.21
Interest rate - Decrease by 100 Basis Points	(67.64)	(17.21)

Note 26: Assets Pledged/ Mortgaged/Hypothecated as security

The carrying amounts of assets mortgaged/hypothecated as security for current and non-current borrowings are:

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Current Financial Assets		
First Charge		
Book debts	15,117.04	9,636.39
Stock of raw material	3,033.73	1,457.42
Stock of work in progress	1,484.51	764.60
Stock of finished goods	810.25	934.85
Stock of traded goods	1,895.11	803.50
Stock of packaging material	42.78	32.92
Total current assets mortgaged/hypothecated as security	**22,383.42**	**13,629.68**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Non-current		
First Charge		
Freehold land	3.75	3.75
Leasehold land	-	774.90
Factory building	823.85	840.37
Administrative building	9.19	10.75
Furniture and fixtures	1.92	71.46
Office premises	219.67	229.29
Office equipments	0.06	1.05
Plant & machinery	1,491.93	1,484.61
Electrical installation	35.37	47.42
Total non-current assets mortgaged/hypothecated as security	**2,585.74**	**3,463.60**
Total assets mortgaged/hypothecated as security	**24,969.16**	**17,093.28**

27 Capital Management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial statements.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

₹ In lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Total borrowings (Refer note 10.2,10.3 & 10.6)	9,040.93	3,075.21
Total equity (Refer note 8 ,9 & 27)	30,740.13	19,208.01
Debt to Equity ratio	**29.41%**	**16.01%**

Consolidate Notes to Financial Statements for the year ended 31 March 2022

28 Details of related party transactions in accordance with Ind AS 24 'Related Party Disclosures'

Information in accordance with the requirement of Indian Accounting Standard 24 on Related Party Disclosure:

a) Related Party Relationships

Name of the Party	Relationship
Arjun Food Colorants Manufacturing Private Limited	Wholly Owned Subsidiary
Trident Colours & Chemicals	Enterprises in which relative of KMP is a Proprietor
Vibgyor Exports	Enterprises in which director is a Proprietor
Bipin M. Manek	Key Mangement Personnel - Executive Director
Mihir B. Manek	Key Mangement Personnel - Executive Director
Vidhi H Parekh	Key Mangement Personnel - Executive Director
Pravina B. Manek	Key Mangement Personnel - Non Executive Director
Vijay K. Atre	Key Mangement Personnel - Non Executive Director
Rahul Berde	Key Mangement Personnel - Independent Director
Niren Desai	Key Mangement Personnel - Independent Director
Prafulchandra Shah	Key Mangement Personnel - Independent Director
Ashit Doshi	Key Mangement Personnel - Independent Director
Jyoti Modi	Key Mangement Personnel - Independent Director
Mitesh Manek	Chief Financial Officer
Kripa M Manek	Spouse of CFO
Chroma Food Ingredients Pvt Ltd	KMP is a Director
Vidhi Finechem Pvt Ltd	KMP is a Director
Vidhi Food Colours Dahej Pvt Ltd	KMP is a Director
Priyanka Soni	Company Secretary (w.e.f 08.11.2021)
Awdhesh Kumar Pandey	Company Secretary (Resigned w.e.f. 12.05.2021)

b) Transactions with Related Parties

Transaction with Key Managerial Personnel and relatives of Key Managerial Personnel

₹ In lakhs

Particulars	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Remuneration paid to Key Managerial Personnel		
Bipin M. Manek	60.00	60.00
Mihir B. Manek	60.00	60.00
Vidhi H Parekh	12.00	5.00
Vijay K Atre	6.00	6.00
Mitesh D Manek	18.00	18.00

Consolidate Notes to Financial Statements for the year ended 31 March 2022

₹ In lakhs

Particulars	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Payment of commission		
Bipin M. Manek	200.00	142.50
Mihir B. Manek	200.00	142.50
Payment of Bank Guarantee Commission		
Bipin M. Manek	45.00	45.00
Pravina B. Manek	45.00	45.00
Remuneration paid to company secreatry		
Priyanka Soni	2.15	-
Awdhesh Kumar Pandey	0.42	3.60
Transactions with other related parties		
Net Sales during the year		
Vibgyor Exports (Net of GST)	161.98	235.96
Chroma Food Ingredients Pvt Ltd (Net of GST)	0.77	-
Professional Fees		
Kripa M Manek	10.00	10.00
Net Purchase during the year		
Vibgyor Exports (Net of GST)	221.21	-
Trident Colours and chemicals	8.40	-
Chroma Food Ingredients Pvt Ltd (Net of GST)	0.77	-
Loan Given		
Arjun Food Colorants Manufacturing Private Ltd	1.37	1.14
Loan taken		
Mihir B. Manek	1,515.00	-
Pravina B. Manek	395.00	-
Bipin Manek	205.00	-
Loan Paid		
Mihir B. Manek	1,128.10	-
Pravina B. Manek	100.00	-
Bipin Manek	135.00	-
Interest on Loan taken		
Mihir B. Manek	52.31	-
Pravina B. Manek	20.36	-
Bipin Manek	7.72	-

Consolidate Notes to Financial Statements for the year ended 31 March 2022

₹ In lakhs

Particulars	Year ended 31-Mar-2022	Year ended 31-Mar-2021
Director's Sitting Fees		
Rahul Berde	0.50	0.50
Niren Desai	0.50	0.50
Prafulchandra Shah	0.50	0.50
Jyoti Sunil Modi	0.25	0.50
Ashit Kantilal Doshi	0.50	0.50
Reimbursement of Expense		
Vijay K Atre	1.20	1.20

c) Balances with the parties outstanding

₹ In lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Pravina B. Manek - Security Deposit	10.07	8.77
Pravina B. Manek	(16.25)	-
Trident Colours and chemicals	283.09	292.99
Chroma Food Ingredients Pvt Ltd	28.32	-
Bipin Manek	(143.32)	(60.59)
Mihir B. Manek	(45.44)	(88.57)
Mitesh D Manek	0.29	1.72
Priyanka Soni	(0.45)	-
Rahul Berde	(0.11)	(0.11)
Jyoti Sunil Modi	(0.11)	-
Vijay K Atre	(0.60)	(0.60)
Vidhi H Parekh	(0.75)	(0.75)
Kripa M Manek	(0.45)	(0.45)
Vibgyor Exports	(15.30)	50.14

29 Commitments and Contingencies

i. Contingent Liabilities

₹ In lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Central Sales Tax (FY 2005 - 2006)	8.68	8.68
Central Sales Tax (FY 2013 - 2014)	3.59	3.59
Maharashtra VAT (FY 2013 - 2014)	0.37	0.37
Maharashtra VAT (FY 2012 - 2013)	2.88	2.88

Consolidate Notes to Financial Statements for the year ended 31 March 2022

ii. Commitments

₹ In lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	219.89	1,418.32

30 Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations :

₹ In lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Profit after tax attributable to equity shareholders	5,856.76	3,655.89
Net profit for calculation of basic and diluted EPS	**5,856.76**	**3,655.89**

₹ In lakhs

Particulars	No. of shares (in lakhs)	No. of shares (in lakhs)
Weighted average number of equity shares in calculating basic EPS	499.45	499.45
Basic Earnings per share	11.73	7.32
Diluted Earnings per share	11.73	7.32

31 Commitments

Non Cancellable Operating Leases:

₹ In lakhs

Particulars	As At 31-Mar-22	As At 31-Mar-21
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	-	-
Commitments for minimum lease payments in relation to leases other than non-cancellable operating leases are payable as follows:		
Within 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	-	-
Rental expenses relating to operating leases		
Total Rental expense relating to operating leases	10.00	16.43

Consolidate Notes to Financial Statements for the year ended 31 March 2022

32 Segment Reporting

The group operates in single business segment namely manufacturing and trading of food colors and chemicals. Hence, no separate disclosure as per "Ind AS-108" is required for the business segment.

The group's operating divisions are managed from India. The principal geographical areas in which the group operates are Asian Countries, European Countries, South Africa, Middle East Countries, United States and others.

For the purpose of geographical segment the sales are divided into two segments - within India and outside India. The accounting policies of the segments are the same as those described in Note 2

₹ in lakhs

Particulars	FY 2021-22		
	Within india	Outside india	Total
Revenue			
Sales to external customers	30,237.00	23,468.86	53,705.86
Other segment information			
Non-current Assets *	8,388.60		8,388.60

₹ in lakhs

Particulars	FY 2020-21		
	Within india	Outside india	Total
Revenue			
Sales to external customers	9,454.84	17,186.31	26,641.15
Other segment information			
Non-current Assets *	4,643.20		4,643.20

* Non-current assets excludes investment in subsidiaries, Other investments, Other financials assets, Income tax assets (Net) and Deferred tax assets (Net).

33 Additional Regulatory Information

Ratios

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance*	Remarks
Current Ratio (in times)	Total current assets	Total current liabilities	2.32	2.99	-22%	
Debt-Equity ratio (in times)	Debt consists of borrowings	Total equity	0.07	0.01	542%	*Note no 1
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	0.01	0.02	-27%	*Note no 2
Inventory turnover ratio	Revenue from operations	Average Inventory	9.56	7.23	32%	
Return on equity ratio (in %)	Profit for the year (after tax)	Average total equity	0.31	0.45	-31%	

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance*	Remarks
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.40	3.14	40%	*Note no 3
Trade payables turnover ratio (in times)	Cost of material consumed and purchase of stock-in-trade + Manufacturing cost + Other expenses	Average trade payables	14.35	9.26	55%	*Note no 4
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	3.97	2.61	52%	*Note no 5
Net profit ratio (in %)	Profit for the year (after tax)	Revenue from operations	0.11	0.14	-20%	
Return on capital employed (in %)	Profit for the year (after tax)	Tangible net worth + Debt consists of borrowings + Deferred tax liabilities	0.28	0.43	-34%	*Note no 6
Return on Investement						
Quoted	Income generated from Investements	Time weighted average investements	-	-	0.00%	
Unquoted	Income generated from Investements	Time weighted average investements	-	-	0.00%	

Notes:-

1. During the year the Company has borrowed Term loan, resulting in adverse debt equity ratio.
2. During the year the Company has borrowed Term loan, resulting in adverse debt service coverage ratio.
3. Significant growth in revenue increases trade receivables, accordingly resulted in an improvement in ratio.
4. Significant growth in purchases increases trade payables, accordingly resulted in an improvement in ratio.
5. Significant increase in revenue and working capital resulted in an improvement in ratio
6. Capital employed of the company is increase in much higher proportion than increase in profit of the company, resulted in adverse in ratio

34 Current assets and current liabilities

Balances of certain trade receivables, trade payables are subject to confirmation/reconciliation, if any. The management does not expect any material difference affecting the financial statements on such reconciliation/ adjustments.In the opinion of management, financial & non-financial assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet. The provision for depreciation and all known liabilities is adequate and not in excess of the amount reasonably stated.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

35 Contingent Liability and Capital Commitments (As certified by the Management)

The Company has trade receivables of ₹ 52,69,411 from Export debtors which is receivable is US $ 91,812.95, as the same is outstanding more than 9 months. As per the Foreign Exchange Management Act 1999, the company need to apply for extension to Reserve Bank of India ("RBI") for receipt of foregin exchange from Export Debtors if same is not received within 9 months from the date of invoice. As the debt is receivable in US $, the writing off of the debt also needs approval from RBI. However, this trade receivables are received in part earlier. The company is confident to receive the balance of ₹ 52,69,411 in US $ 91,812.95 from export debtors in due course. The export debtors are regularly doing the business with the company. The delay in amount receivable from export debtors is due to commercial on mutually discussed with them by company

36 Details of submission with Bank for working capital loan

The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly Information statements filed by the company with financial institutions or banks are in agreement with the books of account of the Company except details pertain creditor which is not matching with the books of accounts:

Creditor outstanding a the end of quarter (Q)	Q1	Q2	Q3	Q4
As per Bank Submission	876.52	286.62	1,225.49	1,489.19
As per Books of Accounts	451.29	1,278.31	1,417.86	687.54
Difference Excess/ (Short)	425.23	(991.69)	(192.37)	801.65
% Of Change	94.23%	-77.58%	-13.57%	116.60%

The difference is occurred due to invoices received of Imports from CHA after submitting the Stock statement with the bank, hence this difference occurred.

37 Reporting on Rule 11 as per Disclosures required under schedule III

a) The Company has not given Loans or advances in the nature of loans to promoters, directors, KMPs and the related parties, that are repayable on demand or without specifying any terms or period of repayment.

b) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

38 Code On Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and the Rules thereunder. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from the stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account the same once the rules are notified and become effective.

Consolidate Notes to Financial Statements for the year ended 31 March 2022

39 Scheme of Arrangement

The Company has not any entered in scheme of arrangement under section 230 to 237 of Companies Act 2013.

40 Benami Transactions

The Company does not hold any Benami Property as defined under Benami Transactions (Prohibition) Act (45) of 1988 and rules made thereunder.

41 Transactions with struck off Companies

The Company does not have any transactions with companies struck off under section 248 of Companies Act 2013 or Section 560 of Companies Act 1956, during the financial year ending 31 March 2022 and 31 March 2021.

42 Restriction on number of layers

The Company has complied with the number of layer prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

43 Undisclosed Income

The Company does not have any undisclosed income during the financial year ended 31 March 2022 and 31 March 2021.

44 Crypto/Virtual Currency

The Company does not traded or invested in Crypto Currency or Virtual Currency during the financial year ended 31 March 2022 and 31 March 2021.

45 Impairment

There was no impairment loss on the non-financial assets on the basis of review carried out by the management in accordance with Indian Accounting Standard (Ind AS) – 36 'Impairment of Assets'.

46 The group has reclassified previous year figures to conform to this year's classification.

Signature to Notes 1 to 46 of the financial statements

As per our report of even date attached

For JMR & Associates LLP
Chartered Accountants
Firm Registration No. 106912W/W100300

CA. Nikesh Jain
Partner
Membership No: 114003

Mumbai, May 12, 2022

For and on behalf of the board of directors of
Vidhi Specialty Food Ingredients Limited

Bipin M. Manek
Chairman & Managing Director
DIN: 00416441

Mihir B. Manek
Joint Managing Director
DIN: 00650613

Mitesh D. Manek
Chief Financial Officer

Priyanka Soni
Company Secretary
A63701

Mumbai, May 12, 2022

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VIDHI