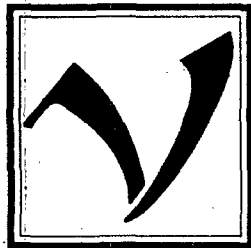


**VIDHI**



**Manufacturers Of Food Colours**

**Vidhi Dyestuffs Manufacturing Limited**

**16TH Annual  
Report  
2008 - 2009**





**VIDHI DYESTUFFS MANUFACTURING LIMITED**  
**SIXTEENTH ANNUAL REPORT 2008 - 2009**

**BOARD OF DIRECTORS**

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

**NOTICE**

To,

The Members

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

Notice is hereby given that the **Sixteenth Annual General Meeting** of the Shareholders of **VIDHI DYESTUFFS MANUFACTURING LIMITED** will be held on Wednesday, the 30<sup>th</sup> September 2009 at 5.00 P.M. at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at the 31<sup>st</sup> March 2009 and the Profit & Loss Account of the Company for the year ended on that date, together with the Report of Directors and the Auditors thereon.
2. To re-appoint Mr. Niren D. Desai as Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Mr. Prafulchandra A. Shah as Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 23<sup>rd</sup> September 2009 to Wednesday, the 30<sup>th</sup> September 2009 (both days inclusive).
3. Members are requested to:
  - (i) Immediately intimate change of address, if any, to the Company/Registrar and Share Transfer Agent quoting reference to their Registered Folio Number.
  - (ii) Members are requested to send all share transfer lodgments (Physical mode) / correspondence to the Registrar and Share Transfer Agent at the following address upto the date of book closure:
 

**M/s Sharex Dynamic (India) Private Limited**  
Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool,  
Andheri (East), Mumbai- 400 072 Tel No: 2851 5606, 2851 5644 Fax No: 2851 2885
  - (iii) Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31<sup>st</sup> March 2009, so as to enable the Company to keep the information ready.
  - (iv) Quote Registered Folio Number or DP ID/ Client ID in all the correspondence.
  - (v) Furnish bank account details to the R&TA / Depository Participant to prevent fraudulent encashment of dividend warrants.
4. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
5. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode in the Stock Exchanges.
6. As per the provisions of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office.
7. Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of refund pertaining to share application money out of public issue remaining unpaid or unclaimed for a period of seven years from the date of transfer to Refund Account of the Company has been transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.  
Members who have not yet encased their dividend warrant(s) for the financial year ended 31<sup>st</sup> March 2002, 31<sup>st</sup> March 2003, 31<sup>st</sup> March 2004 and 31<sup>st</sup> March 2005 are requested to make their claims to the Company accordingly, without any delay.
8. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company / Share Transfer Agents along with the relevant Share Certificates for consolidation of such Foliros in one Folio.
9. Mr. Niren Desai and Mr. Prafulchandra Shah, Directors retires by rotation, being eligible, offers themselves for re-appointment:



# VIDHI DYESTUFFS MANUFACTURING LIMITED

10. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

By Order of the Board  
For Vidhi Dyestuffs Manufacturing Limited

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

Place: - Mumbai

Date: - 30<sup>th</sup> June 2009

## Annexure to items 2 and 3 of the Notice

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

Name of the Director	Niren Dinkarrai Desai	Prafulchandra Anantlal Shah
Date of Birth	12 <sup>th</sup> December 1956	13 <sup>th</sup> November 1933
Date of Appointment on the Board	10 <sup>th</sup> May 2005	6 <sup>th</sup> January 2003
Qualifications	B.E. Mechanical	B.E. Mechanical B.E. Electrical
Experience	30 yeas rich experience in the field of Industrial Hardware & Machine Tools.	50 years rich experience in the field of Industrial Construction Project Works.
Shareholding in the Company	NIL	NIL
List of Directorships held in other Companies	NIL	NIL
Committee Membership	Vidhi Dyestuffs Mfgs. Ltd. (Audit Committee and Remuneration Committee)	Vidhi Dyestuffs Mfgs. Ltd. (Audit Committee and Remuneration Committee)

For Vidhi Dyestuffs Manufacturing Limited

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

Place: - Mumbai

Date: - 30<sup>th</sup> June 2009



**DIRECTORS' REPORT**

To,  
The Members,

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

Your Directors have pleasure in presenting 16<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March 2009.

**FINANCIAL RESULTS**

	Current Year 2008-09 Rupees Lakhs	Previous year 2007-08 Rupees Lakhs
Profit for the year before providing for Depreciation	347.54	239.63
Less : Depreciation	96.09	89.49
Profit after Depreciation	<u>251.45</u>	<u>150.14</u>
Less : Provision for Taxation		
Current Year	104.64	60.10
Earlier year	6.25	19.03
Deferred Tax	<u>(21.71)</u>	<u>(10.95)</u>
	<u>89.18</u>	<u>68.18</u>
Profit After Tax	<u>162.27</u>	<u>81.96</u>
Add : Profit brought forward from Previous year	<u>1,126.95</u>	<u>1,044.99</u>
	<u><u>1,289.22</u></u>	<u><u>1,126.95</u></u>
<b>APPROPRIATION :</b>		
Interim Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to General Reserve	-	-

**OPERATIONS:**

During the year under review your Company has achieved a turnover of Rs.3928.94 Lakhs as compared to Rs.3068.90 Lakhs of previous year registering a growth of 28.30%. The net profit after tax has also gone up from Rs. 81.96 Lakhs to Rs. 162.26 Lakhs recorded an increase of 97.97% as compared to previous year.

The Company has manufactured 994.147 M. Tons of Food colors against 988.84 M. Tons in the previous year.

Your company has increased its export market share on account of persistent marketing efforts and with the help of well-patronized customers' world over.

Your Directors assure to strive for a bright future for your Company.

**DIVIDEND:**

In order to conserve resources, your Directors do not recommend any dividend for the year 2008-2009.

**DIRECTORS: -**

In accordance with the requirements of the Companies Act 1956 and Articles of Association of the Company:

Shri Niren D. Desai retires at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment as a Director.

Shri. Prafulchandra A. Shah retires at the ensuing Annual General Meeting and being eligible, offers himself, for reappointment as a Director.

Your Directors recommend their reappointment as Directors.

Shri Mitesh D. Manek resigned as Director of the Company w.e.f. 1<sup>st</sup> July 2008.



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## AUDITORS:

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

## AUDITORS REPORT:

There are no qualifications contained in the Auditor's Report and therefore no further explanation is required to be provided.

The notes to the accounts are referred in the auditors report are also self - explanatory and, therefore do not call for any further comments.

## CORPORATE GOVERNANCE:

As per the Listing Agreements with the Stock Exchanges, the Company has successfully implemented and complied with all the requirements of the Code of Corporate Governance and a separate section forming part of the Annual Report along with a Certificate from the Statutory Auditors confirming compliance of the conditions of Corporate Governance.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as mandated under the Code of Corporate Governance, is enclosed as a part of the Annual Report.

## FIXED DEPOSIT:

The Company has not accepted Fixed Deposits from public during the year under review.

## PARTICULARS OF THE EMPLOYEES:

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

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

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

## POLLUTION CONTROL:

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

## INSURANCE:

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

## DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956.

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

## ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Bipin M. Manek

(Chairman & Managing Director)

Place: Mumbai

Dated: 30<sup>th</sup> June 2009



## ANNEXURE TO THE DIRECTORS REPORT

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

### 1) CONSERVATION OF ENERGY

#### A) Details of power and fuel consumption:

		Current Year	Previous year
a. Electricity			
Purchased and consumed	: UNITS	15,91,169	14, 62,320
	: TOTALAMOUNT	77,91,160	67, 91,740
	: RATE PER UNIT	4.90	4.64
b. Furnace Oil	: LITRES	1,67,148	6, 36,074
	: TOTALAMOUNT	37,69,502	1, 15, 28,338
	: RATE PER LITRE	22.55	18.12
c. Coal	: KILOGRAM	17,82,221	* 8,01,598
	: TOTALAMOUNT	78,11,484	*36,27,501
	: RATE PER KGS.	4.38	* 4.53

#### B) Details of consumption per unit of production

PER KILO OF DYES			
Electricity	: UNITS	1.60	1.55
Energy Charges:-			
(Furnace Oil / Coal)	: LITRES / KILOGRAM	11.65	*15.33
(* Coal Part of the year)			

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

- No technology has been imported by the company.
- Efforts are being made to further improve quality of the products.

The Company strives to achieve innovations in its Business operations.

### 3) FOREIGN EXCHANGE EARNINGS AND OUTGO :

The company's total exports sales during the year under review have amounted to Rs.36.30 Crores.

		(Rs. In Lakhs)
FOB VALUE OF EXPORTS	3368.33	2834.78
EXPENDITURE IN FOREIGN EXCHANGE	1248.12	1052.94

For and on behalf of the Board

Place: Mumbai

Dated: 30<sup>th</sup> June 2009

Bipin M. Manek  
(Chairman & Managing Director)



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## CORPORATE GOVERNANCE

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

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the listing agreement is set out below. In this report, we confirm the compliance of Corporate Governance criteria as required under clause 49 of the Listing Agreement.

### (A) MANDATORY REQUIREMENTS

#### 1) COMPANY PHILOSOPHY: -

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements such as forms of listing agreement with the Stock Exchange but also several voluntary practices at superior level of business ethics, effective supervision and enhancement of shareholder value. Transparency, fairness, disclosures and accountability- the four pillars of Corporate Governance have always been central to the working of your Company.

#### 2) BOARD OF DIRECTORS:

Your Company is managed and guided by a professional board comprising of 8 Directors out of which 4 are Independent Directors.

Composition of the Board of Directors, number of other Directorships and Chairmanships/Memberships of Committees of each Director in other Companies as on 31<sup>st</sup> March 2009.

Sr. No.	Name of the Director(s)	Category	No. of Other Directorship in Public/Pvt. Limited Companies	No. of other Committees* as	
				Chairman	Member
1	Mr. Bipin M. Manek	Executive-Chairman & Managing Director, Promoter	1	NIL	NIL
2	Mr. Naresh L. Modi	Non-Executive, Promoter	NIL	NIL	NIL
3	Mrs. Pravina B. Manek	Non-Executive, Promoter	NIL	NIL	NIL
4	Mr. Vijay K. Atre	Non-Executive, Independent	NIL	NIL	NIL
5	Mr. Prafulchandra A. Shah	Non-Executive, Independent	NIL	NIL	NIL
6	Mr. Chetan P. Bavishi	Non-Executive, Independent	NIL	NIL	NIL
7	Mr. Mitesh D. Manek (Resigned w.e.f. 1 <sup>st</sup> July 2008)	Executive	1	NIL	NIL
8	Mr. Niren D. Desai	Non-Executive, Independent	NIL	NIL	NIL
9	Mr. Mihir B. Manek	Executive	1	NIL	NIL

# For the purpose of considering the number of directorships and Committee positions, all public limited companies, whether listed or not, have been included and all other Companies including private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956, have been excluded and the Committees other than Audit Committee and Shareholder's/ Investor's Grievance Committee have been excluded.

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

The Company has also 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.

#### Re-appointment of Directors:

Shri Niren D. Desai retires at the ensuing Annual General Meeting and being eligible, offers himself, for re-appointment as Director.

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

Details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting:

Name	Age	Educational Qualification	Experience	
Mr. Niren D. Desai	52 Years	B.E. Mechanical	30 years rich experience in the field of Industrial Hardware & Machine Tools.	Mr. Niren D. Desai has been Director of the Company from 10 <sup>th</sup> May 2005. He is due to retire by rotation at the forth coming Annual General Meeting and being eligible offers himself for re-appointment
Mr. Prafulchandra A. Shah.	77 Years	B.E. Mechanical B.E. Electrical	50 years rich experience in the field of Industrial Construction Project Works.	Mr. Prafulchandra A. Shah has been the Director of the Company from 5 <sup>th</sup> January 2003. He is due to retire by rotation at the forth coming Annual General Meeting and being eligible offers himself for re-appointment





**Shareholding of Non Executive Directors as on 31<sup>st</sup> March 2009**

Sr. No.	Name of Director	No. of Shares held	% of Shareholding
1.	Mrs. Pravina B. Manek	1,03,67,000	20.76
2.	Mr. Naresh L. Modi	52,94,667	10.60
3.	Mr. Vijay K. Atre	25,000	0.05
4.	Mr. Prafulchandra A. Shah	-	-
5.	Mr. Chetan P. Bavishi	-	-
6.	Mr. Niren D. Desai	-	-

**Attendance Record of the Directors:**

The meetings of the Board of Directors are normally held at the Registered Office of the Company. The Board meets at least once in a quarter to review the quarterly performance and financial results.

During the Financial Year 2008-2009, Five Meetings of Board of Directors were held on the following days:

15<sup>th</sup> May 2008, 30<sup>th</sup> June 2008, 31<sup>st</sup> July 2008, 31<sup>st</sup> October 2008 and 30<sup>th</sup> January 2009

Annual General Meeting for the financial year ended 31<sup>st</sup> March 2008 was held on 30<sup>th</sup> September 2008.

The Board of Directors has not passed any resolution through Circular Resolution during the current financial year.

The Attendance of Directors at the Board Meetings and Annual General Meetings were as under:

**Financial Year 2008-2009**

Directors	Number of Board Meetings		Attendances at the last Annual General Meetings
	Held	Attended	
Mr. Bipin M. Manek	5	5	Yes
Mr. Naresh L. Modi	5	5	Yes
Mrs. Pravina B. Manek	5	5	Yes
Mr. Vijay K. Atre	5	5	Yes
Mr. Prafulchandra A. Shah	5	5	Yes
Mr. Chetan P. Bavishi	5	5	Yes
Mr. Mitesh D. Manek (resigned as Director w.e.f. 1 <sup>st</sup> July 2008)	2	2	Yes*
Mr. Niren D. Desai	5	5	Yes
Mr. Mihir B. Manek	5	5	Yes

\* Mr. Mitesh Manek was present at the last Annual General meeting as a Member of the Company.

Agenda for each Board Meeting was sent along with notes on agenda items at least 7 days in advance to all the Directors. At the Board meetings of the Company the Directors are being provided information stipulated in clause 49 of the Listing Agreement. The Board has a formal schedule of matters reserved for its consideration, which includes review of the Company's performance. The Company has designed the required information system for this purpose.

Matters discussed at these Board Meetings relate to among others, review of annual plan, quarterly results of the Company, Minutes of Meetings of Audit Committee, observations of the Audit Committee, statutory compliances by the Company, sale and purchase of investments etc.

**Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification**

Declaration by the Managing Director and Chief Financial Officer under Clause 49 (1) (D) of the Listing Agreement regarding adherence to the code of conduct is forming part of the Report on Corporate Governance.

In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.

**Code of Conduct**

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

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

**3) AUDIT COMMITTEE:**

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

**A. Role & Function:**

- Overview the Company's financial reporting process and its financial statements.
- Recommending to the Board, the appointment, reappointment and, if required the replacement or removal of Statutory Auditor and fixation of audit of fees.
- Approval of payment to Statutory Auditors' for any services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:



# VIDHI DYESTUFFS MANUFACTURING LIMITED

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

## B. Composition:

The Audit Committee consists of Five Directors, out of which, 3 are Independent, Non-Executive Directors, 1 is Promoter, Non-Executive Director and 1 is Executive Director.

Mr. Vijay K. Atre	Chairman	Non-Executive, Independent
Mr. Prafulchandra A. Shah	Member	Non-Executive, Independent
Mr. Niren D. Desai	Member	Non-Executive, Independent
Mrs. Pravina B Manek	Member	Non-Executive
Mr. Mitesh D. Manek*	Member	Executive
Mr. Mihir B. Manek**	Member	Executive

\*Up to 30<sup>th</sup> June 2008, \*\* From 1<sup>st</sup> July 2008.

## C. Meetings & Attendance:

The Members of the Audit Committee met five times during the year.

The Meetings were held on 15<sup>th</sup> May 2008, 30<sup>th</sup> June 2008, 31<sup>st</sup> July 2008, 31<sup>st</sup> October 2008 and 30<sup>th</sup> January 2009 the details of which are as follows.

Name	Non-Executive/Independent	Numbers of Meetings	
		Held	Attended
Mr. Vijay K. Atre	Chairman, Non-Executive, Independent	5	5
Mr. Prafulchandra A. Shah	Non-Executive, Independent	5	5
Mr. Niren D. Desai	Non-Executive, Independent	5	5
Mrs. Pravina B. Manek	Non-Executive	5	5
Mr. Mitesh D. Manek *	Executive	2	2
Mr. Mihir B. Manek**	Executive	3	3

\* Up to 30<sup>th</sup> June, 2008, \*\* From 1<sup>st</sup> July, 2008.

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

The Chairman of the Audit Committee was present at 15<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September 2008.

## 4) REMUNERATION COMMITTEE

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

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

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



**(b) Composition:**

The Remuneration Committee comprises of four Directors, out of which, 3 are Independent, Non-Executive Directors and 1 is Promoter, Non-Executive Director.

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

**(c) Remuneration Policy:**

The remuneration of the Managing Director/ Executive Directors are decided by the Remuneration Committee based on the Company's performance vis-à-vis the industry performance/track record of the Managing Director/Executive Directors and the same is reported to the Board of Directors. The Company pays remuneration by way of salary to its Managing Director/Executive Directors. Increments are decided by the Remuneration Committee within the salary scale approved by the Members and are effective as per the relevant Agreements.

**(d) No. of Meetings and Attendance:**

The Meeting of Remuneration Committee was held on 15<sup>th</sup> May 2008, 30<sup>th</sup> June 2008, and 31<sup>st</sup> October 2008.

Name	Non-Executive/Independent	Numbers of Meetings	
		Held	Attended
Mrs. Pravina B. Manek	Non-Executive	3	3
Mr. Vijay K. Atre	Non-Executive Independent	3	3
Mr. Niren D. Desai	Non-Executive Independent	3	3
Mr. Prafulchandra A. Shah	Non-Executive Independent	3	3

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

Directors	Remuneration paid/payable during 2008-2009 (Rs.)		
	Salary	Commission	Total
Mr. Bipin M. Manek	15,00,000.00	—	15,00,000.00
Mr. Vijay K. Atre	1,80,000.00	—	1,80,000.00
Mr. Mitesh D. Manek (resigned as Director w.e.f. 1 <sup>st</sup> July 2008)	1,05,000.00	—	1,05,000.00
Mr. Mihir B. Manek	15,00,000.00	—	15,00,000.00
<b>Total</b>	<b>32,85,000.00</b>	<b>—</b>	<b>32,85,000.00</b>

**(f) Details of sitting fees paid to the Non-Executive Directors for the financial year 2008-2009.**

- The Company pays sitting fees @ Rs.1000/- per Board Meeting to non-executive Directors for attending Meetings of the Board.

**5) SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE**

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

**(a) Terms of Reference:**

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

**(b) Composition:**

The Shareholders' / Investors' Grievance Committee consist of three Directors, out of which, 2 are Independent, Non-executive Directors and 1 is Promoter, Non-executive Director.

Mrs. Pravina B Manek	Chairman	Non-Executive
Mr. Vijay K. Atre	Member	Non-Executive, Independent
Mr. Chetan P. Bavishi	Member	Non-Executive, Independent

**(c) Meetings & Attendance:**

The Meeting of Investors Grievance Committee was held on 15<sup>th</sup> May, 2008, 30<sup>th</sup> June 2008, 31<sup>st</sup> October 2008 and 30<sup>th</sup> January 2009.

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

# VIDHI DYESTUFFS MANUFACTURING LIMITED

(d) The details of Complaints received and redressed during the financial Year 2008 – 2009 are as under;

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

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

**(e) Compliance officer: -**

Mr. Mahesh Jani has been appointed as the Compliance Officer, as required by the Listing Agreements entered into by the Company with Bombay and Ahmedabad Stock Exchanges. He has been entrusted the task of overseeing the Share Transfer work done by the Registrars and Share Transfer Agents and attending to Grievances of the Shareholders and Investors intimated to the Company directly by SEBI and Stock exchanges. All complaints / Grievances intimated during the year have been resolved within a maximum period of 30 days of their intimations.

There are no pending legal matters, in which the Company has been made a party, before any other Court (s) / Consumer Forum (s) / Consumer Forum (s) etc., on Investors grievances.

**6) GENERAL BODY MEETING: -**

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

Financial Year	Details of Location	Date and Time
2007-2008	E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.	Saturday, 30-9-2008 at 5.00 p.m.
2006-2007	E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.	Saturday, 29-9-2007 at 5.00 p.m.
2005-2006	E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.	Saturday, 30-9-2006 at 5.00 p.m.

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

No Special resolution was passed during the previous three Annual General Meetings.

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

No Special resolution was passed through Postal Ballot during the previous Annual General Meeting.

**7) DISCLOSURES:**

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

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

**8) MEANS OF COMMUNICATION:**

Half yearly / Quarterly Results have not been sent to shareholders; instead shareholders have been intimated through press releases, effective from the quarter ended 31<sup>st</sup> December 2002. The Company is also posting the Quarterly Results and Shareholding Pattern at every quarter end on the SEBI's website viz., www.sebidifar.nic.in.

The quarterly, half-yearly and annual Results of the Company's financial performance are published in the newspapers viz. Business Standard & Dainik Sagar (Regional language - Marathi). The results are informed to the Mumbai Stock Exchange and Ahmedabad Stock Exchange before their press release. The results are also posted on SEBI's website viz. www.sebidifar.nic.in, effective from 31<sup>st</sup> December 2002.

The Corporate Governance Certificate as required under Clause 49 of the Listing Agreement, obtained from Auditors of the Company is attached to this report

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

**9) SHAREHOLDERS INFORMATION:**

**i) 16<sup>th</sup> Annual General Meeting 2008-2009:**

Date and Time : Wednesday, the 30<sup>th</sup> September 2009 at 5 p.m.  
 Venue : E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.  
 Date of Book Closure : Wednesday, the 23<sup>rd</sup> day of September 2009 to Wednesday, the 30<sup>th</sup> day of September 2009 (inclusive of both days).



ii) Listing on stock exchange (s):

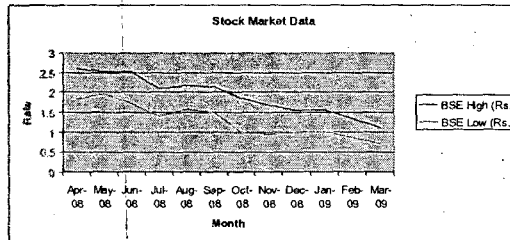
The Equity Shares of the Company are listed on the Stock Exchange

- a) Bombay Stock Exchange Limited: - Stock Code No- 531717
- b) Ahmedabad Stock Exchange Limited: - Stock Code No- 65715

The Company has paid listing fees for the financial year 2009-2010 to the Stock Exchanges where the securities are listed.

iii) Stock Market Price Data:

Month/Year	Volume Nos.	Mumbai Stock Exchange (MSE)	
		High (Rs.)	Low (Rs.)
April 2008	179894	2.61	1.83
May 2008	361850	2.53	1.96
June 2008	145439	2.53	1.72
July 2008	226633	2.10	1.40
August 2008	98168	2.18	1.57
September 2008	116045	2.14	1.50
October 2008	98513	1.85	1.00
November 2008	320487	1.66	0.95
December 2008	91822	1.53	1.00
January 2009	77704	1.56	1.00
February 2009	120045	1.34	0.87
March 2009	219128	1.10	0.72



iv) Registrars and Share Transfer Agents:

Registered Office :-

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

Branch Office

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

v) Share Transfer System

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

For expediting the physical transfer of shares, the Board has delegated the Share Transfer formalities to the Share Transfer Committee, to approve the transfer of shares twice a month on every 10<sup>th</sup> and 25<sup>th</sup> day.

Physical transfers are affected well within the stipulated period of 30 days.

vi) Shareholding Pattern: Shareholding Pattern as on 31<sup>st</sup> March 2009

Category	No. of Shares Held	% of Shareholding
<b>A Promoter's Holding</b>		
1 Promoters - Indian Promoters	2,96,69,000	59.40
Foreign Promoters	---	---
2 Persons acting in concert	---	---
<b>B Non-Promoters Holding</b>		
3 Institutional Investors	---	---
A) Mutual Funds and UTI	---	---
B) Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-Government Institutions)	---	---
C) FIs	---	---
4 Others		
A) Private Corporate Bodies	9,85,367	1.97
B) Indian Public	1,55,85,321	31.21
C) NRI's/OCB's	36,93,550	7.40
D) Any other (Clearing Member's)	11,762	0.02
<b>Grand Total</b>	<b>4,99,45,000</b>	<b>100.00</b>



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## vii) Distribution of Share: Distribution of shareholding as on 31<sup>st</sup> March 2009

Category Shareholders	No. of Shareholders	% to Total No. of Shareholders	No. of Shares Shares	% to Total
1-5000	602	23.76	1,73,121	0.35
5001-10000	624	24.63	6,00,032	1.20
10001-20000	374	14.76	6,89,302	1.38
20001-30000	220	8.68	6,20,609	1.24
30001-40000	74	2.92	2,77,645	0.56
40001-50000	255	10.06	12,65,205	2.53
50001-100000	188	7.42	15,45,922	3.10
Above 100001	197	7.77	4,47,73,164	89.64
<b>Total</b>	<b>2534</b>	<b>100.00</b>	<b>4,99,45,000</b>	<b>100.00</b>

## viii) Dematerialization of Shares:

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

The shares of your Company are to be compulsorily traded in the dematerialised form. As on 31<sup>st</sup> March 2009, 4,55,10,890 Equity Shares comprising of 91.12% of Paid-up Capital of the Company, have been dematerialised by the Investors and bulk of transfers take place in the demat segment.

## ix) Outstanding ADR/ GDR:

The Company has not issued any GDRs or ADRs.

## x) Plant Location:

Plot No. 59-B, M.I.D.C Dhatav, Roha (Raigad), Maharashtra – 402 116. Telephone: (02194) 263873

## xi) Investors Correspondence:

Registered Office	Secretarial Department	Registrar & Share Transfer Agents Branch office at :-
The Compliance Officer Vidhi Dyestuffs Mfg. Ltd. E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400034.	Vidhi Dyestuffs Mfg. Ltd. E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.	Sharex Dynamic (India) Private Limited. Unit –1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East) Mumbai- 400072

## (B) NON-MANDATORY REQUIREMENTS

The Board is taking guidance from Non-Mandatory requirements as mentioned in Corporate Governance. It is always an endeavor of the Board to implement the suggestion of the non mandatory requirements

### CORPORATE GOVERNANCE CERTIFICATE

To the Members of

**Vidhi Dyestuffs Manufacturing Limited;**

We have examined the compliance of conditions of corporate governance by Vidhi Dyestuffs Manufacturing Limited (the company) for the year ended on 31<sup>st</sup> March, 2009 as stipulated in clause 49 of the Listing Agreement of the company with the stock exchanges.

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

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

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

For M/s. Bhuta Shah & Co.  
Chartered Accountants

S. J. Parmar  
Partner

Membership No. 103424

Mumbai, 30th June 2009



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## 1) Industry Structure and Developments

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

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

## 2) Opportunities

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

## 3) Threats, Risks and Concerns

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

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

Appreciating/Fluctuating currency is an area of concern.

## 4) Performance

The Turnover of the Company during the financial year 2008-2009 increased by 28.02% on account of the persistent marketing efforts to reach out to the present as well as prospective customers and also due to the widening of sales network in the export market. The production utilization capacity was increased by 0.54% as compared to previous year. The profit before tax of the company was increased by 67.47% as compared to previous year.

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

## 5) Outlook

In an endeavor to remain supremely competitive your company has under the task of modernizing & installing new process equipments in a phase wise manner, to boost quality & quantity. The incorporation of your company's own Ice making Plant during the year in review should be seen as the 1<sup>st</sup> step towards this. Adopting the most cost effective manufacturing practices and changing with changing times will ensure that the company continues to grow.

## 6) Internal Control Systems and their adequacy

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

## 7) Financial and operational performance

## (i) Highlights of Financial performance:

(Rs. lakhs)

Item	2008-09	2007-08	Change (%)
Turnover	3928.94	3068.90	28.30
Other income	37.36	43.91	-14.92
Sub-total (1+2)	3966.30	3112.81	27.42
Total Expenditure (Excluding interest)	3683.50	2910.45	26.56
Profit before interest and Tax	335.45	216.08	55.24
Operating margin	8.46%	6.94%	21.90
Profit after Tax	162.27	81.96	97.97
Return on Capital Employed	8.44%	4.64%	81.90
Inventory Turnover-Times	0.16	0.22	-27.27
Current Ratio	4.94:1	5.11:1	-3.33
Debt: Equity Ratio	0.21	0.41	-48.78

## (i) Operational performance:

The company has achieved an increase of 67% in profit before tax for the year under review on account of various positive factors like control on energy cost by change in Fuel, good demand for the company's colors, good product mix & weaker currency.

**Cautionary Statement**

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

## 8) Human Resources / Industrial Relations

The company had total work force of 45 as on 31<sup>st</sup> March 2009. Relations between employees at various levels and the Management have been cordial.

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

**Safety and Ecology**

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

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

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

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

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



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## AUDITORS' REPORT

To the Members of

**Vidhi Dyestuffs Manufacturing Limited**

1. We have audited the attached Balance Sheet of **VIDHI DYESTUFFS MANUFACTURING LIMITED** as at 31<sup>st</sup> March 2009 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
  - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (v) on the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as Director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956; and
  - (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2009;
    - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
    - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

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

**S. J. Parmar**  
Partner

Membership No. 103424

Mumbai: 30th June 2009

## ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 3 of our Report on even date on the accounts of **M/s. Vidhi Dyestuffs Manufacturing Limited** ended 31<sup>st</sup> March 2009.

- 1
  - a. The Company is maintaining proper records showing full particulars including quantitative details and situations of fixed assets.
  - b. The management at reasonable intervals during the period has physically verified the fixed assets. According to the explanation given to us, no material discrepancies have been noticed on verification.
  - c. The fixed assets disposed of during the year, in our opinion, do not constitute a substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
- 2
  - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. In our opinion and according to information and explanation given to us and on the basis of our verification of inventory records, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of accounts.
- 3
  - a. According to the information and explanation given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c) and (d) are not applicable.
  - b. According to the information and explanation given to us, the company has taken loan from a company in which key management personnel have significant influence, covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 1,50,000/- and outstanding amount at the end of the year is Rs. 73,036/-





- c. In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which the above loans have been taken are not prima-facie prejudicial to the interest of the company.
- d. The principal amounts, are receivable on demand and there is no repayment schedule. The interest, where applicable, is receivable on demand.
- 4 In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been observed in the internal controls.
- 5 According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) and (b) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable.
- 6 In our opinion and according to the information and explanation given to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the act and the Rules framed there under.
- 7 As explained to us, the Company has no formal internal audit department, but has adequate internal control procedures and checks commensurate with the size and nature of business of the company.
- 8 According to the information and explanation given to us maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956.
- 9
  - a. According to the information and explanation given to us and according to the books and records produced and examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, income Tax, Wealth Tax, VAT, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with appropriate authorities.
  - b. According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, VAT, Service Tax, Custom Duty and Excise Duty were outstanding at the year end for a period of more than six months from the date they became payable.
  - c. As explained to us and according to the records of the company, the following dues of Income Tax have not been deposited on account of dispute:

Name of statute (Nature of dues)	Period to which the amount relates	Forum where dispute is pending	(Rs. In lacs) Amount (Rs. In lacs)
Income Tax Act, 1961. (Tax / Interest)	2003-2004 (A.Y. 2004-2005)	ITAT	40.76

- 10 The Company has neither accumulated losses as at 31<sup>st</sup> March 2009 nor has it incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- 11 Based on the documents and records produced to us and according to the explanation given to us the, company has not defaulted in repayment of dues to a financial institution or banks as at the balance sheet date.
- 12 According to the information and explanation given to us the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, considering the nature of the business carried down during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
- 14 The company has, in our opinion maintained proper records and contracts with respect to its investments where timely entries of transactions are made in the former. All investments at the close of the year are generally held in the name of the company.
- 15 According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- 16 According to the information and explanation given to us and the records examined, the Company has not availed any term loan during the year.
- 17 On the basis of information and explanation given to us and on the basis of overall examination of the cash flow of the company and its balance sheet, we report that no funds raised on short-term basis have been used for long-term investment.
- 18 During the year, the company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The company has not issued any debentures and hence, the clause 4(xix) of the Order is not applicable.
- 20 The company has not raised any money by public issue during the year.
- 21 During the course of our examination of the books of account and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year.

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

**S. J. Parmar**  
Partner

Membership No. 103424

Mumbai: 30th June 2009



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	Schedule	As at 31.03.2009 Rs. in Lakhs	As at 31.03.2008 Rs. in Lakhs
<b>I) SOURCES OF FUNDS :</b>			
<b>SHAREHOLDERS' FUND :</b>			
Share capital	1	500.20	500.20
Reserves and Surplus	2	1,422.46	1,260.19
		<b>1,922.66</b>	<b>1,760.39</b>
<b>LOAN FUNDS</b>			
Secured Loans	3	393.49	720.33
<b>DEFERRED TAX LIABILITY, NET</b>		16.24	37.95
<b>TOTAL</b>		<b>2,332.39</b>	<b>2,518.67</b>
<b>II) APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	1,182.33	1,125.01
Less : Accumulated Depreciation		782.96	697.15
Net Block		399.37	427.86
<b>INVESTMENTS</b>		5	36.45
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	6	643.37	669.99
Sundry Debtors	7	1,039.42	1,296.71
Cash and Bank Balances	8	69.55	92.52
Loans and Advances	9	625.32	513.65
		<b>2,377.66</b>	<b>2,572.88</b>
Less : Current Liabilities and Provisions	10	481.09	503.34
<b>NET CURRENT ASSETS</b>		<b>1,896.57</b>	<b>2,069.54</b>
<b>TOTAL</b>		<b>2,332.39</b>	<b>2,518.67</b>

Significant accounting policies and notes to accounts

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

As per our report of even date

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

**S. J. Parmar**  
Partner  
Membership No. 103424  
Mumbai, 30th June 2009

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

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

**Mihir B. Manek**  
Director

Mumbai, 30th June 2009



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

Particulars	Schedule	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
<b>INCOME</b>			
Sales	11	3,928.94	3,068.90
Other Income	12	37.36	43.91
Increase /(Decrease) in Stock	13	52.65	13.72
<b>TOTAL (A)</b>		<b>4,018.95</b>	<b>3,126.53</b>
<b>EXPENDITURE</b>			
Manufacturing and Operating Expenses	14	3,165.50	2,460.23
Administrative Expenses	15	200.21	175.50
Selling and Distribution Expenses	16	221.69	185.23
Financial charges	17	84.01	65.94
<b>TOTAL (B)</b>		<b>3,671.41</b>	<b>2,886.90</b>
<b>PROFIT BEFORE DEPRECIATION (A - B)</b>		<b>347.54</b>	<b>239.63</b>
Depreciation	4	96.09	89.49
<b>PROFIT BEFORE TAXATION</b>		<b>251.45</b>	<b>150.14</b>
<b>Tax Expense</b>			
Current Year		96.50	55.30
Earlier Year's		6.25	19.03
Deffered Tax		(21.71)	(10.95)
Fringe Benefit Tax		8.14	4.81
<b>PROFIT AFTER TAXATION</b>		<b>162.27</b>	<b>81.96</b>
Surplus brought forward from previous year		1,126.95	1,044.99
<b>Balance carried to Balance Sheet</b>		<b>1,289.22</b>	<b>1,126.95</b>
<b>APPROPRIATIONS :</b>			
Proposed/ Interim Dividends for the year		-	-
Corporate Dividend Tax		-	-
Transferred to General Reserve		-	-
Balance Profit carried to Balance Sheet		1,289.22	1,126.95
		<b>1,289.22</b>	<b>1,126.95</b>
<b>Basic / Diluted earnings per share (Rs.)</b>		<b>0.32</b>	<b>0.16</b>

As per our report of even date

For and on behalf of M/s. Bhuta Shah & Co.  
Chartered AccountantsS. J. Parmar  
Partner  
Membership No. 103424  
Mumbai, 30th June 2009

For and on behalf of the Board of Directors

Bipin M. Manek  
Chairman and  
Managing Director

Mumbai, 30th June 2009

Mihir B. Manek  
Director

# VIDHI DYESTUFFS MANUFACTURING LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET

As At 31.03.2009      As At 31.03.2008  
Rs. In lakhs      Rs. In lakhs

### SCHEDULE - 1

#### SHARE CAPITAL

<b>Authorised</b>	60,000,000	Equity shares of Re. 1/- each	<b>600.00</b>	600.00
<b>Issued and Subscribed</b>	50,034,000	equity shares of Re. 1/- each	<u>500.34</u>	<u>500.34</u>
<b>Paid Up</b>	4,99,45,000	shares of Rs. 1/- each fully paid	<u>499.45</u>	<u>499.45</u>
<b>Add: Forfeited shares</b>			<u>0.75</u>	<u>0.75</u>
<b>Total</b>			<u><u>500.20</u></u>	<u><u>500.20</u></u>

### Schedule 2

#### RESERVES AND SURPLUS

##### General Reserve

-	Balance brought forward		<b>133.24</b>	133.24
	<b>Add : Transferred from Profit and Loss Account</b>		-	-
-	Balance carried forward		<u>133.24</u>	<u>133.24</u>
	Profit and Loss Account		<u>1,289.22</u>	<u>1,126.95</u>
			<u><u>1,422.46</u></u>	<u><u>1,260.19</u></u>

### Schedule 3

#### SECURED LOANS

##### From Financial Institutions

##### SICOMLIMITED

##### Loans and Advances from Banks

	Vijaya Bank			
	PCFCA/c.		-	96.03
	PCLA/C		<b>287.87</b>	268.53
	Bills Discounted (Purchase)		<b>101.20</b>	348.72
	Kotak Mahindra Prime Limited		<b>4.33</b>	6.96
<b>Total</b>			<u><u>393.49</u></u>	<u><u>720.33</u></u>

#### NOTES :

- 1) Loan from SICOM Ltd. is secured by first mortgage of immovable properties, first charge by way of hypothecation of plant and machinery, spares and accessories relating to plant and machinery and other assets and personal guarantee of directors.
- 2) Loan from Vijaya Bank is secured by hypothecation of stocks and book-debts (present and future), second charge on fixed assets and personal guarantee of directors.
- 3) Loan from Kotak Mahindra Bank is secured against hypothecation of car and personal guarantee of a director.

### SCHEDULE 4

#### FIXED ASSETS

(Rs. in Lakhs)

	Tangible Assets											Previous Year
	Land	Factory Building	Administrative Building	Furniture and Fixtures	Office Premises	Office Equipments	Plant and Machinery	Computers	Telephones	Vehicles	Total	
Rate of Depreciation (%)	-	3.34	1.63	6.33	1.63	4.75	10.34	16.21	4.75	9.5		
<b>Gross Block</b>												
At 1st April 2008	36.38	220.45	29.15	9.93	1.58	8.57	746.21	14.54	2.60	55.60	1,125.01	1,024.87
Additions	-	2.37	-	-	-	0.90	54.23	1.66	-	14.55	73.71	100.13
Deductions / adjustments	-	-	-	-	-	-	-	-	-	16.39	16.39	-
<b>At 31st March 2009</b>	<b>36.38</b>	<b>222.82</b>	<b>29.15</b>	<b>9.93</b>	<b>1.58</b>	<b>9.47</b>	<b>800.44</b>	<b>16.20</b>	<b>2.60</b>	<b>53.76</b>	<b>1,182.33</b>	<b>1,125.01</b>
<b>Accumulated Depreciation</b>												
At 1 April 2008	2.26	62.16	4.60	6.59	0.31	1.76	585.80	13.98	1.14	18.55	697.15	607.66
Charge for the year	0.42	7.41	0.48	0.63	0.03	0.43	79.72	0.18	0.12	6.68	96.09	89.49
Deductions / adjustments	-	-	-	-	-	-	-	-	-	10.27	10.27	-
<b>At 31st March 2009</b>	<b>2.68</b>	<b>69.57</b>	<b>5.07</b>	<b>7.21</b>	<b>0.33</b>	<b>2.19</b>	<b>665.52</b>	<b>14.16</b>	<b>1.26</b>	<b>14.96</b>	<b>782.96</b>	<b>697.15</b>
<b>Net Block</b>												
At 31st March 2009	33.70	153.25	24.08	2.71	1.25	7.28	134.93	2.03	1.34	38.80	399.37	427.86
At 31st March 2008	34.12	158.29	24.55	3.34	1.27	6.81	160.41	0.56	1.46	37.05	427.86	



## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 31.03.2009 Rs. In lakhs	As At 31.03.2008 Rs. In lakhs
<b>Schedule 5</b>		
<b>Investments (At Cost)</b>		
Non trade long term		
Aggregate amount of company's quoted investments (at cost)		
Accentia Technologies Ltd.(Hitech Ent)	4.58	0
BGR Energy Systems	0.07	0
Bits Ltd.	0.43	0.43
Brigade Enterprises Ltd.	0.89	0.00
Dagger Forst	1.51	1.51
Dewan Hoising Finance	3.83	0.00
Diamines Chemicals	3.84	3.84
Excel Crop	3.04	0.00
Gijarat Mineral Devl.	5.28	0.00
Ind. Trade Co.	0.39	0.39
Maars Software	1.20	1.20
N R C Limited	0.88	0.00
Ontrack	5.81	5.81
Reliance Petroleum Ltd.	0.90	0.90
Reliance Power Ltd.	0.26	0.00
Roman Tarmat Ltd.	1.65	1.65
Satyam Computer	0.44	0.00
Share Application Money	0.29	4.58
Sterling Biotech	0.95	0.95
Zylog Systems Ltd.	0.21	0.00
Aggregate amount of company's quoted investments at (MV Rs.13,42,712/-) (PY Rs.7,13,041/-)		
<b>Grand Total</b>	<b>36.45</b>	<b>21.27</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Schedule 6</b>		
<b>Inventories (At Cost)</b>		
( As taken, valued and certified by management)		
Raw Materials	191.49	228.25
Finished Goods	146.19	114.38
Work in Progress	204.92	184.08
Stock in Transit (Raw Materials)	100.77	143.28
<b>Total</b>	<b>643.37</b>	<b>669.99</b>



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 31.03.2009 Rs. In lakhs	As At 31.03.2008 Rs. In lakhs
<b>Schedule 7</b>		
<b>Sundry Debtors</b>		
Debts outstanding		
- over six months	63.98	152.42
- other debts	975.44	1,080.13
<b>Total</b>	<b>1,039.42</b>	<b>1,232.55</b>
<b>Schedule 8</b>		
<b>Cash and Bank balances</b>		
Cash in Hand		
	0.09	3.64
Balances with Schedule Banks :		
- on current accounts	4.33	23.75
- on deposit accounts	65.13	65.13
<b>Total</b>	<b>69.55</b>	<b>92.52</b>
<b>Schedule 9</b>		
<b>Loans and Advances</b>		
<i>(unsecured)</i>		
Advances recoverable in cash or in kind or for value to be received		
	462.21	381.14
Deposits		
	95.54	112.96
( Including Rs. 40 lacs paid to Directors as deposits for premises taken on Lease )		
Advances to creditors for capital goods		
	5.19	17.73
Advances to creditors for Goods		
	46.84	0.06
Advances to creditors for expenses		
	15.54	1.77
<b>Total</b>	<b>625.32</b>	<b>513.65</b>
<b>Schedule 10</b>		
<b>Current Liabilities and Provisions</b>		
<b>Sundry Creditors</b>		
Capital Goods		
	0.43	2.54
Purchases/ services		
	54.92	229.61
Expenses		
	42.24	75.18
Other Liabilities		
	166.59	25.35
Provisions		
	215.77	168.83
<b>Total (A)</b>	<b>479.95</b>	<b>501.51</b>
<b>Investor Education and Protection Fund</b>		
<b>Unpaid Dividend</b>		
Dividend Payable-1st (2000-01)		
	-	0.30
Dividend Payable -1(2001-02)		
	0.50	0.89
Dividend Payable 2002-03		
	0.23	0.23
Dividend Payable 2003-04		
	0.03	0.03
Dividend Payable 2004-05		
	0.38	0.38
<b>Total (B)</b>	<b>1.14</b>	<b>1.82</b>
<b>Total (A+B)</b>	<b>481.09</b>	<b>503.34</b>



## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2008-2009 Rs. In lakhs	2007-2008 Rs. In lakhs
<b>Schedule 11</b>		
<b>SALES</b>		
<b>EXPORT SALES</b>		
Manufacturing	3,256.31	2,654.38
Merchant Exporter	3.47	26.60
Trading Sales	238.21	252.95
<b>Total</b>	<b>3,497.99</b>	<b>2,933.93</b>
<b>LOCAL SALES</b>		
Manufacturing	213.54	85.85
Less : Excise Modvat	43.97	11.65
Less : Sales Tax Set Off	12.32	3.02
Local sales (Net)	157.25	71.18
Trading	141.69	-
Exchange gain / (short realisation)	132.01	63.79
<b>Total</b>	<b>3,928.94</b>	<b>3,068.90</b>
<b>Schedule 12</b>		
<b>EXPORT INCENTIVES AND OTHER INCOME</b>		
<b>EXPORT INCENTIVES</b>	<b>Total (A)</b>	<b>30.79</b>
<b>OTHER INCOME</b>		
Discount received	0.15	-
Dividend received	0.30	0.55
Interest received	6.12	6.11
Profit on sale of investments	-	11.74
<b>Total (B)</b>	<b>6.57</b>	<b>18.40</b>
<b>Total (A+B)</b>	<b>37.36</b>	<b>43.91</b>
<b>Schedule 13</b>		
<b>INCREASE /(DECREASE) IN STOCK</b>		
<b>Opening Stock</b>		
Finished Goods	114.38	123.88
Work-in-progress	184.08	160.86
<b>Total (A)</b>	<b>298.46</b>	<b>284.74</b>
<b>Closing Stock</b>		
Finished Goods	146.19	114.38
Work-in-progress	204.92	184.08
<b>Total (B)</b>	<b>351.11</b>	<b>298.46</b>
<b>Increase / (Decrease) in Stock Total</b>	<b>(B - A)</b>	<b>52.65</b>



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2008-2009 Rs. In lakhs	2007-2008 Rs. In lakhs
<b>Schedule 14</b>		
<b>Manufacturing and other operating expenses</b>		
<b>Manufacturing expenses</b>		
Opening Stock of Raw Materials and Packing Materials	228.25	181.65
Add : Stock in Transit	143.28	31.32
Add : Purchased during the year	2,031.12	1,925.00
Less: Excise modvat	57.85	84.92
Less: Sales Tax Set Off	19.76	21.95
Less: Stock in transit	100.77	143.28
Less: Closing stock of Raw Materials	191.49	228.25
<b>Total (A)</b>	<b>2,032.78</b>	<b>1,659.57</b>
<b>Fuel, Water and Power Charges</b>		
Less: Excise modvat	5.10	16.21
Less: Sales Tax Set Off	7.76	17.13
<b>Total (B)</b>	<b>217.66</b>	<b>250.74</b>
<b>Trading Purchase</b>		
High Seas Purchase	23.09	-
Trading Purchase	430.60	236.44
<b>Total (C)</b>	<b>453.69</b>	<b>236.44</b>
<b>Stores and Spares Purchase</b>		
<b>Total (D)</b>	<b>104.34</b>	<b>63.80</b>
<b>Repairs and Maintenance</b>		
Plant and Machinery	37.61	25.97
Factory Building	40.83	37.71
Stores and Spares	27.99	26.26
Computer Maintenance	0.90	0.53
Others	0.08	0.61
<b>Total (E)</b>	<b>107.41</b>	<b>91.07</b>
<b>Other Operating Expenses</b>		
Human Resources	83.81	67.48
Clearing and forwarding	89.40	59.64
Effluent Treatment Charges	29.76	6.21
Insurance ( Plant and Machinery)	1.87	2.06
Insurance (Stock)	2.65	1.14
Lab Expenses	6.01	3.84
Legal and professional charges	3.42	2.23
Licence Procurement Premium	22.61	12.83
Miscellaneous Exp	1.08	1.35
Rent and Taxes	7.09	1.82
Warehousing Charges	1.93	-
<b>Total (F)</b>	<b>249.62</b>	<b>158.61</b>
<b>Total (A+B+C+D+E+F)</b>	<b>3,165.50</b>	<b>2,460.23</b>





## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	2008-2009 Rs. In lakhs	2007-2008 Rs. In lakhs
<b>Schedule 15</b>		
<b>Administrative Expenses</b>		
Staff Salary	-	0.95
Sundry balance written off	5.92	-
Telephone	7.59	6.84
Agency Charges	8.58	7.20
Auditor's Remuneration	3.25	2.00
Books and Periodicals	1.48	1.65
Brokerage and Other Charges	-	0.05
Conveyance and travelling	37.77	19.65
Director's Remuneration	31.05	36.03
Technical Directors Remuneration	1.80	1.80
Directors Sitting Fees	0.09	0.07
Donation	1.38	0.91
Electricity	1.23	3.31
Factory Licence Fees	0.02	-
Insurance	2.79	2.76
Keyman Insurance Premium	0.79	12.86
Legal and professional charges	12.80	5.27
Loss on sale of Fixed Assets	5.26	-
Membership and Subscription Fees	1.13	2.13
Misc/Office Exp	9.28	11.80
Printing and Stationery	13.94	11.68
Profession Tax	0.05	0.14
Profit / (Loss) on Sale of DEPB License	-	0.17
Loss on sale of Long term Investments	5.07	45.67
Bad Debts	45.33	-
Rent and Taxes	2.51	1.64
Registrar and Transfer Charges	0.83	0.92
Sales Tax Paid	0.27	-
<b>Total</b>	<b>200.21</b>	<b>175.50</b>
<b>Schedule 16</b>		
<b>Selling and Distribution Expenses</b>		
Advertisement	1.67	3.40
Analytical Charges	0.29	0.05
Business Promotion	29.78	23.96
Certificate of origin fees	25.70	13.85
Clearing and Forwarding	134.60	116.30
Commission on sales	4.55	8.64
Discount on Sales	7.10	0.15
E. C. G. C. Premium	5.56	-
Exhibition and Trade Fair Expenses	3.96	12.01
Foreign Travelling Expenses	6.84	5.45
Insurance	1.64	1.42
<b>Total</b>	<b>221.69</b>	<b>185.23</b>
<b>Schedule 17</b>		
<b>Financial Charges</b>		
Bank interest and charges	83.57	65.74
Interest on Car Loan	0.44	0.20
<b>Total</b>	<b>84.01</b>	<b>65.94</b>



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## SCHEDULES FORMING PART OF THE ACCOUNTS

### 18. Significant accounting policies and notes to accounts

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

The financial statements have been prepared under the historical cost convention and accrual basis and comply with Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956. The major accounting policies are detailed hereunder.

#### b. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known /materialized.

#### c. Inventories

Inventories are valued at lower of cost (First-in-first-out) or fair market value. Cost of work-in-process and finished goods include material cost, labour cost and manufacturing overheads absorbed on the basis of normal capacity of production. Excise duty payable on production is accounted for at the time of removal from the factory.

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

#### d. Fixed Assets and Depreciation

Fixed Assets are stated at the Historical Cost (Net of MODVAT) of acquisition/construction less depreciation. Attributable interest and expenses of bringing the respective assets to working condition for their intended use are capitalized.

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

Leasehold land is amortised over the period of lease.

#### e. Revenue recognition

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

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

Interest Income is recognized on the time proportion basis.

Export turnover include exchange rate difference arising on realisation.

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

#### f. Foreign currencies

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

#### g. Investments

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

Current investments are carried at the lower of cost or quoted /fair value, computed category wise.

#### h. Retirement benefits

Contributions to Provident Fund are accounted on accrual basis.

Gratuity liability is accounted as per the actuarial contribution demanded by Life Insurance Corporation of India Ltd

#### i. Taxation

Direct Taxes

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

Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets are recognized to the extent there is virtual certainty that these assets can be realized in future.



## Indirect Taxes

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

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

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

ii. **Notes forming part of the accounts for the year ended 31<sup>st</sup> March, 2009.**

- Depreciation for the year has been calculated at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Plant and machinery falling in the category of continuous process plants has been identified on the basis of technical opinion obtained by the Company.
- Break-up of expenditure incurred during the year on employees in respect of remuneration exceeding Rs.24 Lakhs per year or Rs.2 Lakhs or more per month or part of the month – None (Previous Year – None).
- In view of the accounting policy followed by the company, excise duty payable on finished goods is neither included in the expenditure nor included in the value of such stocks, but is accounted for on clearance of the goods. This accounting treatment has no impact on profits. The amount of excise duty payable on finished goods not cleared as at 31<sup>st</sup> March, 2009 is Rs. 12.05 Lakhs (Previous year Rs.14.71 Lakhs).
- In the opinion of the directors, current assets, loans and advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business. Sundry debtors, creditors and advances are subject to confirmation. Periodically, the company evaluates all customer dues to the company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, general economic factors, which could affect the customer's ability to settle.
- Segment Reporting  
The Company is primarily engaged in the manufacturing and trading of food colour. There is no other separate reportable segment as defined by Accounting Standard – 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.
- Motor Car reflected in the Balance Sheet is owned and belongs to the Company. However, for the sake of convenience it has been purchased in the name of a director.
- The amounts receivable from Government Authorities are subject to completion of final assessment.
- Previous year's figures have been regrouped and rearranged, wherever necessary, to conform to the years classification.
- Contingent Liabilities (Rs. in Lakhs)

Nature of dues	2008-2009	2007-2008
Income Tax for A.Y. 2004-05	40.76	40.76

- The company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.
- Additional information pursuant to the provisions of paragraphs 3, 4, 4 – A, 4 – B and 4 – C of part II of schedule VI of the Companies Act, 1956

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

Production Quantity M.T.	Turnover Quantity M.T.	Closing Stock Quantity M.T.	Closing Stock Value Rs. (In Lakhs)
994.147	968.712	58.907	146.19

b) **Consumption of Raw Material and Stores and Spares –**

Item Name	(Previous Year – Rs. 1723.35 Lakhs)	
	Quantity (M.T.)	Value Rs. (In Lakhs)
G. Salt	86.59	96.98
N.W.Acid	41.02	130.76
Sodium Naphionate	167.78	226.18
Vacuum Salt	912.78	216.15
White Sulphanilic Acid	199.88	11.30
Hydrochloric Acid	909.96	16.83
Others (Including Stores and Spares)		1438.92
TOTAL		2137.12



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## c) Closing Stock – Raw Material and Packing Materials

Item Name	(Previous Year – Rs. 228.25 Lakhs)	
	Quantity (M.T./Nos*)	Value (in lakhs)
Beta Naphthol	17.13	19.33
Dimethyl Acetyl Succinate	20.80	30.50
Iodine	0.54	7.16
Meta Hydroxy Benzaldehyde	0.36	6.99
N.W.Acid	1.63	4.71
P.C.O.S.A	5.70	13.92
Schaffers Acid	3.08	3.69
Sodium Naphthionate	10.18	13.09
Sulphanilic Acid	18.3	8.90
Vat Indigo	3.65	5.96
* Plastic Bag	6.17	4.37
* Bucket /Drums /Corrugated Boxes	3,505	2.61
Others		70.26
<b>TOTAL</b>		<b>191.49</b>

## d) Details of Goods Produced

Item Name	Opening Stock (Quantity M.T)	Closing Stock (Quantity M.T)
Food Colour	33.472	58.907

## e) Trading Purchase and Sales

Item	(Rs. in lakhs)					
	Opening Stock Value	Opening Stock Quantity M.T.	Purchase Quantity M.T.	Turnover Quantity M.T.	Closing Stock Quantity M.T.	Closing Stock Value
Food Colours	0.00	0.00	92.92	86.25	6.70	11.25

## f) Deferred Tax

The deferred tax during the year for timing difference is accounted using tax rates that have been enacted; the net difference arising thereon is debited to Profit and Loss Account.

The Break-up of deferred tax assets and liabilities into major components at the year-end is as below: (Rs. in Lacs)

Particulars	Deferred tax (asset)/ liability as at 1-4-2008	(Charge)/credit For the Year.	Deferred tax (asset)/ liability as at 31-3-2009
Depreciation	34.67	(15.25)	19.39
Others	3.28	(6.42)	-3.13
Total	37.95	(21.71)	16.24
Previous Year	48.90	(10.95)	37.95

### i) Managerial remuneration paid/payable to managing directors as per Schedule XIII Part II (Rs. in Lakhs)

	2008-09	2007-08
Salary	31.05	36.03
<b>TOTAL</b>	<b>31.05</b>	<b>36.03</b>

## g) Details of payment made to Auditors:

Name of the Item	2008-09	2007-08
Statutory Audit	1,00,000	1,00,000
Taxation Matters	25,000	25,000
Other Services	1,99,720	1,75,000



h) Capacity:		2008-2009	2007-2008		
Particulars		M.T.	M.T.		
Licensed		1,140	1,140		
Installed		1,140	1,140		
i) Value of Imports on C.I.F. basis		(Rs. in Lacs)			
		2008-09	2007-08		
Raw Materials		1209.78	1018.96		
Components and spare parts		-	-		
Capital Goods		NIL	NIL		
j) Expenditure in Foreign Currency		(Rs. in Lacs)			
		2008-09	2007-08		
Raw Material on C.I.F. basis		1209.78	1,018.97		
Commission on export sales		4.04	6.77		
Travelling Expenses		6.08	3.00		
Exhibition and Trade Fair expenses		3.38	12.01		
FDA Marking fees		24.84	12.19		
k) Value of imported and indigenous materials consumed		(Rs. in lakhs)			
		2008-09	%	2007-08	%
Raw Material – Indigenous		760.73	37.42	779.36	46.96
Imported (CIF)		1272.05	62.58	880.19	53.04
<b>TOTAL 'A'</b>		<b>2032.78</b>	<b>100.00</b>	<b>1,659.55</b>	<b>100.00</b>
Components, spare parts and spares – Indigenous		104.34	100.00	63.80	100.00
<b>TOTAL 'B'</b>		<b>104.34</b>	<b>100.00</b>	<b>63.80</b>	<b>100.00</b>
<b>TOTAL 'A+B'</b>		<b>2137.12</b>		<b>1,723.35</b>	
l) Earnings in Foreign Currency		(Rs. In Lakhs)			
		2008-09	2007-08		
Direct Exports (F.O.B.)		3368.33	2,834.78		

m) Related Party Disclosures:

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

**Key management personnel and relatives**

Key management personnel

1. Mr. Bipin M. Manek – Chairman and Managing Director
2. Mr. Vijay K. Atre – Technical Director
3. Mrs. Pravina B. Manek – Director
4. Mr. Mitesh D. Manek – Director (upto 30.06.2008)
5. Mr. Mihir B. Manek – Executive Director
6. Mr. Ajay V. Pande – Factory Manager

Enterprises over which key management personnel have significant influence:

M/s. Arjun Food Colorants Mfg. P. Ltd



# VIDHI DYESTUFFS MANUFACTURING LIMITED

(a) Transactions with related Parties

(Rs. in Lakhs)

Nature of transactions	2008-09		2007-08	
	Significant influence of Key management personnel	Key management personnel and relatives	Significant influence of Key management personnel	Key management personnel and relatives
Managerial Remuneration	-	31.05	-	36.03
Technical Director Remuneration	-	1.80	-	1.80
<b>Outstanding Balances Payable</b>				
Trade Advance	0.78	-	1.50	-

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

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

Particulars	(Rs. in Lakhs)	
	2008-09	2007-08
Net Profit after tax	251.45	81.96
Weighted average number of equity shares (Nos.)	5,00,20,000	5,00,20,000
Basic Earning Per Share (Rupees per share)	0.32	0.16
Diluted Earning Per Share (Rupees per share)	N.A.	N.A.

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

Name of the Company	Purchased		Sold	
	Quantity	Value	Quantity	Value
Accentia Technologies Limited	1,500	4,57,830	-	-
Brigade Enterprise Limited	171	66,690	-	-
BGR Energy Systems Ltd	14	6,720	-	-
Dewan Housing Finance Corporation Limited	3,200	3,83,232	-	-
Excel Crop Care Limited	3,000	3,04,200	-	-
Gujarat Mineral Development Corporation Limited	1,750	5,27,925	-	-
Hindustan Development and Infrastructure Limited	6,000	5,81,550	6,000	5,45,623
India Cements Limited	5,327	5,44,160	5,327	5,16,096
McDowell Holdings Limited	2,000	10,01,169	2,000	8,77,720
NRC Limited	2,500	44,125	-	-
Reliance Natural Resources Limited	3,576	15,576	3,576	8,740
Reliance Power Limited	45	19,350	-	-
Satyam Computers Limited	1,200	44,503	-	-
Zylog Systems Limited	40	14,000	-	-
<b>Grand Total</b>	<b>30,323</b>	<b>40,11,031</b>	<b>16,903</b>	<b>19,48,176</b>

Signature to schedule 1 to 18

As per our report of even date

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

**S. J. Parmar**  
Partner  
Membership No. 103424  
Mumbai, 30th June 2009

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

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

Mumbai, 30th June 2009

**Mihir B. Manek**  
Director



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rupees in Lacs)

	2008-2009	2007-2008
<b>Cash flow from operating activities</b>		
Profit before tax	251.45	150.14
<b>Adjustments for :</b>		
Depreciation	96.09	89.49
Interest expense	84.01	65.94
Loss on sale of fixed assets	5.26	-
(Profit) / Loss on sale of investments	1.94	(10.47)
<b>Interest income</b>	(6.12)	-
Dividend income	(0.30)	(0.55)
	<b>180.88</b>	<b>144.41</b>
<b>Operating profit before working capital changes</b>	432.32	294.55
Decrease in inventories	26.63	(172.28)
Decrease in sundry debtors and other receivables	211.22	(284.12)
Increase in sundry creditors and provisions	(71.84)	149.37
	<b>166.02</b>	<b>(307.04)</b>
<b>Net change in working capital</b>		
<b>Cash generated from Operations</b>	598.34	(12.49)
Direct taxes paid, net	(126.91)	(78.90)
	<b>471.43</b>	<b>(91.39)</b>
<b>Net cash provided by operating activities</b>	<b>A</b>	
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(73.71)	(100.13)
Proceeds from sale of fixed assets	0.86	22.26
Purchase of investments, Net	(17.13)	42.96
Dividend received	0.30	0.55
Interest received	6.12	-
	<b>(83.56)</b>	<b>(34.37)</b>
<b>Net cash used in investing activities</b>	<b>B</b>	
<b>Cash flow from financing activities</b>		
Interest paid	(84.01)	(65.94)
Increase / (Decrease) in long term borrowings	(326.83)	215.58
	<b>(410.84)</b>	<b>149.64</b>
<b>Net cash used in financing activities</b>	<b>C</b>	
<b>Net decrease in cash and cash equivalents</b>	<b>A+B+C</b>	<b>23.88</b>
<b>Cash and cash equivalents at the beginning of the year</b>	92.52	68.64
	<b>69.54</b>	<b>92.52</b>
<b>Cash and cash equivalents at the end of the year</b>		

As per our report of even date

For and on behalf of M/s. Bhuta Shah & Co.  
Chartered AccountantsS. J. Parmar  
Partner  
Membership No. 103424  
Mumbai, 30th June 2009

For and on behalf of the Board of Directors

Bipin M. Manek  
Chairman and  
Managing DirectorMihir B. Manek  
Director

Mumbai, 30th June 2009



# VIDHI DYESTUFFS MANUFACTURING LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS

**I. Registration Details**

Registration No.	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">6</td></tr> </table>		7	6	1	5	6	State Code	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">1</td></tr> </table>	1	1		
	7	6	1	5	6								
1	1												
Balance Sheet	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">9</td></tr> </table>	3	1		0	3		2	0	0	9		
3	1		0	3		2	0	0	9				
	Date	Month	Year										

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

Public Issue	Rights Issue														
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				N	I	L									
				N	I	L									
Bonus Issue	Private Placement														
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				N	I	L									
				N	I	L									

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

Total Liabilities	Total Assets																
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	2	3	3	2		3	9										
	2	3	3	2		3	9										
Sources of Funds																	
Paid-up Capital	Reserves & Surplus																
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	5	0	0		2	0											
	1	4	2	2		4	6										
Secured Loans	Unsecured Loans																
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	3	9	3		4	9											
				N	I	L											
Deferred tax liability																	
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	1	6		2	4												
Application of Funds																	
Net Fixed Assets	Investments																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">7</td></tr> </table>		3	9	9		3	7	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">5</td></tr> </table>		3	6		4	5			
	3	9	9		3	7											
	3	6		4	5												
Net Current Assets	Miscellaneous Expenditure																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">7</td></tr> </table>		1	8	9	6		5	7	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr> </table>					N	I	L	
	1	8	9	6		5	7										
				N	I	L											
Accumulated loss	Deferred tax asset																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr> </table>					N	I	L	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr> </table>					N	I	L		
				N	I	L											
				N	I	L											

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

Turnover	Total Expenditure																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">9</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>		3	9	6	6		3	0	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>		3	7	6	7		5	0
	3	9	6	6		3	0										
	3	7	6	7		5	0										
+ - Profit / Loss Before Tax	+ - Profit / Loss After Tax																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">5</td></tr> </table>			2	5	1		4	5	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px; text-align: center;">7</td></tr> </table>			1	6	2		2	7
		2	5	1		4	5										
		1	6	2		2	7										
Earning Per Share in Rs.	Dividend (%)																
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">2</td></tr> </table>					0		3	2	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">N</td><td style="width: 20px; height: 20px; text-align: center;">I</td><td style="width: 20px; height: 20px; text-align: center;">L</td></tr> </table>					N	I	L	
				0		3	2										
				N	I	L											

**V. Generic Names of Principal Products / Services of company (as per monetary term)**

Item No.	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">9</td></tr> </table>	3	2		0	4		1	9
3	2		0	4		1	9		
Product	S Y N T H E T I C     O R G A N I C								
Description	C O L O U R I N G     M A T T E R								
Item No.	<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">2</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>	3	2		0	5		0	0
3	2		0	5		0	0		
	C O L O U R     L A K E S								

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

As per our report of even date

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

**S. J. Parmar**  
Partner  
Membership No. 103424  
Mumbai, 30th June 2009

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

**Bipin M. Manek**  
Chairman and  
Managing Director  
Mumbai, 30th June 2009

**Mihir B. Manek**  
Director







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

**ATTENDANCE SLIP**

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

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

I hereby record at the **16TH ANNUAL GENERAL MEETING** of the Company being held on Wednesday, the 30th September 2009 at 5.00 p.m. at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034.

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

Tear Here



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

**FORM OF PROXY**

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

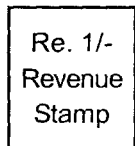
as my/our proxy to vote for me/us on/mybehalf at the 16th Annual General Meeting of the Company to be held on Wednesday, the 30th September 2009 at 5.00 p.m. at E/27, Commerce Centre, 78 Tardeo Road, Mumbai - 400 034 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

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

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

Important :



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

Tear Here

**CRYSTAL (022) 6614 0900**

**BOOK - POST**

If undelivered, please return to :

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

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