

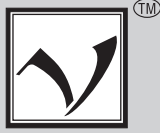


MANUFACTURERS OF FOOD COLOURS

Vidhi Dyestuffs Manufacturing Limited

19TH Annual
Report
2011 - 2012





VIDHI DYESTUFFS MANUFACTURING LIMITED.



VIDHI DYESTUFFS MANUFACTURING LIMITED
NINETEENTH ANNUAL REPORT 2011 - 2012

BOARD OF DIRECTORS

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





19TH ANNUAL REPORT 2011-2012



NOTICE

To,
The Members

VIDHI DYESTUFFS MANUFACTURING LIMITED

Notice is hereby given that the **Nineteenth Annual General Meeting** of the Shareholders of **VIDHI DYESTUFFS MANUFACTURING LIMITED** will be held on Friday, the 28th September 2012 at 5.30 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 31st March 2012, the Profit and Loss Account (the Statement of Profit and Loss) and Cash Flow Statement of the Company for the year ended on that date, together with the Report of Directors' and the Auditors thereon.
2. To appoint a Director in place of Shri Prafulchandra Anantlal Shah who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Nirenbbhai Dinkerrai Desai, 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.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals and sanctions, if any, as may be necessary, and subject to the such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent and approval of the Members be and is hereby accorded to re-appoint Shri Bipin M. Manek as the Managing Director of the Company with effect from 1st November 2012 for a period of five years i.e. till 31st October 2017, not liable to retire by rotation, so long as he holds office as the Managing Director of the Company, on such terms and conditions including remuneration as stated in the Agreement placed before the meeting, which Agreement is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the remuneration and/or agreement subject to the limits specified in Schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board of Directors and Shri Bipin M. Manek."

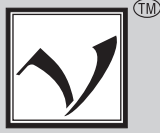
"RESOLVED FURTHER THAT the remuneration and perquisites as mentioned in the above stated Agreement shall be payable as a minimum remuneration to the Whole-time Director in the event of absence/ inadequacy of profits in any financial year, which shall be within the limit specified in Section II of Part II of Schedule XIII of the Companies Act, 1956."

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

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DULY COMPLETED, STAMPED AND SIGNED AND SHOULD BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 22nd September 2012 to Saturday, the 29th September 2012 (both days inclusive).
3. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ('the Act'), setting out material facts relating to the business at item no.5 of the Notice as set out above is annexed hereto. Pursuant to the Clause 49 of the Listing Agreement, relevant details of the Directors seeking re-appointment at Item nos. 2 and 3 of the Notice are annexed hereto.
4. The Ministry of Corporate Affairs ('MCA') has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by companies. The Company shall use the e-mail addresses of the Members obtained from the Depositories/Depository Participants/available with the Company's Registrar & Share Transfer Agents namely, Sharex Dynamic (India) Private Limited ('RTA') to send all future Members' communications like notices, the Company's Annual Reports, etc. through electronic mode. In case the Members have not furnished their e-mail addresses, they are requested to furnish the same to their Depository Participants, in respect of electronic holdings, and to RTA, in case of shares hold in physical form. Members are requested to notify immediately of any change of address, e-mail address, bank account details:
 - (i) to their Depository Participants (DPs) in respect of their shareholdings in electronic (demat) form and
 - (ii) to the Company's Registrar & Share Transfer Agents at the following address in respect of their shareholdings in physical form, if any, quoting their folio numbers:





VIDHI DYESTUFFS MANUFACTURING LIMITED.



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

5. Members are requested to:

- (i) Members are requested to send all share transfer lodgments (Physical mode) / correspondence to the Registrar and Share Transfer Agent unto the date of book closure.
 - (ii) Members desirous of obtaining any information, concerning the accounts and operations of the Company are requested to address their queries to Compliance Officer of the Company at the Company's registered office at least seven days before the date of the Annual General Meeting in order to enable the management to keep the information ready at the meeting.
 - (iii) Quote Registered Folio Number or DP ID/ Client ID in all the correspondence.
 - (iv) Furnish bank account details to the R&TA/Depository Participant to prevent fraudulent encashment of dividend warrants, whenever issued.
6. For the convenience of the Members, attendance slip is enclosed in the Annual Report. Members/ Proxy Holders/Authorized Representatives are requested to fill in and sign at the space provided therein and submit the same at the venue. Proxy/Authorized Representatives of Members should state on the attendance slip as 'Proxy' or 'Authorized Representative', as the case may be. Further, if they hold shares in demat form, they are requested to write their Client Id and DP Id numbers and those who hold shares in physical forms are requested to write their folio number on the attendance slip for easy identification at the meeting.
7. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode on the Stock Exchanges
8. As per the provisions of Section 190A of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office/ from R&TA.
9. 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 Folios in one Folio.
10. Members are informed that in case joint holders attend the Meeting, only such joint holder who is higher in the order of names in the Register of Members/Beneficial Holders will be entitled to vote.
11. Corporate members are requested to forward a certified true copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
12. Shri Prafulchandra Anantlal Shah and Shri Nirenbbhai Dinkerrai Desai, Directors retires by rotation, being eligible, offers themselves for re-appointment. The particulars of re-appointment of Directors are given in the Annexure to the Notice and the Corporate Governance Section of the Annual Report.
13. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company between 10.30 a.m. and 12.00 (Noon) on any working day.
14. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are therefore requested to kindly bring their copies at the time of attending the Meeting.
15. **Green Initiative:**
The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies. In accordance with the circulars issued by the Ministry of Corporate Affairs a Company would be deemed to have complied with the provisions of Section 53 and 219 (1) of the Companies Act, 1956, if documents like notices, annual reports, etc. are sent in electronic mode to their e-mail addresses to its Members, in accordance with the above referred circulars. Accordingly, we propose to send all documents which require to be sent to share holders like notices, annual reports, etc. to the shareholders in electronic form through e-mail address provided by them and obtained from the Depositories /Depository Participants/ available with the RTA.

Annual Report containing inter alia the Notice convening the Nineteenth Annual General Meeting, Audited Balance Sheet of the Company as at 31st March 2012, the Profit and Loss Account, (the Statement of Profit and Loss) and Cash flow statement for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon, Report on Corporate Governance, Management Discussion & Analysis, etc. are available on the Company's web site at: www.vidhifoodcolours.com and made available for inspection at the registered office of the Company during the business hours. However, in case a Member wishes to receive a physical copy of the said documents, he/she/it is required to send an e-mail to vidhi@bom4.vsnl.net.in duly quoting his/her/its DP ID & Client ID or the folio number, as the case may be, and the said documents will be dispatched to the members free of cost.

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

Bipin M. Manek
Chairman & Managing Director

**Place: Mumbai
Date: 14th August 2012**





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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No. 5:

Shri Bipin M. Manek was re-appointed as Managing Director of the Company w.e.f. 1st November 2007 for a period of five (5) years. The term of Shri Bipin M. Manek as Managing Director of the Company will expire on 31st October 2012. The Board considers that the services of Shri Bipin M Manek as the Managing Director of the Company will be valuable for the growth of the Company. Considering the responsibilities entrusted to him, the Board of Directors, on recommendation of the Remuneration Committee, in their meeting held on 14th August 2012 has re-appointed him as the Managing Director of the Company, not liable to retire by rotation so long as he hold office as the Managing Director of the Company, subject to the approval of the Members and subject to all other necessary approvals/sanctions and on the terms and condition mentioned herein below.

1. PERIOD OF APPOINTMENT:

Your re-appointment will be for a period of five (5) years effective from 1st November. 2012 till 31st October 2017.

2. REMUNERATION:

The Managing Director shall be entitled to remuneration upto the maximum as may be permitted under Schedule XIII of the Companies Act 1956 or any modifications or re-enactment thereof as in force for the period under the agreement or on the basis of such other law/modifications as may be permissible or applicable, so however, at present the Board has approved the total remuneration not exceeding a salary of Rs.1,25,000/-P.M. and applicable perquisites and commission of 2% on the net profit of the Company subject to the review of Remuneration Committee from time to time.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary, commission, allowances and perquisites to the Managing Director shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule XIII of the Companies Act, 1956, whichever is higher, unless otherwise determined by the **Board of Directors**.

He shall not be paid any sitting fees for attending the Meeting of the Board of Directors of Committee thereof.

3. OVERALL LIMIT:

The remuneration referred to in Clause 2 hereof is subject to the limit of 5% of the annual net profits of the Company and subject to the overall limit of 10% on the remuneration of all the Managing Director of the Company.

4. OTHER FACILITIES:

He will be eligible for all other facilities, privileges and amenities as may be applicable from time to time to the Senior Management Cadre Executives of the Company. The re-appointment of Shri Bipin M Manek as Managing Director is in accordance with and within the limits laid down under the provisions of the Companies Act 1956. The Agreement of the proposed re-appointment of Shri Bipin M Manek is available for inspection by the Shareholders at the Registered office of the Company on any working day except public holidays, Saturdays and Sundays between 10.30 a.m. and 12.00 (Noon) upto the date of ensuing Annual General Meeting. The re-appointment of the Managing Director requires your approval. The other terms and conditions of his re-appointment will be as mentioned in the Agreement. This explanatory statement together with the resolution under item no.5 of accompanying notice should be treated as an abstract and memorandum of concern and interest of the re-appointment in terms of provisions of sub section (2) of the section 302 of the Companies Act 1956. None of the Directors, except Shri Bipin M. Manek himself, Smt Pravina B. Manek being wife and Shri Mihir B. Manek being son, are interested in the resolution at item no.5.

Your Directors recommend the resolution at item no.5 of the Notice to be passed as an Ordinary Resolution.

By Order of the Board
For Vidhi Dyestuffs Manufacturing Limited,

Bipin M. Manek
Chairman & Managing Director

Place: Mumbai

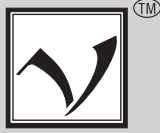
Date: 14th August 2012

ANNEXURE TO ITEM NO. 2, 3 AND 5 OF THE NOTICE

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

Name of the Director	Bipin M. Manek	Pratulchandra A. Shah	Niren Dinkerrai Desai
Date of Birth	7 th June 1956	13 th November 1933	12 th December 1956
Nat ionality	Indian	Indian	Indian
Date of Appointment on the Board	19 th January 1994	6 th January 2003	10 th May 2005
Qualifications	Commerce Graduate	B.E. Mechanical B.E. Electricals	B.E. Mechanical
Experience	30 years rich experience in the field of Exports and Imports . He has experience of Managing the Company since incorporation.	53 Years rich experience in the field of industrial Constructions & Project Works	33 Years rich experience in the field of Industrial Hardware & Machine Tools.
Shareholding i n the Company	1,41,10,333	Nil	Nil
List of Directorships held in other Companies	Arjun Food Colourants Mfg. Pvt. Ltd	Nil	Nil
Committee Membership	Nil	Vidhi Dyestuffs Mfg. Ltd. (A udit Com ittee and Remuneration Com ittee)	Vidhi Dyestuffs Mfg. Ltd. (Audit Com ittee and Remuneration Com ittee)





VIDHI DYESTUFFS MANUFACTURING LIMITED.



DIRECTORS' REPORT

To,
The Members,
VIDHI DYESTUFFS MANUFACTURING LIMITED

Your Directors are presenting 19th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March 2012.

FINANCIAL RESULTS:

	Current Year	Previous year
	2011-12	2010-11
	Rupees Lakhs	Rupees Lakhs
Profit for the year before providing for Depreciation	594.32	695.60
Less : Depreciation	<u>94.42</u>	<u>91.79</u>
Profit after Depreciation	499.90	603.81
Less : Provision for Taxation		
Current Year	103.70	235.49
Earlier year	-	-
Deferred Tax	<u>58.83</u>	<u>-</u>
	<u>162.53</u>	<u>235.49</u>
Profit After Tax	337.37	368.32
Add : Profit brought forward from Previous year	<u>1,942.82</u>	<u>1,574.50</u>
APPROPRIATION :	<u>2,280.19</u>	<u>1,942.82</u>
Interim Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to General Reserve	-	-
Balance Profit Carried to Balance Sheet	<u>2,280.19</u>	<u>1,942.82</u>

FINANCIAL:

During the year under review your Company has achieved a turnover of Rs. 11251.17 Lakhs as compared to Rs. 9862.10 Lakhs of previous year registering a growth of 14.08%. The net profit after tax as compared to previous year has declined from Rs. 368.31 Lakhs to Rs. 337.37 Lakhs (after provision of deferred tax liability of Rs 58.83 Lacs (previous years Rs. Nil) on account of expansion. The Company has manufactured 1457.50 M. Tons of Food colors against 1151.549 M. Tons in the previous year. Your company has increased its export as well as local market share on account of persistent marketing efforts.

OPERATIONS:

The first phase of new manufacturing facility of the Company situated at plot no 68 MIDC Dhatav- Roha came into production from 15th August, 2011 and the 2nd phase commenced production from June, 2012.

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

DIVIDEND:

In order to conserve resources for future growth and expansion, your Directors do not recommend any dividend for the year 2011-2012.

DIRECTORS:

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company Shri Prafulchandra A. Shah and Shri Niren D. Desai retire at the ensuing Annual General Meeting and being eligible, offers themselves, for re-appointment as Directors.

The term of the Shri Bipin M. Manek as the Managing Director of the Company will expire on 1st November 2012. On recommendation of the Remuneration Committee the Board of Directors, subject to the approval of the Members, has re-appointed him for further period of five (5) years w.e.f. 1st November 2012 i.e. till 31st October 2017.

The Board recommend their re-appointment to the Members.

CORPORATE GOVERNANCE:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

AUDITORS:

M/s. Bhuta Shah & Co, Chartered Accountants, Mumbai having Firm Registration No. 101474W, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for 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 appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956





19TH ANNUAL REPORT 2011-2012



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 Auditor's Report are self - explanatory and, therefore do not call for any further comments.

COST AUDITORS:

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

Further, the Ministry of Corporate Affairs has issued Cost Audit Order No.52/26/Cab/2010 on 24th January 2012 which mandate the Company to have Audit its cost records. Effective date of implementation of the aforesaid Cost Audit Order is 1st April 2012. Accordingly, based on the recommendations of Audit Committee at its meeting held on 14th May 2012, the Board of Directors has appointed M/s. Rajesh Shah & Associates, Cost Accountants, as the Cost Auditor of the Company in compliance with the General Circular No. 15/ 2011 dated 11th April 2011 issued by the Ministry of Corporate Affairs, Cost Audit Branch, read with the Companies (Cost Audit Report) Rules, 2011 for cost audit of the cost records of the Company for the financial year 2012-13.

COMPLIANCE CERTIFICATE:

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

POSTAL BALLOT:

There were no Postal Ballot/Extra Ordinary General Meeting conducted/held during the financial year 2011-12

FIXED DEPOSIT:

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

BUY BACK OF SHARES:

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

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

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

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

POLLUTION CONTROL:

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

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

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

ACKNOWLEDGEMENTS:

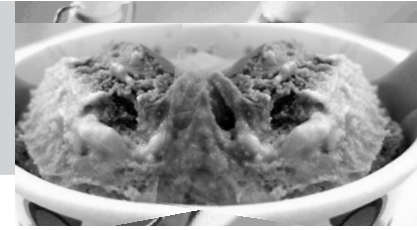
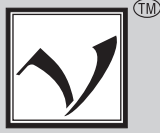
Your Directors wish to place on record their appreciation for the contribution made by employees of the Company at all levels but for whose hard work solidarity and support through their unstinted cooperation have enabled the Company to achieve sustained operational performance during the year.

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

Place: Mumbai
Date: 14th August 2012

By Order of the Board
For Vidhi Dyestuffs Manufacturing Limited,
Bipin M. Manek
Chairman & Managing Director





ANNEXURE TO THE DIRECTORS REPORT

Annexure - A

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

1) CONSERVATION OF ENERGY

A) Details of power and fuel consumption:		Current Year	Previous year
a. Electricity			
Purchased and consumed	: UNITS	24,89,360	17,36,270
	: TOTALAMOUNT	1,73,61,112	98,46,410
	: RATE PER UNIT	6.97	5.67
b. Furnace Oil			
	: LITRES	76,071	1,46,475
	: TOTALAMOUNT	26,57,958	38,54,582
	: RATE PER LITRE	34.94	26.32
c. Coal			
	: KILOGRAM	36,60,202	20,68,685
	: TOTALAMOUNT	1,95,81,056	1,11,05,902
	: RATE PER KGS.	5.35	5.36
B) Details of consumption per unit of production			
PER KILO OF DYES			
Electricity	: UNITS	1.71	1.51
Energy Charges	:		
(Furnace Oil / Coal)	: LITRES / KILOGRAM	2.56	1.92

2) TECHNICAL ABSORPTION, ADAPTION & INNOVATION :

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

3) FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company's total exports sales during the year under review have amounted to Rs.51.29 Crores. (P.Y. Rs. 45.74 Crore)
(Rs. In Lakhs)

	Current Year	Previous year
FOB VALUE OF EXPORTS	4951.49	4448.25
EXPENDITURE IN FOREIGN EXCHANGE	5694.35	4924.41

For Vidhi Dyestuffs Manufacturing Limited

Place : Mumbai
Date : 14th August 2012

Bipin M. Manek
Chairman & Managing Director





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COMPLIANCE CERTIFICATE

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

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

We have examined the registers, records, books and papers of **Vidhi Dyestuffs Manufacturing Limited (The Company)** as required to be maintained under the Companies Act, 1956 (The Act), and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2012**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, within the time prescribed/with additional fees under the Companies Act, 1956 and the rules made thereunder. However, no forms or returns were filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors duly met Eight (8) times respectively on 18th April 2011, 30th May 2011, 15th June 2011, 20th June 2011, 12th August 2011, 20th August 2011, 14th November 2011 and 14th February 2012 in respect of which meetings, proper notices were given and the proceedings were properly signed and recorded in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from Tuesday, the 20th September 2011 to Tuesday, the 27th September 2011 for the purpose of 18th Annual General Meeting held on 27th September 2011 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2011 was held on 27th September 2011 after giving due notice to the Members of the Company and resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year under review.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) There was no allotment/transfer/transmission of securities during the financial year.
(ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
(iii) The Company was not required to post warrants to any Member of the Company as no dividend was declared during the financial year.
(iv) The Company has transferred unclaimed dividend amount of Rs.38,498/- (Rupees Thirty Eight Thousand Four Hundred and Ninety Eight Only) towards the Investor Education and Protection Fund which has remained unclaimed or unpaid for the period of seven years. Except for the above, the Company was not required to transfer any other amount to the Investor Education and Protection Fund as there was no application money due for refund, matured deposits, matured debentures and the interest accrued thereon.
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.

16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. Since the Company has not issued any Preference Shares or Debentures, the question of redemption do not arise.
22. There were no transactions necessitating the Company to keep in abeyance the Rights to Dividend, Rights Shares and Bonus pending registration of transfer of Shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed from Banks during the financial year ending 31st March 2012 are within the borrowing limits of the Company and that necessary resolutions as per section 293 (1) (d) of the Act have been passed.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company and no fine or penalty or any other punishment was imposed on the Company during the financial year, for offence under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. As explained to us, the Company has not constituted a separate Provident Fund as provided under section 418 of the Act.

Place : Mumbai
Date : 14th August 2012

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

ANNEXURE A

Registers as maintained by the Company Statutory Registers

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

Other Registers

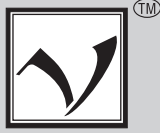
1. Register of Directors' Attendance
2. Register of Shareholders Attendance
3. Register of Proxies
4. Register of Fixed Assets

Note:

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

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





VIDHI DYESTUFFS MANUFACTURING LIMITED.



ANNEXURE B

Forms and Returns filed by the Company with Registrar of Companies during the financial year ending 31st March 2012.

Sr. No	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
1.	Form 23AC XBRL & 23ACA XBRL	220	Financial year ended 31 st March 2011	19/11/2011	Yes	N.A.
2.	Form 20B	159(1)	Annual General Meeting held on 27 th September 2011.	24/10/2011	Yes	N.A.
3.	Form 66	383A(1)	Compliance Certificate for the financial year ended on 31 st March 2011	15/10/2011	Yes	N.A.
4.	Form 8	135	Modification of Charge	08/12/2011	No	Yes
5.	Form 8	135	Modification of Charge	21/02/2012	No	Yes
6.	Form 1 INV	205C read with rule 3 of IEPF (Awareness and Protection of Investor) Rules, 2001	Deposits to Investor Education and Protection Fund	07/02/2012	Yes	N.A.

Declaration regarding Code of Conduct:

Pursuant to Clause 49 I D (ii) of the Listing Agreement

I hereby declare that in compliances with the regulatory requirements and effective implementation of corporate governance practices, the Company has adopted the following codes of governance in accordance with the applicable regulations of Securities and Exchange Board of India and this is to affirm and declare that all the Directors and Senior Management personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended March 31, 2012:-

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

Code of Conduct for Board of Directors and Senior Management

For Vidhi Dyestuffs Manufacturing Limited

Place : Mumbai
Date : 14th August 2012

Bipin M. Manek
Chairman & Managing Director





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CORPORATE GOVERNANCE

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

Corporate Governance broadly refers to a set of rules and practices designed to govern the behavior of corporate enterprises. It refers to a system by which Companies are governed, controlled and managed. The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in the Clause 49 of the Listing Agreement is set out below. In this report, we confirm the compliance of Corporate Governance criteria as required under Clause 49 of the Listing Agreement.

(A) Mandatory Requirements:

1. Company Philosophy:

Corporate Governance is a system by which Companies are governed, controlled and managed. Your Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and its affairs vis-à-vis its employees, shareholders, bankers, lenders, government, suppliers, dealers etc. and accordingly lays great emphasis on regulatory compliances. The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements such as filing of forms under Listing Agreement with the Stock Exchanges but also several voluntary practices. Your Company strives to ensure that high standards of professionalism and ethical conduct are maintained throughout the organization. Your Company continues to give high priority to the principles and practice of Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of Corporate Governance as laid down in the Listing Agreement. Transparency, fairness, disclosures and accountability-the four pillars of Corporate Governance have always been central to the working of your Company.

2. Board of Directors:

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

Composition of the Board of Directors is in accordance with the requirements of Clause 49(I)(A) of the Listing Agreement. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as per Clause 49(I)(C)(ii) across all Companies in which they are Directors. The same is also evidenced from the below given table:

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

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

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

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

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

a) Re-appointment of Director:

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

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

The term of Shri Bipin M. Manek as Managing Director of the Company will expire on 1st November 2012. The Board of Directors, subject to the approval of Members, has re-appointed him for further period of five years i.e. till 31st October 2017.

Details of Directors to be re-appointed at the forthcoming Annual General Meeting are given in the annexure to the notice calling Annual General Meeting.





VIDHI DYESTUFFS MANUFACTURING LIMITED.



b) Shareholding of Non Executive Directors as on 31st March 2012

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

c) Attendance Record of the Directors:

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

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

During the financial year 2011-2012, Eight (8) Meetings of Board of Directors were held on 18th April 2011, 30th May 2011, 15th June 2011, 20th June 2011, 12th August 2011, 20th August 2011, 14th November 2011 and 14th February 2012.

Annual General Meeting for the financial year ended 31st March 2011 was held on Tuesday, 27th September 2011.

Name of Directors	Number of Board Meetings Attended	Attendances at the last Annual General Meetings
Shri Bipin M. Manek	8	Yes
Smt. Pravina B. Manek	8	Yes
Shri Mihir B. Manek	8	Yes
Shri Vijay K. Atre	8	No
Shri Prafulchandra A. Shah	8	Yes
Shri Chetan P. Bavishi	8	Yes
Shri Niren D. Desai	8	Yes

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

d) Code of Conduct:

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

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

All the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2010-11. Declaration by the Managing Director and Chief Financial Officer under Clause 49(1) (D) of the Listing Agreement regarding adherence to the Code of Conduct is forming part of the Report on Corporate Governance.

3. Audit Committee:

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

a) Power of the Audit Committee:

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

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

b) Role & Function:

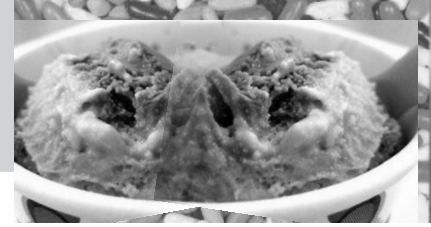
As per Clause 49 II(D), role of Audit Committee shall include the following:

- Overview the Company's financial reporting process and its financial statements.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors 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:





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

c) Composition:

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

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

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

d) Meetings & Attendance:

The Members of the Audit Committee met Five (5) times during the year on 15th April 2011, 30th May 2011, 12th Aug 2011, 14th Nov 2011, 14th Feb 2012 the details of which are as follows:

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

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

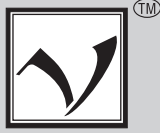
Remuneration Committee:

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.

4. a) Brief description of terms of reference:

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





VIDHI DYESTUFFS MANUFACTURING LIMITED.



b) Composition:

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

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

c) Meetings and Attendance:

No meeting of Remuneration Committee was held during the financial year 2011 -2012.

d) Remuneration Policy:

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

e) The details of the remuneration paid:

Directors	Remuneration paid/payable during 2011-2012 (Rs.)		
	Salary	Commission	Total
Shri Bipin M. Manek	15,00,000	10,94,563	25,94,563
Shri Vijay K. Atre	3,00,000	---	3,00,000
Shri Mihir B. Manek	15,00,000	10,94,564	25,94,564
Total	33,00,000	21,89,127	54,89,127

Details of sitting fees paid to the Non-Executive Directors for the financial year 2011-2012:

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

Shri Bipin M. Manek, Managing Director of the Company, has given a personal guarantee for securing repayment of Working Capital Facility and various other financial assistance availed by the Company. Accordingly, the payment of guarantee commission was paid @ 0.75% per annum amounting to Rs.11,20,000/- during the financial year 2011-2012. (The Guarantee Commission was approved by the Members in their Annual General Meeting held on 9th September 2010)

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

The Company has always valued its investors and stakeholders relationships in order to ensure the proper and speedy redressal of shareholders'/investors' complaints. The constitution and terms of reference of the Share Transfer cum Shareholders'/Investors' Grievance Committee is in conformity with the provisions of Clause 49 of the Listing Agreement entered into with the Stock 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 (c) of the Listing Agreement.
- Consider appointment/reappointment of Registrars and Share Transfer Agents and review terms and conditions of their appointments, their remuneration, service charges, fees etc.
- Consider and take on record the Secretarial Audit Certificate issued by practicing Company Secretary certifying that the aggregate number of equity shares held in depositories and in physical form tally with the total number of shares issued, listed and admitted share capital.

b) Composition

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

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





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c) Meetings & Attendance:

The Meeting of Share Transfer cum Shareholders'/Investors' Grievance Committee was held on 30th May 2011, 12th August 2011, 14th November 2011 and 14th Feb. 2011

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

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

d) The details of Complaints received and redressed during the financial Year 2011-2012 are as under

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

The status on various complaints received and replied, if any, is also reported to the Board of Directors as an Agenda item in every Board Meeting.

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

e) Compliance officer :

Shri Mahesh Jani has been appointed as the Compliance Officer, as required by the Listing Agreements entered into by the Company with Stock Exchanges. He has been entrusted the task of overseeing the Share transfer, transmission, splitting and consolidation of shares and issue of duplicate share certificates work done by the R&TA and attending to Grievances of the Shareholders and Investors intimated to the Company directly by SEBI and Stock Exchanges. During the year under report, the Company has not received any Shareholder's Grievance.

6. General Body Meeting:

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

Financial Year	Details of Location	Day, Date and Time
2010-2011	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Tuesday , 27-09-2011 at 5.30 p.m.
2009-2010	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Thursday , 09-09-2010 at 5.30 p.m.
2008-2009	E/27, Commerce Centre, 78, Tardeo Road, Mumbai-400 034	Wednesday 30-09-2009 at 5.00 p.m.

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

2010-11

No Special Resolution was passed.

2009-10

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

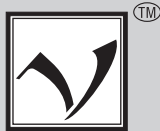
2008-09

No Special Resolution was passed.

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

During the financial year 2011-12, no Special Resolution was passed through Postal Ballot. Further, no Special Resolution is proposed to be conducted through postal ballot.





VIDHI DYESTUFFS MANUFACTURING LIMITED.



7. Corporate Social Responsibilities:

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

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

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

8. Other Disclosures:

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

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

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

9. Means of Communication:

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

The quarterly, half-yearly and annual results of the Company's financial performance are published in the newspapers viz. Business Standard (English) and Dainik Sagar / Mahanayak (Regional language - Marathi). The results are informed to the Stock Exchanges before their press release. Annual Reports are sent to each shareholders at their address registered with the Company. Corporate Governance Certificate, as required under Clause 49 of the Listing Agreement, obtained from Auditors of the Company and Management Discussion & Analysis Report are attached to this report.

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

No presentation to any institutional investors or analysts has been made during the financial year ended 31st March 2012.

10. General Shareholders Information:

a) 19th Annual General Meeting 2011-2012

Date and Time : Friday, the 28th September, 2012 at 5.30 p.m.

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

Date of Book Closure : Saturday, the 22nd September, 2012 to Saturday the 29th September, 2012 (inclusive of both days).

b) Financial Calendar: 1st April 2012 to 31st March 2013

Unaudited results for First quarter ended 30th June 2012	By 14th August 2012
Unaudited results for Second quarter ended 30th September 2012	By 14th November 2012
Unaudited results for Third quarter ended 31st December 2012	By 14th February 2013
Audited Annual results for the year ended 31st March 2013	By 30th May 2013

c) 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. 65175

The Company has already paid listing fees for the financial year 2012-2013 to the Stock Exchanges where the securities are listed.

d) Stock Market Price Data:

Month/Year	No. of Shares	Bombay Stock Exchange (BSE)	
		High (Rs.)	Low (Rs.)
April, 2011	2,93,253	6.10	4.65
May, 2011	2,60,306	6.23	4.72
June, 2011	2,51,454	6.20	4.50
July, 2011	2,72,244	5.90	5.00
August, 2011	2,69,268	5.50	4.50
September, 2011	3,07,607	5.60	4.38
October, 2011	1,76,514	5.50	4.56
November, 2011	3,13,784	5.40	3.77
December, 2011	1,40,168	4.57	3.32
January, 2012	1,59,860	4.40	3.62
February, 2012	2,54,143	4.95	3.88
March, 2012	3,13,421	4.89	3.90

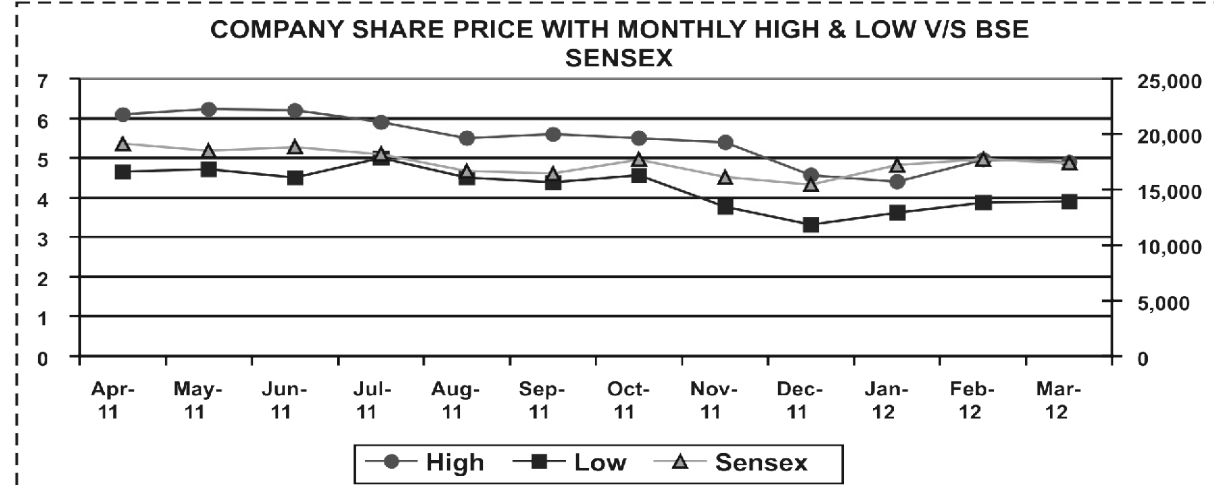




19TH ANNUAL REPORT 2011-2012



e) Stock Performance



f) Registrar and Share Transfer Agents:

Registered Office :-

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

Branch Office:-

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

g) Share Transfer System:

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

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

Physical transfers are affected well within the stipulated period of 30 days, except those rejected on technical grounds. All requests for dematerialization of shares are processed and the confirmation is given to the depositories within 21 days. The Company has duly obtained Certificates on half yearly basis from Practicing Company Secretary certifying due compliance with the formalities of share transfer as required under Clause 47(c) of the Listing Agreement and submitted the copy of the Certificate to the Stock Exchanges where the securities of the Company are listed.

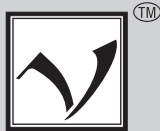
h) Distribution of Share: Distribution of shareholding as on 31st March 2012

Category	No. of Shareholders	% To Total Shareholders	No. of Shares	% To Total Shares
1-5000	2192	82.10	32,90,573	6.59
5001-10000	213	7.98	17,57,378	3.52
10001-20000	111	4.16	16,97,539	3.40
20001-30000	53	1.99	13,50,019	2.70
30001-40000	17	0.64	5,89,597	1.18
40001-50000	21	0.78	9,89,264	1.98
50001-100000	34	1.27	23,29,174	4.66
Above 100001	29	1.08	3,79,41,456	75.97
Total	2670	100.00	4,99,45,000	100.00

i) Shareholding Pattern : Shareholding Pattern as on 31st March 2012

Category	No. of Shares Held	% to Total Capital	No. of Shareholders	% to Total Shareholders
Promoters	3,21,26,000	64.32	3	0.11
Non-Promoters:	--	---	--	---
Mutual Funds & UTI	--	---	--	---
Financial Institutions/Banks	--	---	--	---
FII's	--	---	--	---
Bodies Corporate	10,85,377	2.18	82	3.07
NRI'S,OCB'S & Foreign companies	2,01,730	0.40	15	0.56
Public	1,64,66,873	32.97	2569	96.22
Clearing House	65,020	0.13	01	0.04
Total	4,99,45,000	100.00	2670	100.00





VIDHI DYESTUFFS MANUFACTURING LIMITED.



j) Dematerialization of Shares:

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

The shares of your Company are to be compulsorily traded in the dematerialised form. As on 31st March 2012, 4,92,00,890 Equity Shares comprising of 98.51% of Paid-up Capital of the Company, have been dematerialised by the Investors and bulk of transfers take place in the demat segment.

k) Outstanding ADR/ GDR:

The Company has not issued any ADR or GDRs.

l) Company ISIN No.: INE632C01026

m) Plant Location:

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

n) 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. Tel: 022 2352 2864	Sharex Dynamic (India) Private Limited. Unit -1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East) Mumbai - 400 072. Tel: 022 2851 5606 / 5644

o) Management Discussion and Analysis Report:

The Management Discussion and Analysis Report is given as an Annexure to the Directors' report.

p) Risk Management Framework:

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

(B) Non-Mandatory Requirements:

1. Chairman of the Board:

The Company has an Executive Chairman and hence, the requirement pertaining to reimbursement of expenses to a Non - Executive Chairman does not arise.

2. Remuneration Committee:

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

3. Other Requirements:

The Company is yet to adopt the non-mandatory requirements like sending of the half yearly financial performance including summary of significant events in past six months to shareholders, restricting the tenure of the Independent Directors in the aggregate to a period of nine years on the Board of the Company, unqualified financial statements, training of Board Members, mechanism of evaluation of Non-Executive Board Members and Whistle Blower Policy would be complied with at an appropriate time later. The Board is taking guidance from Non-Mandatory requirement as mentioned in Corporate Governance. It is always an endeavor of the Board to implement the suggestion of the non mandatory requirement.

For **Vidhi Dyestuffs Manufacturing Limited**

Place : Mumbai
Date : 14th August 2012

Bipin M. Manek
Chairman & Managing Director

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 31st March, 2012 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 & on behalf of **M/s. Bhuta Shah & Co.**
Chartered Accountants
Firm Registration No.101474W

S. J. Parmar
Partner
Membership No. 103424

Mumbai, 14th August 2012





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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 worldwide leaders in the manufacturing of Food Colours.

Your Company's colors enhance visual characteristics of a variety of products resulting in value added end products for different market segments.

2) Opportunities:

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

India ranks sixth in terms of chemical industry volumes globally. Strict environmental regulations imposed on the food colours manufacturers have forced many players to close production units in the Western part of the world, which has created strong opportunities for India's food colours manufacturing industry. With the government's initiatives to bolster export and investments, this industry is poised for further growth which shows that there is tremendous potential for the Indian market to absorb additional production.

3) Threats, Risks and Concerns:

- a) Cost of finance: To have a competitive edge, colorant industry should be provided with adequate working capital and term finance for supplementing machinery & modernization etc., at low rate of interest by banks and financial institutions. Export finance should be made available at concessional rates. There is also an urgent need for review for reduction in the service charges levied by the banks
- b) Increased in price of Furnace Oil is an area of concerned.
- c) There is also the challenge of several small and medium sized units with outdated technology .

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.

4) Performance:

The Turnover of the Company during the financial year 2011-2012 increased by 14.08% as compared to the last financial year i.e. 2010-2011 on account of very healthy demand for the Company's products worldwide. The profit before tax of the Company was declined by 8.40% as compared to previous year due to. Sharp increase in interest rates that resulted in higher cost of Borrowings and other rising cost affecting profitability

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

5) Outlook

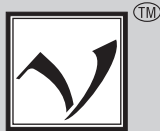
Improved execution efficiencies, cost competitiveness, better supply chain management, control over working capital efficient utilization of resources, smart bidding strategies, Quality products, services offering will enable the business to achieve the desired targets in the medium terms.

In an endeavour to remain supremely competitive your Company has undertaken the task of modernizing & installing new process equipments to boost quality & quantity. The first phase of new manufacturing facility at plot no 68 MIDC-Dhatav-Roha came in to production from 15th August, 2011 and second phase commenced production from June,2012, 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 to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition. The internal audit department conducts audits of the performance of various departments, functional and locations and also statutory compliances based on an annual audit plan. They report their observations / recommendations to the Audit Committee of the Board of Directors, which comprises of 3 Non-executive Independent Directors. The Audit Committee reviews the audit observations and follows up on the implementation of the suggestions and remedial measures and also recommends increased scope of coverage, if necessary.





VIDHI DYESTUFFS MANUFACTURING LIMITED.



7) Financial and operational performance

(I) Highlights of Financial performance:

(Rs. in Lakhs)

Particulars	2011-12	2010-11	Change (%)
Turnover (1)	11251.17	9862.10	+14.08
Other income (2)	224.39	157.02	+42.90
Sub-total (1+2)	11475.56	10019.12	+14.53
Total Expenditure (Excluding interest)	10595.26	9188.89	+15.30
Profit before interest and Tax	880.30	830.23	+6.03
Operating margin	7.67%	8.29%	-7.48
Profit after Tax	337.37	368.30	-8.40
Return on Capital Employed	11.46%	14.30%	-19.86
Inventory Turnover-Times	0.13	0.13	Nil
Current Ratio	1.33:1	1.43:1	-6.99
Debt: Equity Ratio	0.14	0.11	-27.27

8) (ii) Operational performance:

The year witnessed as sharp increase in interest rates that resulted in higher cost of Borrowings and other rising cost affecting profitability thereby impacting the internal accruals that could be used to finance investment. The profit after tax (including deferred tax liability amounting to Rs 58.83 lacs) of the Company has declined by 8.40%.

(iii) Cautionary Statement:

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

Human Resources / Industrial Relations

The Company had total work force of 40 as on 31st March 2012. Relations between employees at various levels and the Management have been cordial.

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

9) Safety and Ecology

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

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

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

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

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





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AUDITORS' REPORT

To the Members of

Vidhi Dyestuffs Manufacturing Limited

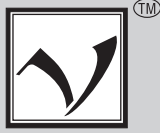
1. We have audited the attached Balance Sheet of **Vidhi Dyestuffs Manufacturing Limited** as at 31st March 2012 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Statement of Profit and Loss 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 31st March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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 31st March 2012;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For and on behalf of Bhuta Shah & Co.
Chartered Accountants
Firm Registration No. 101474W**

**S. J. Parmar
Partner
Membership No. 103424**

Mumbai: 30th May, 2012





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 31st March 2012.

- i. a. The Company is maintaining proper records showing full particulars including quantitative details and situations of fixed assets.
- b. The management at reasonable intervals during the period has physically verified the fixed assets. According to the explanation given to us, no material discrepancies have been noticed on verification.
- c. The Company has not disposed off any substantial / major part of its fixed assets during the year.
- ii. a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. In our opinion and according to information and explanation given to us and on the basis of our verification of inventory records, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material and have been properly dealt with in the books of accounts.
- iii. a. According to the information and explanation given to us, the Company has not granted loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (b), (c) and (d) are not applicable.
- e. According to the information and explanation given to us, the company has 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. 33 Lacs (Previous Year 50.72 Lacs) and outstanding amount at the end of the year is NIL (Previous year 0.42/- Lacs)
- f. 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.
- g. The principal amounts, are payable on demand and there is no repayment schedule.
- iv. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been observed in the internal controls.
- v. According to the information and explanation provided by the management, there have been no contracts or arrangements during the period that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a) and (b) of the said order are not applicable.
- vi. In our opinion and according to the information and explanation given to us the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 or any other relevant provisions of the act and the Rules framed there under.
- vii. As explained to us, the Company has no formal internal audit department.
- viii. 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.





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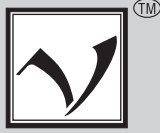
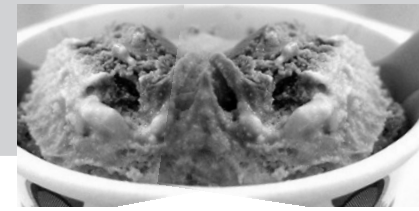
- xix. The company has not issued any debentures and hence, the clause 4(xix) of the Order is not applicable.
- xx. The company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books of account and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year.
- ix. a. According to the information and explanation given to us and according to the books and records produced and examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it with appropriate authorities.
- b. According to the information and explanation given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth-tax, Service-tax, Custom Duty, Excise Duty and Cess were outstanding at the year end for a period of more than six months from the date they became payable.
- x. The Company has neither accumulated losses as at 31st March 2012 nor has it incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi. Based on the documents and records produced to us and according to the explanation given to us the, company has not defaulted in repayment of dues to a financial institution or banks as at the balance sheet date.
- xii. According to the information and explanation given to us the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, considering the nature of the business carried down during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company
- xiv. The company has, in our opinion maintained proper records and contracts with respect to its investments where timely entries of transactions are made in the former. All investments at the close of the year are generally held in the name of the company.
- xv. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- xvi. According to the information and explanation given to us and the records examined, the Company has availed term loans during the year and utilized for the purpose for which they were applied.
- xvii. According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company and after assurances made by the Company for classification of long-term and short-term usages of funds, we are of the opinion that, prima facie, as at the close of the year, short-terms funds have not been utilized for long-term investments.
- xviii. During the year, the company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

For and on behalf of **Bhuta Shah & Co.**
Chartered Accountants
Firm Registration No. 101474W

S. J. Parmar
Partner
Membership No. 103424

Mumbai: 30th May, 2012



**VIDHI DYESTUFFS MANUFACTURING LIMITED.****BALANCE SHEET AS AT 31ST MARCH 2012**

	Note No.	As at 31-03-2012 Rs. In lakhs	As at 31-03-2011 Rs. In lakhs
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	2	500.20	500.20
(b) Reserves and surplus	3	2,413.42	2,076.04
		2,913.62	2,576.24
Non-Current Liabilities			
Long-term borrowings	4	403.19	290.79
Deferred tax liabilities (Net)	5	58.83	-
		462.02	290.79
Current Liabilities			
(a) Short-term borrowings	6	3,329.38	2,306.77
(b) Trade payables	7	1,269.66	1,034.23
(c) Other current liabilities	8	273.22	291.68
(d) Short-term provisions	9	15.14	149.29
		4,887.40	3,781.97
		8,263.04	6,649.00
ASSETS			
Non-Current assets			
(a) Fixed assets			
(i) Tangible assets	10	1,308.12	291.99
(ii) Capital work-in-progress		423.30	800.74
(b) Non-current investments	11	12.56	13.57
(c) Long - term loans and advances	12	39.57	25.76
(d) Long - term trade receivables	13	61.27	3.22
		1,844.82	1,135.28
Current assets			
(a) Inventories	14	1,430.61	1,263.09
(b) Trade receivables	15	3,315.77	2,879.43
(c) Cash and cash equivalents	16	519.49	268.30
(d) Short-term loans and advances	17	1,063.13	965.72
(e) Other current assets	18	89.22	137.18
		6,418.22	5,513.72
		8,263.04	6,649.00

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

1

As per our report of even date

M/s. Bhuta Shah & Co.
Chartered Accountants
Firm Registration No.101474W

S. J. Parmar
Partner
Membership No. 103424
Date: 30th May 2012

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Date: 30th May 2012

Mihir B. Manek
Joint Managing Director





19TH ANNUAL REPORT 2011-2012



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

	Note No.	Current year Rs. In lakhs	Previous year Rs. In lakhs
INCOME			
Revenue form operations	19	11,251.17	9,805.12
Other operating income	20	202.53	135.73
Other income	21	21.87	78.28
		<u>11,475.57</u>	<u>10,019.13</u>
EXPENDITURE			
Cost of material consumed	22	3,859.76	3,187.86
Purchases of stock-in-trade	23	5,152.86	4,807.81
Changes in Inventories of finished goods, work in progress and stock-in-trade	24	89.09	(87.98)
Employee benefit expenses	25	185.77	155.71
Finance cost	26	380.41	226.43
Depreciation expenses	10	94.43	91.79
Other expenses	27	1,213.35	1,033.70
	TOTAL	<u>10,975.67</u>	<u>9,415.32</u>
PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX			
		<u>499.90</u>	<u>603.81</u>
Exceptional items		-	-
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX			
		<u>499.90</u>	<u>603.81</u>
Extraordinary items		-	-
PROFIT BEFORE TAX			
		<u>499.90</u>	<u>603.81</u>
Tax expense			
Current year		103.70	235.49
Deferred tax		58.83	-
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS			
	TOTAL	<u>337.37</u>	<u>368.32</u>
EARNINGS PER EQUITY SHARE			
Basic and Diluted (In Rupees)		0.67	0.74

Significant accounting policies

1

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

As per our report of even date

M/s. Bhuta Shah & Co.
Chartered Accountants
Firm Registration No.101474W

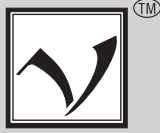
S. J. Parmar
Partner
Membership No. 103424
Date: 30th May 2012

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Date: 30th May 2012

Mihir B. Manek
Joint Managing Director



**VIDHI DYESTUFFS MANUFACTURING LIMITED.****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012**

	31-03-2012 Rs. In lakhs	31-03-2011 Rs. In lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	499.90	603.81
ADJUSTMENTS FOR :		
Depreciation	94.43	91.79
Interest expense	380.41	226.43
Sundry Balances written off (net)	7.11	18.97
(Profit)/Loss on sale of fixed assets	(4.50)	0.72
(Profit) / Loss on sale of investments	-	1.63
Provision for doubtful debts	-	0.74
Interest income	(16.65)	(14.07)
Dividend income	(0.19)	(0.13)
	<u>460.61</u>	<u>326.08</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	960.51	929.89
Increase in inventories	(167.52)	(7.84)
Increase in trade receivables, loans and advances and other current assets	(545.10)	(1,828.83)
Increase in trade and payables other liabilities	156.89	515.99
NET CHANGE IN WORKING CAPITAL	(555.73)	(1,320.69)
CASH GENERATED FROM OPERATIONS	404.78	(390.80)
Direct taxes paid	(257.31)	(107.78)
NET CASH PROVIDED BY OPERATING ACTIVITIES	147.47	(498.58)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(26.50)	(47.15)
Capital Work- in- Progress	(706.79)	(617.19)
Proceeds from sale of fixed assets	4.50	3.75
Purchase of investments	-	(12.46)
Sale of investments	1.00	17.95
Dividend received	0.19	0.13
Interest received	16.65	14.07
NET CASH USED IN INVESTING ACTIVITIES	(710.95)	(640.90)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(380.41)	(226.43)
Increase / (Decrease) in long term borrowings	172.48	279.82
Increase / (Decrease) in short term borrowings	1,022.60	1,183.41
NET CASH USED IN FINANCING ACTIVITIES	814.67	1,236.80
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	251.19	97.32
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	268.30	170.98
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	519.49	268.30

As per our report of even date

M/s. Bhuta Shah & Co.
Chartered Accountants
Firm Registration No.101474W**S. J. Parmar**
Partner
Membership No. 103424
Date: 30th May 2012

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Date: 30th May 2012**Mihir B. Manek**
Joint Managing Director



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31 MARCH 2012

1. BACKGROUND

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

b) USE OF ESTIMATES

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

c) REVENUE RECOGNITION

Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership to the customers, which is generally on dispatch of goods. Sales are stated exclusive of sales tax and net of trade and quantity discount. Dividend Income is recognized when the right to receive the dividend is established. Interest Income is recognized on time proportion basis. Export incentives / benefits are accounted for on accrual basis on value of exports affected during the year.

d) INVENTORIES

Inventories comprise all cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition. Inventories are valued at lower of cost and net realizable value on First-In-First-Out basis (FIFO). Cost of work-in-process and finished goods include material cost, labour cost and manufacturing overheads absorbed on the basis of normal capacity of production. Excise duty payable on production is accounted for at the time of removal from the factory. Stores and Spares are charged to the statement of profit and loss in the year of purchase.

e) FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at the Historical Cost (Net of MODVAT) of acquisition less accumulated depreciation and amortisation. The costs of fixed assets include taxes, duties, freight, borrowing cost and other incidental expenses related to the acquisition and installation of the respective assets. Depreciation on fixed assets is provided for on the straight-line method (SLM) at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Leasehold land is amortized over the period of lease. Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date.

f) FOREIGN CURRENCIES

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

g) INVESTMENTS

Long Term investments are stated at cost. The diminution in the market value of investments is not considered unless such diminution is considered permanent. Current investments are carried at the lower of cost and quoted /fair value, computed separately in respect of each category of investments.

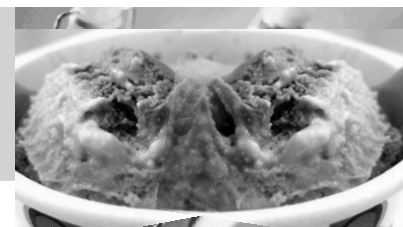
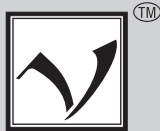
h) EMPLOYEE BENEFITS

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

b. Post-Employment Benefits :

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





NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31 MARCH 2012

- ii. Defined Benefit Plans: The Company's gratuity is defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

i) EARNINGS PER SHARE

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

j) TAXATION

Direct Taxes

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

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

Indirect Taxes

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

k) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

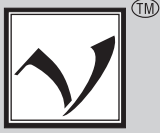
Contingent Liabilities are not recognized but are disclosed in the notes.

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

l) IMPAIRMENT OF ASSETS

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





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NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH 2012

Note No.	As At 31-03-2012 Rs. In lakhs	As At 31-03-2011 Rs. In lakhs
2 SHARE CAPITAL		
Authorised Share Capital:		
60,000,000 Equity Shares of ` 1/- each	<u>600.00</u>	<u>600.00</u>
Issued:		
50,034,000 Equity Shares of ` 1/- each	<u>500.34</u>	<u>500.34</u>
Subscribed and Fully Paid up:		
49,945,000 Equity Shares of ` 1/- each	<u>499.45</u>	<u>499.45</u>
Forfeited Shares	<u>0.75</u>	<u>0.75</u>
	<u><u>500.20</u></u>	<u><u>500.20</u></u>

RIGHTS OF EQUITY SHAREHOLDERS

The Company has only one class of equity shares having a par value of ` 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 1956, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

The reconciliation of the number of shares outstanding is set out below:

Particulars	as at 2012 Rs. in Lakhs	as at 2011 Rs. in Lakhs
Shares outstanding at the beginning of the year	499.45	499.45
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>499.45</u>	<u>499.45</u>

Details of shareholders holding more than 5% shares in the company

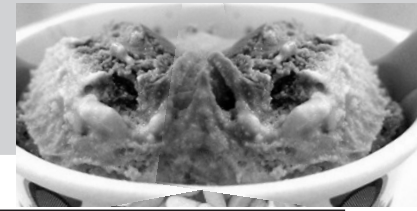
Name of Shareholder	as at 31.03.12		as at 31.03.11	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Bipin M. Manek	14,110,333	28.25	14,110,333	28.25
Pravina B. Manek	17,990,667	36.02	17,990,667	36.02

3 RESERVE AND SURPLUS	as at 31.03.12 Rs. In lakhs	as at 31.03.11 Rs. In lakhs
General Reserve	133.24	133.24
Surplus from Statement of Profit and Loss	1,942.81	1,574.50
Opening Surplus	<u>337.37</u>	<u>368.29</u>
Add: Surplus for the year	<u>1,605.44</u>	<u>1,206.21</u>
	<u><u>2,280.19</u></u>	<u><u>1,942.79</u></u>
	<u><u>2,413.42</u></u>	<u><u>2,076.03</u></u>





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NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH 2012

	As At 31-03-2012 Rs. In lakhs	As At 31-03-2011 Rs. In lakhs
6 SHORT TERM BORROWINGS		
A) Secured Loans		
Repayable on demand - from banks		
HDFC Bank	117.79	209.90
Vijaya Bank	2,730.54	1,652.83
	<u>2,848.33</u>	<u>1,862.73</u>
B) UNSECURED LOANS		
a) Repayable on demand - from banks		
Standard Chartered Bank	481.05	434.99
Yes Bank	-	8.63
b) Repayable on demand - from corporates		
Arjun Dyestuffs Manufacturing Private Limited	-	0.42
	<u>481.05</u>	<u>444.04</u>
	<u>3,329.38</u>	<u>2,306.77</u>
Nature of Security (Refer Note 4.1)		
A WORKING CAPITAL LOAN FROM HDFC BANK IS SECURED AS UNDER:		
Primary- Security		
1. First Pari Passu charge in favour of HDFC Bank with Vijaya Bank by way of hypothecation of stocks and book debts of the company.		
2. First Pari Passu charge in favour of HDFC Bank with Vijaya Bank by way of hypothecation of existing movable and immovable asset including plant and machinery of the company.		
B WORKING CAPITAL LOAN FROM VIJAYA BANK IS SECURED AS UNDER:		
Primary- Security		
First Pari Passu charge by way of hypothecation of fully insured raw material, work in progress and finished goods comprising of food colours and other material.		
C Loan from Standard Chartered bank is secured by personal assets of a director.		
D Loan from Yes Bank is secured by personal asset and personal guarantee of a director's relative.		
7 Trade Payables		
Micro, Small and Medium Enterprises	0.40	6.60
Others		
Goods	1,122.39	880.89
Expenses	119.74	128.93
Stores and Spares	27.13	17.81
	<u>1,269.66</u>	<u>1,034.23</u>
7.1 The details of amount outstanding to parties registered under Micro, Small and Medium Enterprises Development Act, 2006 based on the available information with the company is as under:		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest due and payable in the succeeding years	-	-
7.2 In the opinion of the directors, trade payables and other current liabilities have the value at which they are stated in the balance sheet. Trade Payables and Advances are subject to confirmation. Periodically, the company evaluates all supplier dues for payment.		
8 Other Current Liabilities (Refer note : 7.2)		
Current maturities of long - term debts (Refer Note: 3)	137.69	77.60
Advance received from buyers	28.54	15.67
Payable for capital goods	39.00	28.23
Other payables*	67.99	170.18
	<u>273.22</u>	<u>291.68</u>
*Amount due to Investor Education and Protection Fund	-	0.43
9 Short Term Provisions		
Provision for tax	15.14	149.29
	<u>15.14</u>	<u>149.29</u>





VIDHI DYESTUFFS MANUFACTURING LIMITED.



NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH 2012

Rs. In lakhs												
	Tangible Assets under lease	Tangible Assets not under lease										
FIXED ASSETS	Land	Factory Building	Administrative building	Furniture and Fixtures	Office Premises	Office Equipments	Plant and Machinery	Computers	Telephones	Vehicles	Total	Previous Year
Gross Block												
At 1st April 2011	36.38	222.82	29.15	9.93	1.58	10.16	846.21	16.20	2.60	90.60	1,265.63	1,223.58
Additions	-	434.19		0.36		1.02	660.19	0.99	1.15	12.84	1,110.74	47.15
Deductions / adjustments	-	-- --					8.11		0.19	-	8.30	5.10
At 31st March 2012	36.38	657.01	29.15	10.29	1.58	11.18	1498.29	17.19	3.56	103.44	2368.07	1265.63
Accumulated Depreciation												
At 1 April 2011	3.52	84.51	6.03	8.48	0.38	3.16	823.47	15.01	1.51	27.56	973.63	882.48
Charge for the year	0.42	15.56	0.48	0.59	0.03	0.52	66.78	0.82	0.15	9.08	94.43	91.79
Deductions / adjustments	-	-- --					8.11				8.11	0.63
At 31st March 2012	3.94	100.07	6.51	9.07	0.41	3.68	882.14	15.83	1.66	36.64	1059.95	973.64
Net Block												
At 31st March 2012	32.44	556.94	22.64	1.22	1.17	7.50	616.15	1.36	1.09	66.80	1308.12	291.99
Previous Year figure												
At 1st April 2010	36.38	222.82	29.15	9.93	1.58	10.16	835.90	16.20	2.60	58.86	1,223.58	1,182.33
Additions	-	-- --					10.31	-	-	36.84	47.15	41.25
Deductions / adjustments	-	-- --								5.10	5.10	-
At 31st March 2011	36.38	222.82	29.15	9.93	1.58	10.16	846.21	16.20	2.60	90.60	1,265.63	1,223.58
Accumulated Depreciation												
At 1 April 2010	3.10	77.05	5.55	7.85	0.36	2.67	749.65	14.52	1.39	20.34	882.48	782.96
Charge for the year	0.42	7.46	0.48	0.63	0.03	0.48	73.83	0.49	0.12	7.85	91.79	99.51
Deductions / adjustments	-	-- --								0.63	0.63	-
At 31st March 2011	3.52	84.51	6.03	8.48	0.39	3.16	823.48	15.01	1.51	27.56	973.64	882.47
Net Block												
At 31st March 2011	32.86	138.31	23.12	1.45	1.19	7.01	22.73	1.19	1.09	63.04	291.99	341.11

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

2) Depreciation for the year has been calculated at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Plant and machinery falling process plants has been identified on the basis of technical opinion obtained by the company.

3) Value of Imports on C. I. F. basis
Plant and machinery 31.61 11.75

31-03-2012
Rs.In lakhs

31-03-2011
Rs.In lakhs

31.61

11.75

11 Non-Current Investments
(At cost - Non trade - long term)

Investment in quoted equity instruments:

Face Value of ` 10 each

622 shares (2011:423) Coal India Limited
1380 shares (2011: 1380) Birla Machining and Toolings Limited
3616 shares (2011: 2411) Diamines and Chemicals Limited
10057 shares (2011: 10057) Ontrack Systems Limited
889 shares (2011: 593) Power Grid Corporation of India Limited
500 shares (2011: 500 shares) Roman Tarmat Limited
Share Application Money

1.45	0.99
1.04	1.04
1.85	1.85
5.81	5.81
0.76	0.51
1.65	1.65
-	1.72
12.56	13.57

Aggregate Market Value of quoted investments

6.76	8.11
-------------	-------------

12 Long-term Loans and Advances
(Unsecured, considered good)

Deposits

39.57	25.76
39.57	25.76

12.1 In the opinion of the directors, trade receivables, current assets, loans and advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business. Sundry debtors, creditors and advances are subject to confirmation. Periodically, the company evaluates all customer dues to the company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, general economic factors, which could affect the customer's ability to settle.





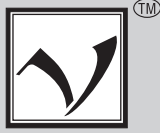
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NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH 2012

	Rs. In lakhs	Rs. In lakhs
13 Long Term Trade Receivables (Refer note : 12.1)		
-Debt outstanding for a period exceeding six months from the date they are due for payment:		
Unsecured, considered doubtful	3.22	3.22
-Others		
Unsecured, considered doubtful	58.05	-
	<u>61.27</u>	<u>3.22</u>
14 Inventories (As taken, valued and certified by management)		
Raw Materials	447.09	277.51
-stock-in-hand	122.12	35.09
-goods in transit	431.43	302.74
Work in Progress	311.98	230.24
Finished Goods	117.99	417.51
Stock-in-trade	<u>1,430.61</u>	<u>1,263.09</u>
15 Trade Receivables (Refer note : 12.1)		
-Debt outstanding for a period exceeding six months from the date they are due for payment:		
Unsecured, considered good	152.15	46.07
Unsecured, considered doubtful	0.74	0.74
Less: Provision for doubtful debts	0.74	0.74
	<u>152.15</u>	<u>46.07</u>
-Others:		
Unsecured, considered good	3,163.62	2,833.36
	<u>3,315.77</u>	<u>2,879.43</u>
16 Cash and Cash Equivalents		
Balance with Scheduled Banks :		
-in current accounts	237.56	17.54
-in margin money accounts	261.77	246.96
-in unpaid dividend	-	0.42
Cheques on hand	4.67	-
Cash on hand	15.49	3.38
	<u>519.49</u>	<u>268.30</u>
17 Short-term Loans and Advances (Refer note : 12.1) Unsecured, considered good		
Capital Advances	62.00	27.54
Trade Advances	144.96	193.97
Security Deposits	42.53	40.00
Others	813.64	704.21
	<u>1,063.13</u>	<u>965.72</u>
18 Other Current Assets (Refer note : 12.1)		
Accrued Interest	0.45	7.48
Export Incentives Receivables	88.77	129.70
	<u>89.22</u>	<u>137.18</u>





VIDHI DYESTUFFS MANUFACTURING LIMITED.



NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH 2012

	As at 31-03-2012 Rs. In lakhs	As at 31-03-2011 Rs. In lakhs
19 Revenue from Operations		
-Revenue from Manufacturing Activities of food colors		
Export Sales	5,440.77	4,422.29
Less: Sales Return	-	15.11
	<u>5,440.77</u>	<u>4,407.18</u>
Local Sales	<u>451.99</u>	249.40
	5,892.76	4,656.58
Less: Excise Duty	<u>352.82</u>	260.82
	5,539.94	4,395.76
-Revenue from Trading Activities of chemicals		
Export Sales	-	20.11
High Seas Sales	-	385.50
Local Sales	<u>6,159.48</u>	5,420.15
	6,159.48	5,825.76
Less: Excise Duty	<u>448.25</u>	416.40
	5,711.23	5,409.36
	<u>11,251.17</u>	<u>9,805.12</u>
Earnings in Foreign Currency		
F.O.B. Value of Exports	4,951.49	4,448.25
20 Other Operating Revenue		
Export Incentives	199.08	135.73
Commission on High Seas Sales	<u>3.45</u>	-
	<u>202.53</u>	<u>135.73</u>
21 Other Income		
Interest received	16.65	14.07
Dividend received	0.19	0.13
Discount received	0.53	0.77
Net gain on foreign currency transaction and translation	-	56.98
Net gain on sale of fixed assets	4.50	-
Others	-	6.33
	<u>21.87</u>	<u>78.28</u>





VIDHI DYESTUFFS MANUFACTURING LIMITED.



NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH 2012

	As at 31-03-2012 Rs. In lakhs	As at 31-03-2011 Rs. In lakhs
24 Changes in inventories of finished goods, work in progress and stock-in-trade		
Opening Stock of :		
Finished goods	230.24	166.40
Work-in-progress	302.74	188.60
Trading goods	417.51	507.51
	<u>950.49</u>	<u>862.51</u>
Less: Closing Stock of :		
Finished goods	311.98	230.24
Work-in-progress	431.43	302.74
Trading goods	117.99	417.51
	<u>861.40</u>	<u>950.49</u>
	<u>89.09</u>	<u>(87.98)</u>

In view of the accounting policy followed by the company, excise duty payable on finished goods included in the expenditure nor included in the value of such stocks, but is accounted for on clearance of the goods. This accounting treatment has no impact on profit. The amount of excise duty payable on finished goods not cleared as at 31st March, 2012 are 38.56 lacs (Previous year 23.70 lacs)

	As at 31-03-2012 Rs. In lakhs	As at 31-03-2011 Rs. In lakhs
25 Employee Benefits Expenses		
Factory Salaries and Wages	63.54	45.91
Security Charges	7.65	5.14
Contractual Charges	12.43	6.91
Office Salaries and Wages	35.49	30.44
Bonus	2.93	1.00
Remuneration to Directors	30.00	30.00
Commission to Directors	21.89	26.43
Contribution to Provident and Other Funds	4.00	3.70
Staff Welfare Expenses	7.84	6.18
	<u>185.77</u>	<u>155.71</u>
Actuarial assumptions for contribution towards gratuity fund		
Method of valuation	Projected Unit Credit	Projected Unit Credit
Discount rate	Method	Method
Rate of increase in compensation levels	8% p.a	8% p.a
Withdrawal rate (depending on age factor)	4%	4%
	1% to 3%	1% to 3%
26 Finance Cost		
Interest expenses	302.37	145.22
Bank and Processing charges	55.73	78.40
Loan processing charges	22.31	2.81
	<u>380.41</u>	<u>226.43</u>
27 Other expenses		
<i>Manufacturing and Operating Expenses</i>		
Clearing and forwarding	85.69	105.51
Freight and octroi charges	106.48	94.84
Insurance charges	12.61	5.37
Power charges	191.94	116.01
Professional and consultancy fees	25.90	26.93
Repairs and Maintenance	63.06	40.81
Stores and spares consumed	67.17	71.39
Warehousing charges	15.55	8.79
Miscellaneous manufacturing and operating expenses	130.46	112.36
	<u>698.86</u>	<u>582.01</u>
Total A		





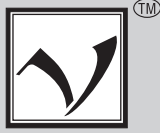
19TH ANNUAL REPORT 2011-2012



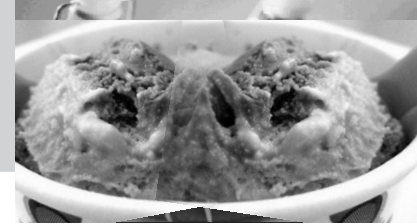
NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH 2012

	As at 31-03-2012 Rs. In lakhs	As at 31-03-2011 Rs. In lakhs
Administrative Expenses		
Guarantee commission to directors	11.20	11.25
Keyman insurance premium	5.27	2.86
Licence procurement expenses	6.87	9.19
Net loss on foreign currency transaction and translation	65.06	-
Payment to auditors		
-statutory audit	5.00	1.00
-tax audit	1.00	0.25
-certification and others	2.50	1.75
Printing and stationery	10.88	3.23
Communication expenses	6.76	6.75
Electricity expenses	2.32	1.95
Rent rates and taxes	4.14	0.99
Professional and consultancy charges	20.51	10.25
Donation	1.15	1.34
Provision for bad and doubtful debts	-	0.74
Sundry balances written off	7.11	18.97
Technical director's remuneration	3.00	3.00
Miscellaneous administrative expenses	51.69	73.53
Total B	<u>204.46</u>	<u>147.05</u>
Selling and Distribution Expenses		
Advertisement	2.06	2.37
Business promotion	26.57	23.05
Clearing and forwarding	29.25	29.52
Commission expenses	32.86	32.50
E. C. G. C. premium	16.28	17.74
Exhibition and trade fair expenses	15.98	6.99
Foreign travelling expenses	5.31	12.25
ISI / FDA marketing fees	26.31	27.22
Freight and Octroi Charges	99.15	110.23
Terminal handling charges	26.10	23.83
Miscellaneous distribution and selling expenses	30.16	18.94
Total C	<u>310.03</u>	<u>304.64</u>
27.1 Expenditure in Foreign Currency	<u>1,213.35</u>	<u>1,033.70</u>
Commission on export sales	7.18	2.20
Traveling Expenses	3.01	3.25
Exhibition and Trade Fair expenses	15.98	6.99
FDA Marking fees	26.31	27.22
Consultancy Fees	37.46	14.58
	<u>89.94</u>	<u>54.24</u>





VIDHI DYESTUFFS MANUFACTURING LIMITED.



NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH 2012

	As At 31-03-2012 Rs. In lakhs	As At 31-03-2011 Rs. In lakhs
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28 Contingent Liabilities

Nature of dues

Export of excisable goods without payment of duty under Form UT-1	59.11	126.63
Custom duty payable in respect of export obligation	6.91	-
- plant and machinery	-	6.23
- goods	-	-

29 Segment Reporting

The Company's main activity is manufacturing and trading of food colours and trading in chemicals which constitutes a single reportable segment in the context of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India

30 Related Party Disclosures

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

Key management personnel, relatives and related parties

Key management personnel

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

Enterprises over which key management personnel have significant influence:

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

Rs. In lakhs

Nature of transactions	2011-2012			2010-2011		
	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Transactions during the year						
Managerial Remuneration						
Bipin Manek	25.95	-	-	24.23	-	-
Mihir Manek	25.95	-	-	32.20	-	-
	51.90			56.43		
Technical Director Remuneration					-	
Vijay K Atre	3.00			3.00		
	3.00			3.00		
Bank Guarantee Commission	11.20	-	-	11.25	-	-
Remuneration to Factory Manager	3.15	-	-	2.70	-	-
Loan taken during the year	-	-	33.00	-	-	50
Loan repaid during the year	-	-	33.42	-	-	50
Outstanding Payables						
Unsecured Loans						
Trade Payable Loans			4.50			4.50
Outstanding Receivable						
Security Deposit	20			20		





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NOTES FORMING PART OF THE FINANCIAL STATEMENT AS AT 31ST MARCH 2012

Summary of related party transactions

Nature of transactions	2011-2012			2010-2011		
	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Transactions during the year						
Managerial Remuneration	51.90			56.43		
Technical Director Remuneration	3.00			3.00	-	
Bank Guarantee Commission	11.20	-	-	11.25	-	
Remuneration to Factory Manager	3.15	-	-	2.70	-	
Loan taken during the year	-	-	33.00	-	-	50
Loan repaid during the year	-	-	33.42	-	-	50.30
Outstanding Payables						
Unsecured loans	-	-	-	-	-	0.42
Trade payables	-	-	4.50	-	-	4.50
Outstanding Receivables						
Security Deposit	20.00	-	-	20.00	-	

The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

As per our report of even date

M/s. Bhuta Shah & Co.
Chartered Accountants
Firm Registration No.101474W

S. J. Parmar
Partner
Membership No. 103424
Date: 30th May 2012

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and
Managing Director
Date: 30th May 2012

Mihir B. Manek
Joint Managing Director





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

ATTENDANCE SLIP

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

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

I hereby record at the **19TH ANNUAL GENERAL MEETING** of the Company being held on Friday , the 28th September 2012 at 5.30 P.M. at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034.

 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 18th Annual General Meeting of the Company to be held on Friday , the 28th September 2012 at 5.30 P.M. at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034 and at any adjournment thereof.

Signed this _____ day of _____ 2012

Membership Folio No./Client IDNO : _____

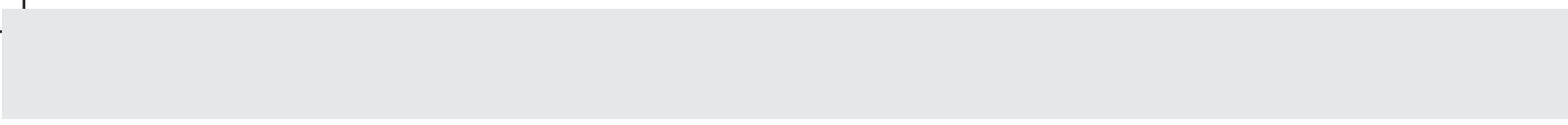
No. of Shares held _____

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.

Re. 1/-
 Revenue
 Stamp





BOOK - POST

VIGHNESH & VISHWAS 📞 099206 56585 • 093236 56585 • Email:- vish_aamberkar@yahoo.co.in

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

