



Date: September 18, 2023

To,

The Manager, Department of Corporate Services (DCS-Listing) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 531717	The Manager, Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol: VIDHIING
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Dear Sir(s),

**Ref.: Company Code: BSE – 531717, NSE Symbol: VIDHIING**  
**Sub: Submission of Revised Annual Report for the financial year 2022-23**

This is in furtherance to our email dated 07<sup>th</sup> September, 2023 wherein the Company had circulated its 30<sup>th</sup> Annual Report for the financial year 2022-23 along with the Notice of the 30<sup>th</sup> AGM to be held on Friday, 29<sup>th</sup> September, 2023 at 3.30 p.m. (IST) via Video Conference / Other Audio Visual Means in compliance with the circulars issued by the Ministry of Corporate and in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI.

We hereby inform you that certain inadvertent typo error/omission was noticed in the financials section of the Annual Report which is as follow:-

- 1) It is observed that pervious Statutory Auditor Name & Firm Registration No (FRN) is inadvertently printed in signing pages of financials section instead of current Statutory Auditor Name & Firm Registration No.

Particulars	Incorrect details	Correct Details
Auditor Name	<b>JMR &amp; Associates LLP</b>	<b>Bhuta Shah &amp; Co LLP</b>
Firm Registration No.	<b>106912W/W100300</b>	<b>101474W / W100100</b>

- 2) It is further observed that **On Page no 177** Non-cash investing activities during the year for Acquisition of right of use assets the figure of Current Year & Pervious Year was inadvertently typo omitted, which is corrected. Kindly note that putting the figure in said column will not lead to any change in financial statement. It was just missing the figure to be printed.

In view of the above, we are enclosing herewith the revised Annual Report of the Company for the Financial Year 2022-23.

The Revised soft copy of the Annual Report is also available on the website of the Company at [https://vidhifoodcolors.com/INVPDFDocs/4.%20Annual%20Reports/2022-23/Revised%20Annual%20Report\\_Vidhi\\_2023.pdf](https://vidhifoodcolors.com/INVPDFDocs/4.%20Annual%20Reports/2022-23/Revised%20Annual%20Report_Vidhi_2023.pdf)

Please take the same on your record and display on your website.

Thanking you,  
**For Vidhi Specialty Food Ingredients Limited,**

**Bipin Madhavji Manek**  
**Managing Director**  
**DIN: 00416441**  
**Place: Mumbai**  
**Encl.: As above**

**Vidhi Specialty Food Ingredients Limited.**

E/27/28/29, Commerce Centre, 78, Tardeo Road, Mumbai – 400034, India.

59/B, M.I.D.C. Dhatav,Roha,Raigad,Maharashtra – 402116, India.

68,M.I.D.C. Dhatav, Roha,Raigad,Maharashtra – 402116, India.

Z/61 & Z/62,Dahej,SEZ,Vagra,Bharuch,Gujarat-392130, India.

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mitesh.manek@vidhifoodcolors.com

30<sup>th</sup>

ANNUAL REPORT

2022-2023



# Vidhi Specialty Food Ingredients Limited

**COLOURS**

You Can Trust For  
Your Food



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## Corporate Information

### BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

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

### CHIEF FINANCIAL OFFICER

**Mr. Mitesh D. Manek**

### COMPANY SECRETARY & COMPLIANCE OFFICER

**Ms. Priyanka Suresh Soni**  
(Resigned w.e.f. December 10, 2022)

**Ms. Vishkha Pandya**  
(Appointed w.e.f. February 10, 2023)

### STATUTORY AUDITORS

**M/s. Bhuta Shah & Co LLP.**  
Chartered Accountants

### SECRETARIAL AUDITORS

**M/s. Hemanshu Kapadia & Associates**  
Practicing Company Secretaries

### INTERNAL AUDITORS

**M/s. Jayesh Kothari & Co.**  
Chartered Accountants

### BANKERS

HDFC Bank  
Bank of Baroda

### REGISTRAR & SHARE TRANSFER AGENTS (R & TA):

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

### REGISTERED OFFICE:

**Vidhi Specialty Food Ingredients Limited**  
CIN: L24110MH1994PLC076156  
E/27, Commerce Centre,  
78, Tardeo Road,  
Mumbai – 400034  
Tel: + 91 22 6140 6666  
Fax: + 91 22 2352 1980  
E-mail: [mitesh.manek@vidhifoodcolors.com](mailto:mitesh.manek@vidhifoodcolors.com)  
Website: <https://vidhifoodcolors.com/>

### CORPORATE OFFICE:

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

### LOCATIONS OF PLANTS:

#### Factory I:

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

#### Factory II:

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

## About Us:

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

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

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

### Product Portfolio:

#### **Synthetic Water Soluble Colours: (European Commission & JECFA Approved)**

Available in microfine powder, fine plating grade powder & in granular forms.

#### **Aluminum Lakes: (European Commission & JECFA Approved)**

Food grade insoluble pigments available in microfine powder form.

#### **FD&C Colours: (U. S. FDA Approved)**

Available in microfine powder, fine plating grade powder as well as granular forms.

#### **FD&C Lakes: (U. S. FDA Approved)**

Food grade insoluble pigments available in microfine powder form.

#### **D&C Colours: (U. S. FDA Approved)**

Available in microfine powder for drug & cosmetic applications.

#### **Blends: (European Commission, JECFA & U. S. FDA Approved)**

Useful for acquiring any desired shade.

#### **Co-Blended Lakes & Co-Blended Granules:(European Commission, JECFA & U. S. FDA Approved)**

To achieve custom blended shades.

#### **Natural Colours: (European Commission, JECFA & U. S. FDA Approved)**

Natural colour formulations tailor made to suit any product applications.

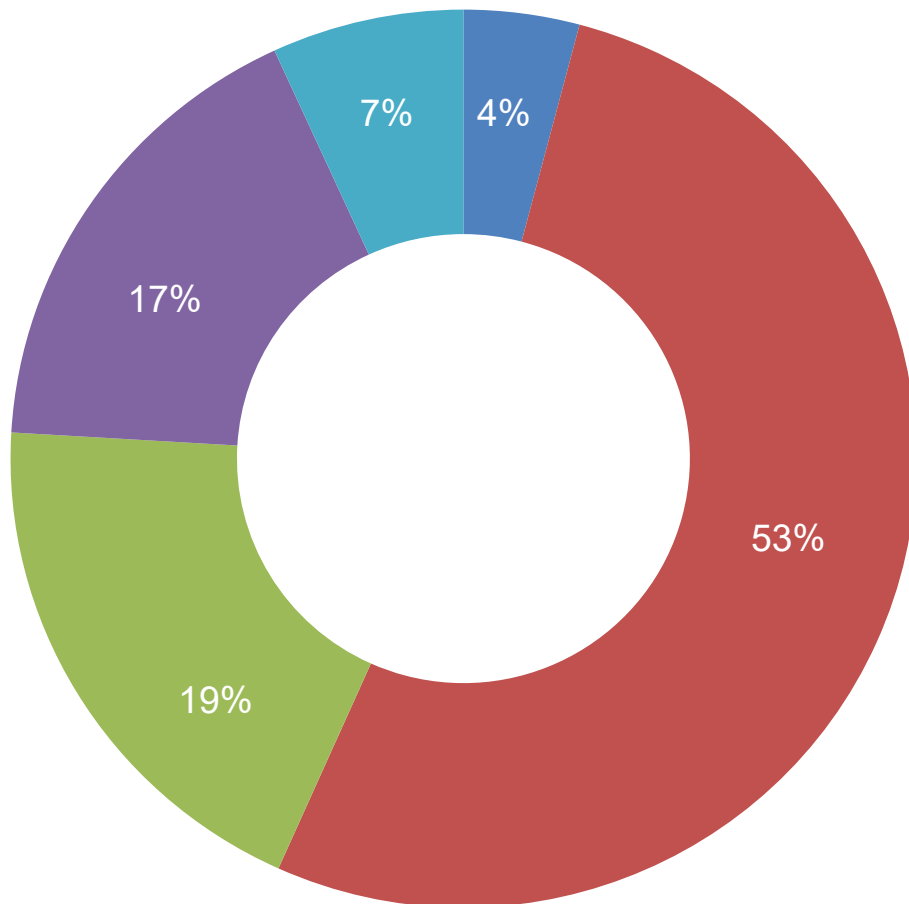
## A Truly Global Foot Print



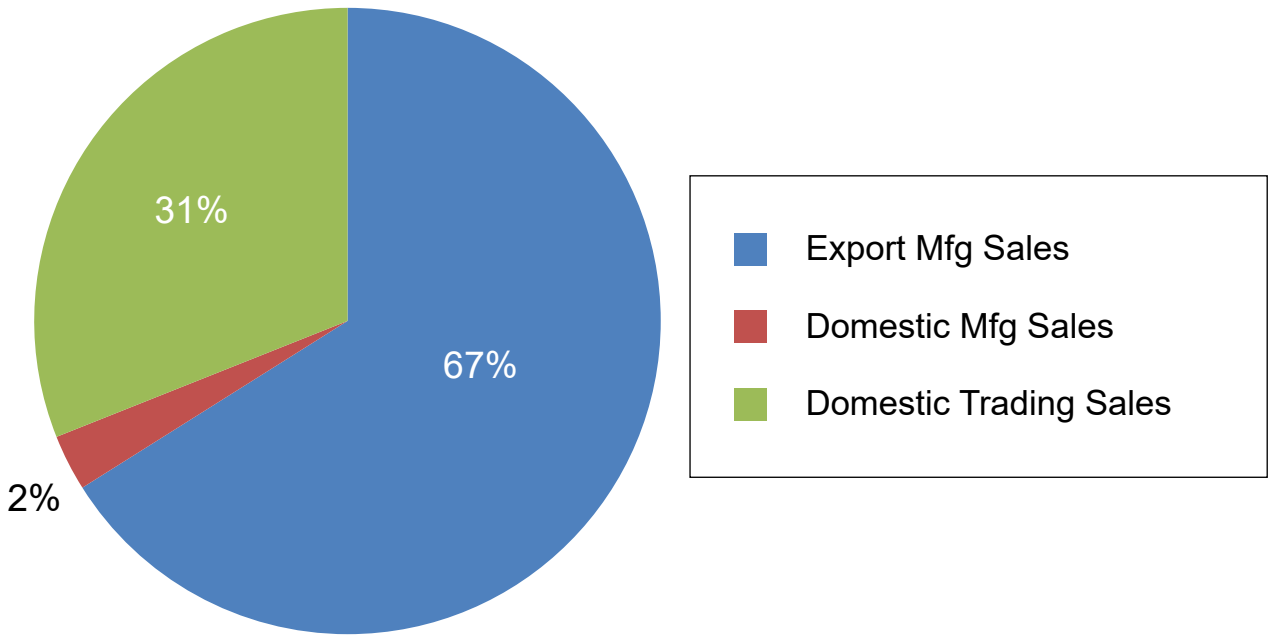
**95.20% of all colours manufactured by VSFIL are exported globally.**

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

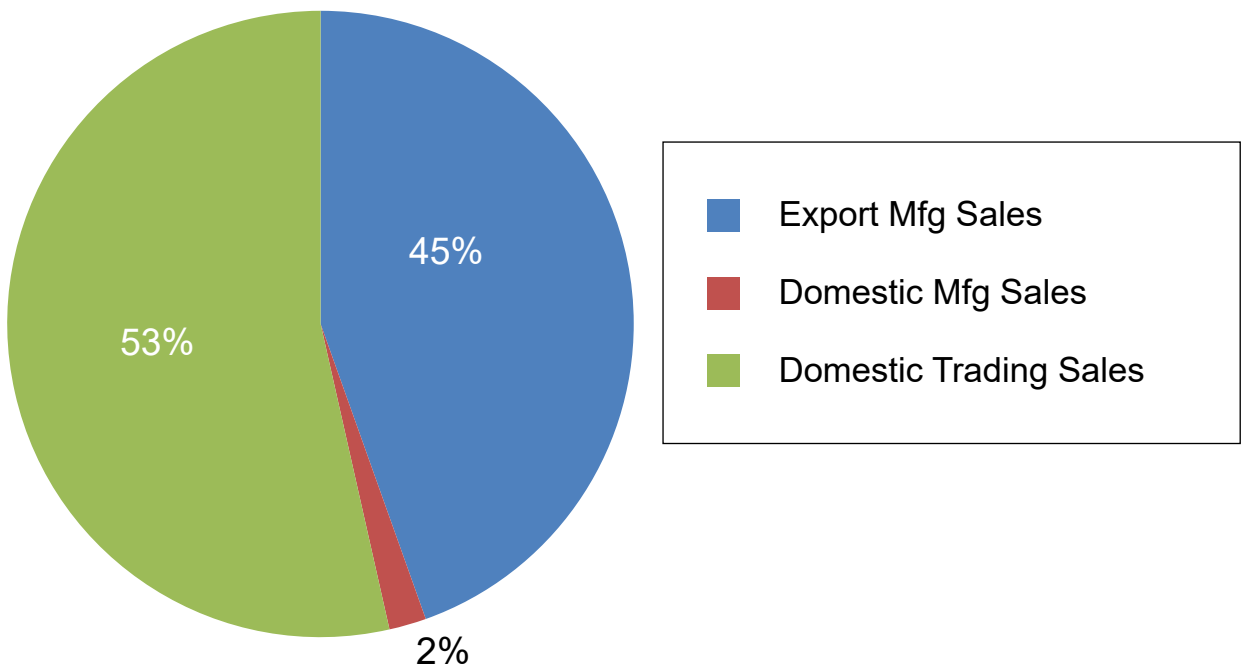
### Continent Wise Break Up In Sales



### Sales 2023

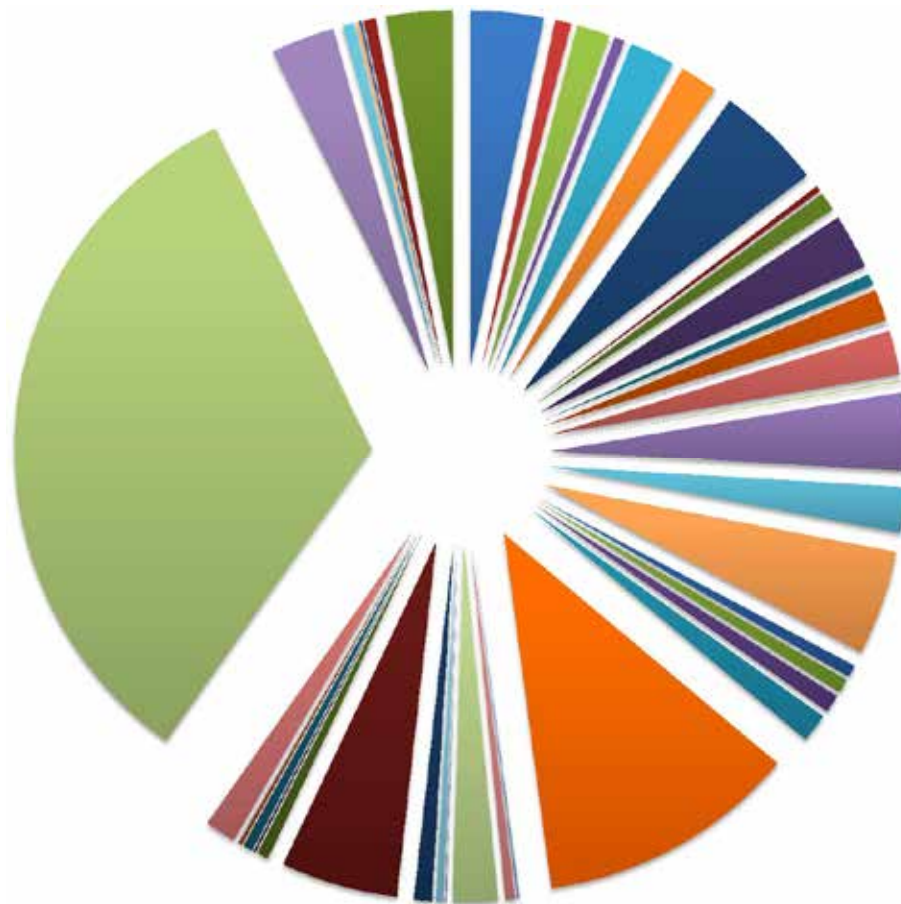


### Sales 2022





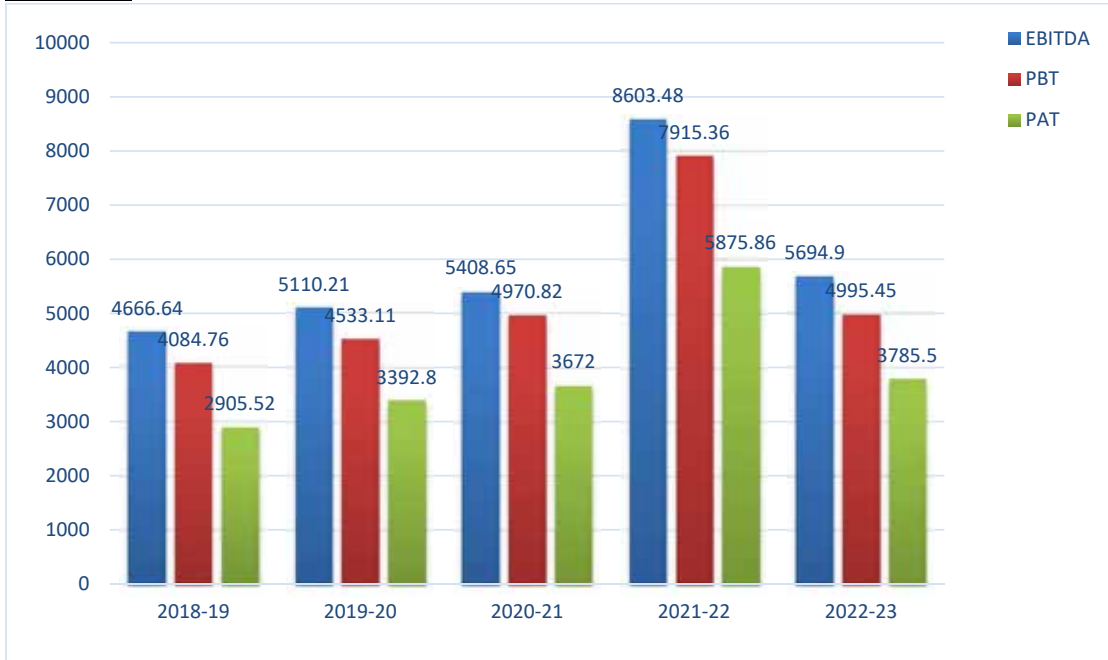
## Country Wise Break Up In Sales



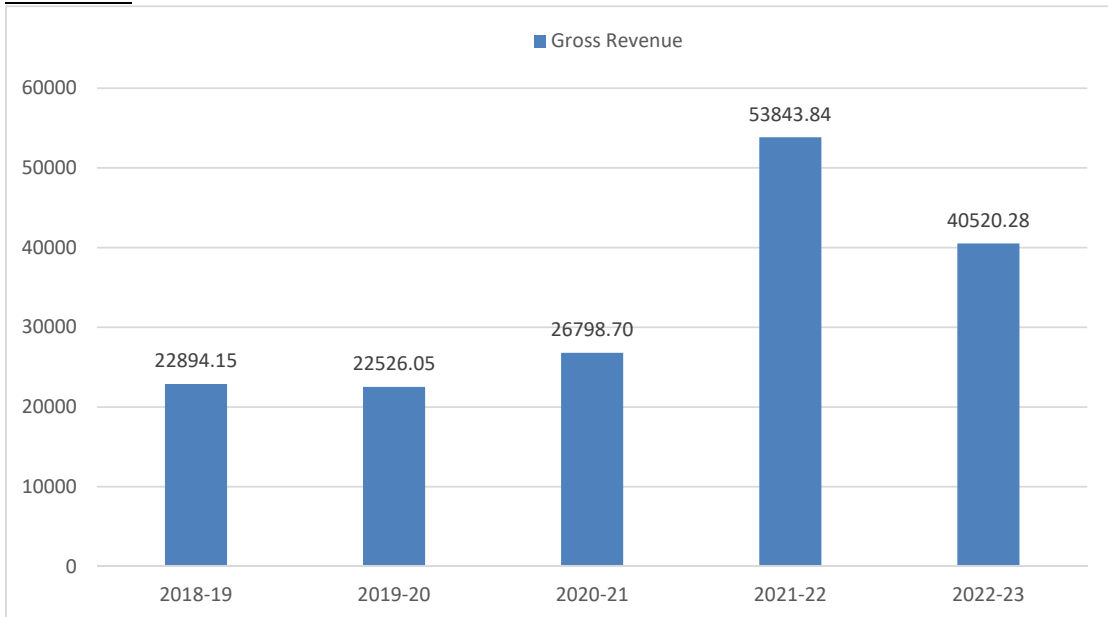
■ AFGANISTHAN	■ ARGENTINA	■ AUSTRALIA	■ BOLIVIA
■ BRAZIL	■ CANADA	■ CHINA	■ COLOMBIA
■ COSTARICA	■ EGYPT	■ EL SALVADOR	■ FRANCE
■ GEORGIA	■ GERMANY	■ HUNGARY	■ INDONESIA
■ IRAN	■ ITALY	■ KENYA	■ KOREA
■ LEBANON	■ MALAYSIA	■ MALTA	■ MEXICO
■ MOROCCO	■ PERU	■ PHILIPPINES	■ REPUBLIC OF POLAND
■ RUSSIA	■ SAUDI ARABIA	■ SOUTH AFRICA	■ SPAIN
■ SRI LANKA	■ TANZANIA	■ THAILAND	■ THE NETHERLANDS
■ TUNISIA	■ TURKEY	■ U.S.A	■ UAE
■ UKRAINE	■ UNITED KINGDOM	■ URUGUAY	■ VENEZUALA
■ VIETNAM			

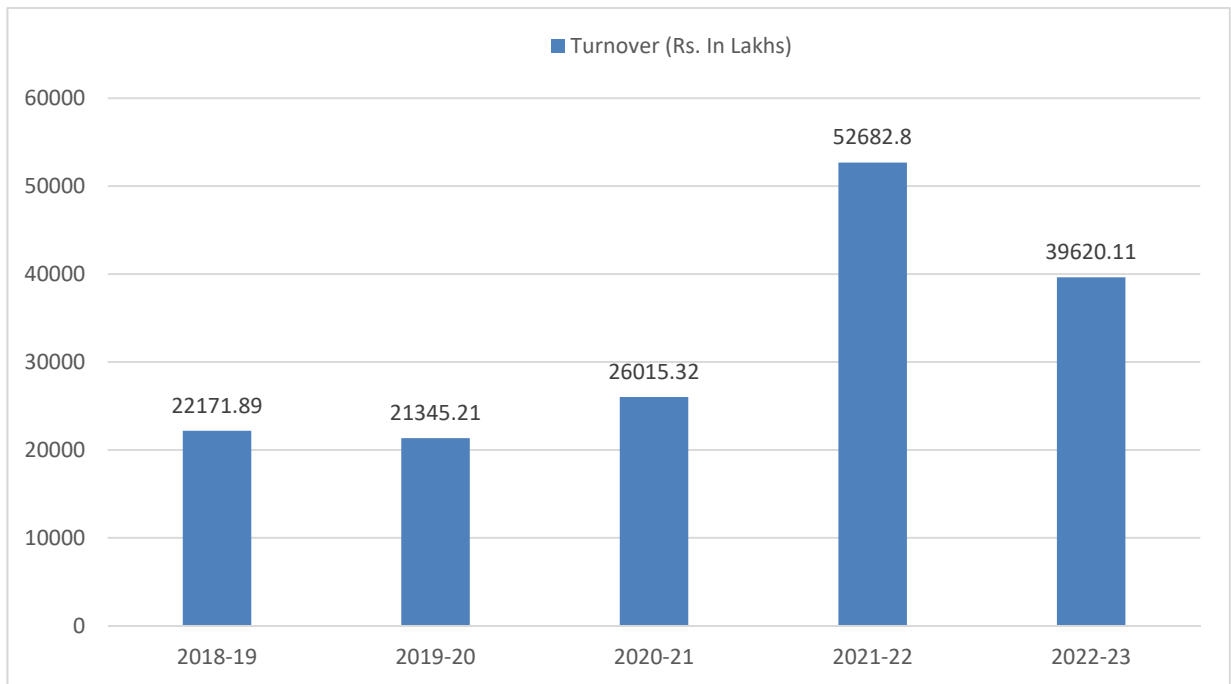
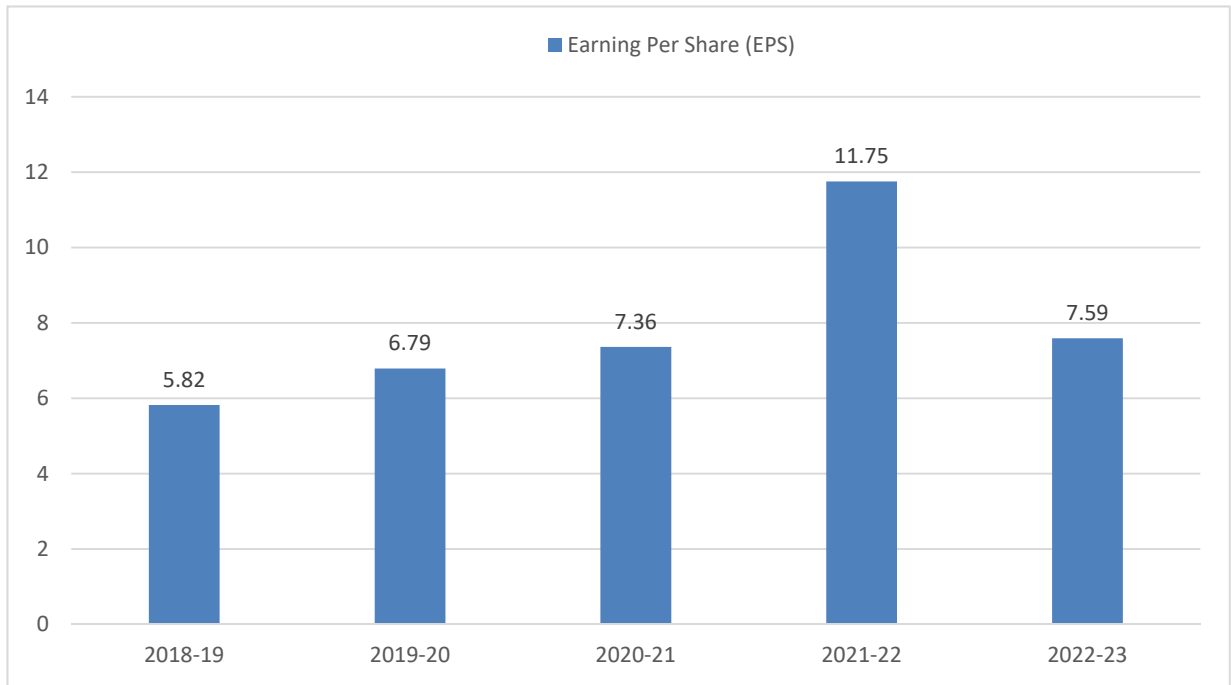
## Key Performance Indicators

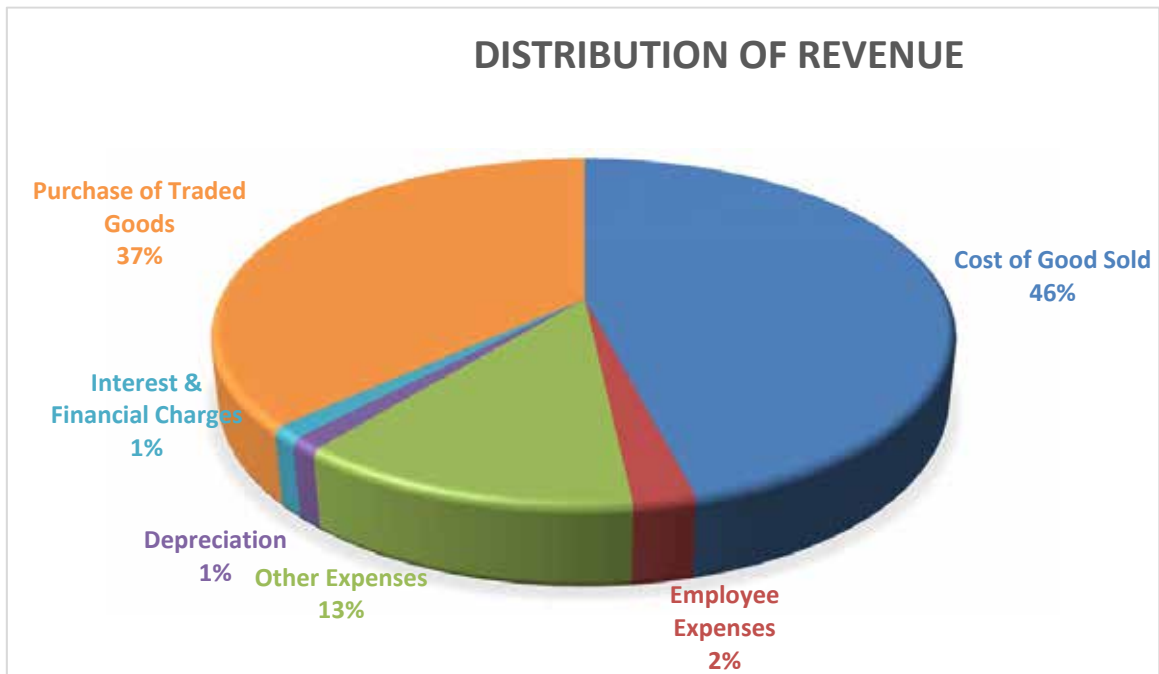
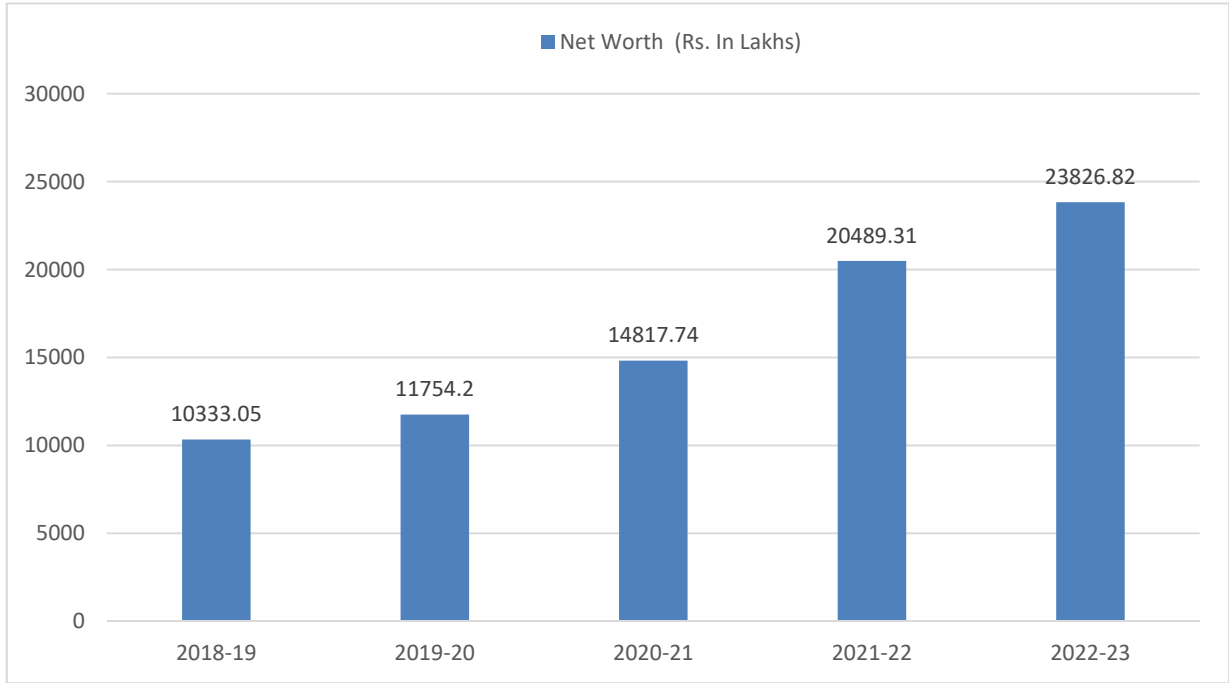
₹. In Lakhs



₹. In Lakhs







## Board Of Directors



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

- One of the Promoters of the Company
- Actively associated with the Company since its inception
- Acknowledged as a thought leader in transforming the Company from a small food color manufacturing Company to the Asia's 2<sup>nd</sup> largest food color manufacturing Company
- Played a key role in bringing the Company to its present heights
- A Commerce Graduate
- Over 37 years of experience in the field of Imports & Exports in food colour industries and Business Management



**Mrs. Pravina B. Manek**  
Woman Director Non-Executive

- One of the Promoters of the Company
- Associated with the Company since its inception
- An Arts Graduate from University of Mumbai
- Over 22 years of vast experience and expertise in food colour business



**Mr. Mihir B. Manek**  
Executive Joint Managing Director

- A Science Graduate from University of Mumbai with a major in Industrial Chemistry
- Associated with the Company for more than 15 years
- Played a significant role in leading multiple initiatives to accelerate production and sales of the Company
- An experience and expertise in the business of procurement of imported raw materials and distribution of various chemicals for over 17 years



**Mrs. Vidhi Harsh Parekh**  
Executive - Whole-time Director

- She is a Commerce Graduate.
- She has an experience of more than 17 years relating to handling work pertaining to the Directorate General of foreign trade viz. import licensing, export incentives, duty drawback etc.
- She has an experience of more than 17 years relating to handling work pertaining to Human Resources Development.



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

- An Engineering Graduate in Mechanical and Electricals
- His areas of strength include industrial Constructions & Project Works
- Over 62 years of experience in Construction Industry
- Associated with the Company for more than 20 years



**Mr. Nirenbbhai D. Desai**  
**Director Non-Executive & Independent**

- An Engineering Graduate in Mechanicals and Machine Tools
- Associated with the Company since 2005
- A dynamic experience of 42 years in the field of Indirect Industrial Hardware & Machine Tools



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

- A Science Graduate from Mumbai University and holds the Masters Degree in Analytical Chemistry
- Associated with Vidhi Specialty Food Ingredients Limited for 9 years
- Formerly associated with Water's India Limited as a Senior Marketing Manager
- 17 years of experience as a Manager of Biotage India Private Limited



**Mr. Ashit Doshi**  
**Director Non-Executive & Independent**

- A remisier in equity market since last 23 years
- Associated with Mansi Shares and Stock Advisors Private Limited as a remisier past 15 years
- Formerly associated with Setu Securities as a remisier for 11 years
- A SYBcom graduate
- He is acting as a Director in Nariman Investment Holdings Private Limited



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

- An Arts Graduate and B.H.S.C. by qualification from Pune University
- Appointed on the Board of the Company w.e.f. March 19, 2020
- More than 6 Years of experience in food industry

## Chairman's Speech

Dear Esteemed Stakeholders,

I hope that you and your loved ones are safe and in good health. I am pleased to communicate that our previous financial year has been marked by significant achievements in various aspects of our business.

As the years roll on, the temptation to look at the rear view mirror rather than the windshield in front increases for both the company and the individual. And if the past has been positive, it is even more so. Succumbing to that is dangerous. What matters is the road ahead and it is important to sift the past between lessons and baggage of history. Vidhi Specialty Food Ingredients Limited (VSFIL) is at one such juncture, where it has to not only embrace the change, but accelerate it. At the same time, Victor Hugo's words ring a bell: "Change your opinions, keep your principles; change your leaves, keep your roots intact.

An institution has to outlive individuals, including those who founded it. But like the water in an ocean, each contributory stream collectively makes up the institution. It is this continuous 'Manthan' that strengthens the core. I look at VSFIL as a constant confluence of river waters, collaborating to build a sustainable ocean, aspiring to live in perpetuity.

What does it take to build a sustainable institution for the future? Product excellence, trust complete customer satisfaction viz. Quality, Timely Shipment, Technical Backup and Excellent After Sales Service.

The global environment is going through considerable changes. Geopolitical factors such as the conflict between Russia and Ukraine, rising inflation and volatile commodity prices have caused slowing down of global growth and created stress in the overall economic environment. In recent months, we have experienced a series of natural calamities, including a heat wave, a cyclone, and torrential rains resulting in flooding in certain regions. I would like to reassure you that your Company will remain focused and committed on operational excellence and deliver strong growth and enhance shareholders and other stakeholders' values in every possible ways.

To increase the volume of Business Company is coming up with new production facility In Dahej Sez, Gujarat which is going to start soon which will lead to Shoot up in Manufacturing Sales. Company assure to increase the revenue in coming years with commencement of production at Dahej Plant in near future. The Board strive for bright future for your Company with overall growth in turnover as well as profit with expansion of its production facility.

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

The Company's prime focus is on manufacturing and trading is not the focus area of business. Company is constantly striving to improve upon Manufacturing Activities. Company has increased Manufacturing sales by ₹ 272.47 Crs in Current FY i.e 2022-23 as compare to 244.82 Crs in Pervious FY i.e 2021-2022. Whereas there is substantial decreased in Trading Sales by ₹123.74 Crs in Current FY i.e 2022-23 as compare to ₹282.01 Crs. in Pervious FY i.e 2021-2022.

Your company is optimistic of revenue & profitability growth going forward due to penetration into newer geographies, addition of new customers, addition of wallet share from existing customers, enhancement of product portfolio and operational efficiencies & operating leverage.

In Current Year i.e 2022-2023 EBITDA is mainly turn down by 33.80% attributable to reduction in Trading Sales & Profitability thereof and considerable reduction in net profit after tax by ₹ 20.90 Crs.

You will be pleased to note that considering the operational and financial performance, Company has declared a Final Dividend of ₹ 0.40/- per share of ₹ 1/- each and an Interim Dividend of ₹ 0.40/- per equity share of ₹ 1/- each (totaling to ₹ 0.80/- per share i.e. 80%) during the financial year 2022-23 and has also recommended a final dividend payment of ₹ 0.40/- per equity share of ₹ 1/- each (i.e. 40%) for the financial year 2022-23.

In closing, let me express my deep gratitude to our clients, partners, employees, directors and other stakeholders who have placed their trust and confidence in us.

Thank you once again for being an integral part of our Company.

## NOTICE OF THE THIRTIETH ANNUAL GENERAL MEETING

To,  
The Members  
**Vidhi Specialty Food Ingredients Limited,**

Notice is hereby given that the **Thirtieth Annual General Meeting** of the Members of **Vidhi Specialty Food Ingredients Limited (“the Company”)** will be held on Friday, September 29, 2023 at 03:30 p.m. (IST) through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) which will be deemed to be held at the Registered Office of the Company to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statement of the Company for the financial year ended March 31, 2023, the Change in Equity, Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Reports of the Board and Auditors’ thereon.
2. To receive, consider and adopt the Consolidated Audited Financial Statement of the Company for the financial year ended March 31, 2023 including the Audited Balance Sheet as at March 31, 2023, the Change in Equity, Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Report of Auditors’ thereon.
3. To confirm the 1<sup>st</sup> Interim Dividend declared in the financial year 2022-23.
4. To declare Final Dividend on Equity Shares for the financial year 2022-23.
5. To appoint a Director in place of Mr. Mihir B. Manek (DIN:00650613), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 (‘the Act’) and who is not disqualified to become Director under the Act and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

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

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

“**RESOLVED THAT** in supersession of the earlier resolution passed by the Members at their meeting held on September 27, 2014 and pursuant to provisions of Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules made thereunder, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board”, which term shall include its Committee(s) constituted / to be constituted for the purpose) to borrow any sum, or sums of monies and / or to receive / avail of financial assistance or to undertake financial obligation in any form, from time to time, from any one or more of the Financial Institutions, Banks, Funds and / or from any one or more other persons, firms, bodies corporate, mutual funds or entities, whether by way of loans, advances, deposits or bills discounting, issue of debentures, bonds, financial arrangement or obligations or otherwise, in whatever name or manner, and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of the Company’s assets and properties whether immovable or movable or stock in-trade (including raw materials, stores, spare parts and components in stock or in transit) or work in progress and all or any of the undertakings of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by



the Company may, at any time, exceed the paid up share capital of the Company and its free reserves and Securities Premium, provided that the total amounts so borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and outstanding at any time shall not exceed ₹ 500 Crores (Rupees Five Hundred Crores Only) at any time.

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

**7. To re-appoint Mr. Ashit Kantilal Doshi (DIN:08486679) as an Independent Director for a second term of 5 (five) consecutive years.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “the Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Ashit Kantilal Doshi (DIN: 08486679), who was appointed by the Board of Directors, as an Additional Independent Director of the Company w.e.f. June 20, 2019 and who holds office of Independent Director up to June 19, 2024 and in respect of whom the Company has received a notice in writing under section 160 of the Act from a Member proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in the Act and the Listing Regulations and who is eligible for re-appointment and based on his evaluation of performance, the Nomination and Remuneration Committee has recommended his re-appointment to the Board and the Board has approve the same and recommended to the Members, be and is hereby re-appointed as an Independent Director of the Company not liable to retire by rotation for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. June 20, 2024 to June 19, 2029.

**RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters and to do any other formalities to give effect to this resolution.”

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

**Date:** August 11, 2023

**Place:** Mumbai

**Bipin Madhavji Manek**

Chairman & Managing Director

(DIN: 00416441)

Address: 12/A, Sommerset House,

Off. Bhulabhai Desai Road,

Warden Road, Sophia College,

Mumbai – 400 026.

**Registered Office:**

E/27, Commerce Centre,

78, Tardeo Road, Mumbai – 400 034

CIN: L24110MH1994PLC076156

[www.vidhifoodcolors.com](http://www.vidhifoodcolors.com)

**NOTES:**

- a) The Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 10/2022 dated December 28, 2022 read with General Circular No. 2/2022 dated May 05, 2022, General Circular No. 02/2021 January 13, 2021, General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 05, 2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (‘AGM’) through video conferencing (‘VC’) or other audio visual means (‘OAVM’) without the physical presence of the Members at a common venue.
- b) The Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/ 2020/79 dated May 12, 2020 (collectively referred to as “SEBI Circulars”) has allowed relaxation from requirement of sending the hard copy of annual report and sending proxy forms as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In compliance with the provisions of the Companies Act, 2013 (the ‘Act’), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), MCA Circulars and the SEBI Circulars, the 30<sup>th</sup> AGM of the Company is being held through VC/OAVM.
- c) As per the provisions of clause 3.A.II. of the General Circular No. 20/2020 dated May 05, 2020 read with other MCA Circulars, the matters of Special Business, as appearing at item nos. 6 & 7 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.
- d) As per Section 105 of the Act, a Member entitled to attend and vote at the general meeting is entitled to appoint a proxy, who need not be a Member, to attend and vote on poll on behalf of himself/herself. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars and SEBI Circulars, the requirement of physical attendance of Members has been dispensed with. Accordingly, in terms of the MCA Circulars and the SEBI Circulars, the facility for appointment of proxies by the Members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- e) The relevant statement pursuant to Section 102 of the Act, setting out the material facts relating to the Special Business as set out in the Notice, is annexed hereto and forms part of the notice of this AGM.
- f) The Company’s Registrar & Share Transfer Agents are Link Intime India Private Limited (‘R & TA’) having their office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel:022- 4918 6270 Fax: 022- 4918 6060.
- g) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 23, 2023 to Friday, September 29, 2023, both days inclusive, for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for payment of final dividend on equity shares for the financial year 2022-23, if declared at the AGM.
- h) The Dividend, if declared at the AGM, would be paid/dispatched on/after Tuesday, October 03, 2023 but within thirty days from the date of declaration of dividend to those persons (or their mandates):
- whose names appear as beneficial owners as at the end of the business hours on Friday, September 22, 2023 in the list of the Beneficial Owners to be obtained from the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited, in respect of the shares held in electronic/dematerialized mode; and

- whose names appear as Members in the Register of Members of the Company as on Friday, September 22, 2023, after giving effect to valid transmission or transposition request lodged with the Company /R & TA, in respect of the shares held in physical mode.
- i) **Updation of mandate for receiving dividend directly in bank account through Electronic Clearing System or any other means in a timely manner:**
- **Shares held in physical form:** Members are requested to send the following details/documents to R&TA before September 16, 2023:
    - i) Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023. In the absence of any of the required documents in a folio, on or after October 01, 2023, the folio shall be frozen by the RTA. Intimation letters along with Business Reply Envelopes for furnishing the required details are being sent by the Company. The said form is available on the website of the Company at <https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/12.%20Form%20ISR-1.pdf> and on the website of the RTA at <https://web.linkintime.co.in/KYC-downloads.html>.
    - ii) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:
      - Cancelled cheque in original,
      - Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch.
    - iii) Self-attested copy of the PAN Card of all the holders; and
    - iv) Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.
  - **Shares held in electronic form:** Members may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs. Accordingly, the Members holding shares in demat form are requested to ensure that their Electronic Bank Mandate is updated with their respective DPs on or before September 22, 2023.

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

In respect of the Members holding shares in electronic form, the bank details obtained from the respective depositories will be used for the purpose of distribution of dividend through various approved/permissible electronic mode of payment. The Company/R & TA will not act on any direct request from the Members holding shares in dematerialized form for change/deletion of such bank details. Such changes are to be intimated by the Members to their Depository Participants. In respect of the Members holding shares in the physical form, the bank details obtained from the R &TA will be used for the purpose of distribution of dividend through various approved/permissible electronic modes of payment. Any query related to dividend should be directed to R & TA.

- j) Payment of dividend shall be made through electronic mode viz. National Automated Clearing House ('NACH'), Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc. to the Members who have updated their bank account details. In case, the Company

is unable to pay the dividend to any Member by the electronic mode, due to non-availability of the details of the bank account or incorrect Bank details, the Company shall dispatch the dividend warrant/ Bankers' Cheque/ Demand Draft to such Member by post.

- k) Members may note that the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 01, 2020 shall be taxable in the hands of the Members. The Company shall therefore be required to deduct Tax at Source ("TDS") at the time of making the final dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

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

Members having valid Permanent Account Number (PAN) updated in the Company's Register of Members	10%* or as notified by the Government of India
Members not having PAN / valid PAN not updated in the Company's Register of Members/ PAN is not linked with AADHAR in case of an individual	20% or as notified by the Government of India

*\*As per the Finance Act, 2021, Section 206AB has been inserted effective July 01, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section.*

However, no TDS shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2023-24 does not exceed ₹ 5,000, and also in cases where members provide Form 15G/Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/nil withholding of tax. PAN is mandatory for members providing Form 15G/15H or any other document as mentioned above. Please note that this includes the future dividend, if any, which may be declared by the Board in the financial year 2023-24.

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

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

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

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income tax Rules, 1962
- Copy of the Tax Residency Certificate for financial year 2023-24 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders

- Self-declaration in Form 10F
- Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the shareholders

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

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

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

- Form 15G/15H/10F for current financial year can be downloaded from the Link <https://web.linkintime.co.in/client-downloads.html> under general tab.
- Kindly note that the aforementioned documents can be submitted to the Company/R&TA at [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in) or can be uploaded on the link <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before September 20, 2023 in order to enable your Company to determine and deduct appropriate TDS rate. No communication on the tax determination / deduction shall be entertained post September 20, 2023. It may be further noted that in case the tax on said dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.
- The Company will issue soft copy of TDS certificate to its Members through email registered with Company/ Company's RTA post payment of dividend. In addition, Members will be able to download the TDS certificate from the Income Tax Department's website <https://incometaxindiaefiling.gov.in> (refer to Form 26AS).
- In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Members, such Members will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any assessment/apellate proceedings.
- This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.
- Members, who have not encashed/received the dividend warrants so far in respect of the below mentioned periods, are requested to make their claim to the R&TA well in advance before due dates. Members are

requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Funds (IEPF). Pursuant to the provisions of Section 124(2) of the Act read with the Rules made thereunder, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on its website: <https://vidhifoodcolors.com/investor-relation/unclaimed-dividends/> and also on the website of the Ministry of Corporate Affairs.

Due dates of transferring unclaimed and unpaid dividends declared by the Company for the financial year 2016-2017 and thereafter to IEPF:

<b>Financial Year</b>	<b>Date of declaration of dividend</b>	<b>Last date for claiming unpaid/unclaimed dividend</b>
2016-17 (1 <sup>st</sup> Interim Dividend)	August 12, 2016	September 15, 2023*
2016-17 (Final Dividend for FY 2015-16)	September 24, 2016	October 28, 2023*
2016-17 (2 <sup>nd</sup> Interim Dividend)	November 14, 2016	December 18, 2023*
2016-17 (3 <sup>rd</sup> Interim Dividend)	February 11, 2017	March 17, 2024*
2017-18 (Final Dividend for FY 2016-17)	September 25, 2017	October 29, 2024
2017-18 (1 <sup>st</sup> Interim Dividend)	September 25, 2017	October 29, 2024
2017-18 (2 <sup>nd</sup> Interim Dividend)	November 24, 2017	December 28, 2024
2017-18 (3 <sup>rd</sup> Interim Dividend)	February 14, 2018	March 20, 2025
2018-19 (1 <sup>st</sup> Interim Dividend)	August 10, 2018	September 13, 2025
2018-19 (Final Dividend for FY 2017-18)	September 28, 2018	November 01, 2025
2018-19 (2 <sup>nd</sup> Interim Dividend)	November 05, 2018	December 09, 2025
2018-19 (3 <sup>rd</sup> Interim Dividend)	February 12, 2019	March 16, 2026
2019-20 (1 <sup>st</sup> Interim Dividend)	August 14, 2019	September 17, 2026
2019-20 (Final Dividend for FY 2018-19)	September 23, 2019	October 27, 2026
2019-20 (2 <sup>nd</sup> Interim Dividend)	November 12, 2019	December 16, 2026
2019-20 (3 <sup>rd</sup> Interim Dividend)	February 11, 2020	March 15, 2027
2020-21 (1 <sup>st</sup> Interim Dividend)	August 14, 2020	September 17, 2027
2020-21 (Final Dividend for FY 2019-20)	September 29, 2020	November 02, 2027
2020-21 (2 <sup>nd</sup> Interim Dividend)	November 12, 2020	December 16, 2027
2020-21 (3 <sup>rd</sup> Interim Dividend)	February 09, 2021	March 13, 2028
2021-22 (Final Dividend for FY 2020-21)	September 28, 2021	November 01, 2028
2021-22 (1 <sup>st</sup> Interim Dividend)	November 08, 2021	December 12, 2028
2022-23 (Final Dividend for FY 2021-22)	September 30, 2022	October 10, 2029
2022-23 (1 <sup>st</sup> Interim Dividend)	November 11, 2022	December 15, 2029

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

- r) Pursuant to the applicable provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. During the current financial year 1<sup>st</sup> Interim Dividend for the financial year 2016-17 declared in the Board Meeting dated August 12, 2016; Final Dividend for the financial year 2015-16 declared in the Annual General Meeting held on September 24, 2016; 2<sup>nd</sup> Interim Dividend for the financial year 2016-17 declared in

the Board Meeting dated November 14, 2016 and 3<sup>rd</sup> Interim Dividend for the financial year 2016-17 declared in the Board Meeting dated February 11, 2017 shall be due to be transferred in IEPF as seven years will be completed from the date of transfer of amount to Unpaid Dividend Account. The Members whose dividend/ Shares, if transferred to the IEPF Authority, can claim the same from the Authority by following the procedure as detailed on the website of IEPF Authority i.e. <https://www.iepf.gov.in/IEPF/refund.html>. Further, as per the IEPF Rules the Members/ Claimants can file only one consolidated claim in a financial year for a Company.

- s) In compliance with the requirements set out in the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial years 2022-23, had transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares so far transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: <https://vidhifoodcolors.com/investor-relation/unclaimed-dividends/>
- t) The relevant details, pursuant to Regulations 36(3) of the Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM are annexed to the Notice and forms part of the Explanatory Statement.

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

- u) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023. In the absence of any of the required documents in a folio, on or after October 01, 2023, the folio shall be frozen by the RTA. Intimation letters along with Business Reply Envelopes for furnishing the required details are being sent by the Company.
- v) The Members may note that the SEBI has mandated the submission of PAN by every participant in securities market. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 in Form ISR-1. The Form ISR-1 is also available on the website of the Company at <https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/12.%20Form%20ISR-1.pdf> and on the website of the RTA at <https://web.linkintime.co.in/KYC-downloads.html> under the tab KYC. Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR-1.
- w) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- x) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on a first come first served basis as per the MCA Circulars. This limit will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Board Committees, Auditors etc., who are allowed to attend this AGM without restriction on account of first come first served basis.
- y) In line with the MCA Circulars and the SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. The Notice of AGM and Annual Report 2022-23 are available on the Company's

website viz. <https://vidhifoodcolors.com/investor-relation/annual-reports/> and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively. The AGM Notice is also on the website of NSDL (agency for providing the Remote e-Voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- z) In terms of Section 72 of the Act read with the applicable Rules made under the Act, every holder of shares in the Company may at any time nominate, in the prescribed manner (Form No. SH-13), a person to whom his/her shares in the Company shall vest, in the event of his/her death. Accordingly, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR-3 or Form SH-14, as the case may be.

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

1. Form SH-13 - <https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/10.%20Form%20SH-13.pdf>
2. Form SH-14 - <https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/11.%20Form%20SH-14.pdf>
3. Form ISR-3 - <https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/13.%20Form%20ISR-3.pdf>

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

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

- aa) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- bb) Members who are holding Shares in identical order of names in more than one Folio, are requested to apply to the R & TA along with the relevant Share Certificates for consolidation of such Folios in one Folio.
- cc) Members desiring any information pertaining to the Financial Statement or any matter to be placed at the AGM, are requested to write to Ms. Vishakha Pandya, Company Secretary of the Company, at [vdmlcs@hotmail.com](mailto:vdmlcs@hotmail.com) on or before September 22, 2023 through your registered email address quoting their Folio no./ DP ID & Client ID so as to enable the Management to reply at the AGM.
- dd) Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection electronically without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. till September 29, 2023. Members seeking to inspect such documents can send an email to [vdmlcs@hotmail.com](mailto:vdmlcs@hotmail.com). During the 30th AGM also, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act.
- ee) As per Regulation 40(1) of Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised



to dematerialize the shares held by them in physical form. Members can contact the Company or R&TA, for assistance in this regard.

- ff) SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated issuance of Securities in dematerialized form in case of Investor Service Requests received from holder of physical shares pertaining to; (i) Issue of duplicate securities certificate; (ii) Claim from Unclaimed Suspense Account; (iii) Renewal / Exchange of securities certificate; (iv) Endorsement; (v) Sub-division / Splitting of securities certificate; (vi) Consolidation of securities certificates/folios; (vii) Transmission; and (viii) Transposition. The R&TA will issue a 'Letter of Confirmation' in place of Security certificate. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities. In case the securities holder/claimant fails to submit the demat request within 120 days from the date of issuance of letter of confirmation, RTA/Issuer Companies shall credit the securities to the Suspense Escrow Demat Account of the Company.
- gg) The Company has made special arrangement with the R&TA for registration of e-mail addresses in terms of the MCA Circulars for Members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically. In order to register the email id for receiving the Notice of 30th AGM and Annual Report through email please visit the link [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) and provide the requisite information and attach requisite documents. The system will then confirm the e-mail address for the limited purpose of servicing the Notice of this AGM along with the Annual Report for the year 2022-23.

#### hh) **Voting through Electronic Means:**

1. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations, as amended, MCA Circulars and the SEBI Circulars, the Company is providing its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 30th AGM by electronic means (by using the electronic voting system provided by NSDL) either by (a) remote e-voting prior to the AGM or (b) remote e-voting during the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. Instructions for Members for attending the AGM through VC/OAVM are explained below.
2. Subject to the applicable provisions of the Act read with the Rules made there under (as amended), the voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date for the purpose of remote e-voting, being Friday, September 22, 2023. Members are eligible to cast vote only if they are holding shares as on Friday, September 22, 2023.
3. **The remote e-voting period will commence at 09:00 a.m. (IST) on Tuesday, September 26, 2023 and will end at 05:00 p.m. (IST) on Thursday, September 28, 2023.** During this period, the Members of the Company holding shares in physical form or in dematerialized form as on cut-off date may cast their vote through remote e-voting. **The remote e-voting module shall be blocked/disabled for voting thereafter.**
4. **Instructions for remote e-voting prior to the AGM:**

Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Friday, September 22, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.


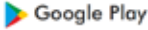


The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

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

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.  <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>   </div> <div style="display: flex; justify-content: center; gap: 20px;">   </div> </li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

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

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

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

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c. How to retrieve your ‘initial password’?
    - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:

- a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of Vidhi to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful

attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 700 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [vdmlcs@hotmail.com](mailto:vdmlcs@hotmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [vdmlcs@hotmail.com](mailto:vdmlcs@hotmail.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company

will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. Members, who would like to express their views/have questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number to reach the Company's email address [vdmlcs@hotmail.com](mailto:vdmlcs@hotmail.com) on or before 05:00 p.m. (IST) on Friday, September 22, 2023. The same will be replied by the Company suitably.
  6. Members, who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Prajakta Pawle at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- ii) Mr. Hemanshu Kapadia (FCS: 3477 and CP: 2285), Proprietor of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, failing him, Mr. Vipin Mehta (FCS: 8587 and CP: 9869), Partner of M/s. VPP & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- jj) The Scrutinizers shall immediately, after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting and make, within 48 hours from the conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against of the resolutions transacted in the AGM and submit forthwith the same to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.
- kk) The Chairman or the authorised person shall declare the results of the voting forthwith and the results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. <https://vidhifoodcolors.com/investor-relation/announcements/#general-meeting> and on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The Company shall also simultaneously forward the results to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the Company are listed.
- ll) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Thirtieth AGM i.e. Friday, September 29, 2023.

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

**Date:** August 11, 2023

**Place:** Mumbai

**Bipin Madhavji Manek**

Chairman & Managing Director

(DIN: 00416441)

Address: 12/A, Sommerset House,

Off. Bhulabhai Desai Road,

Warden Road, Sophia College,

Mumbai – 400 026.

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**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS TO BE TRANSACTED AT THE THIRTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF VIDHI SPECIALTY FOOD INGREDIENTS LIMITED TO BE HELD ON FRIDAY, SEPTEMBER 29, 2023****Item No. 6:**

In terms of Section 180(1)(c) of the Companies Act, 2013, approval of the Members by means of a special resolution is required to enable the Board of Directors to borrow money in excess of paid up share capital of the Company and its free reserves and Securities Premium.

The Members in the 21st AGM held on September 27, 2014 has passed resolution u/s 180(1)(c) of the Act authorizing to borrow upto ₹ 200 Crores. The Company has set-up new production facility in Dahej, Gujarat and may further go for expansion for which it would require funds. In order to fund the expansion plans and cash requirements, the Company may borrow funds from various sources. Hence, to enable the Company to borrow the money when requirement arises, it is proposed to give power to the Company to borrow upto ₹ 500 Crore.

The proposed resolution under item no. 6 is to authorize the directors to borrow in excess of the aggregate of the paid-up capital and free reserves and Securities Premium up to a sum not exceeding 500 Crores (Rupees five hundred crores) apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

The above resolution/authority is the statutory requirement that shareholder should approve the said powers to the Board which will give flexibility to the Board to run the business and there is no financial interest of the Directors or Key Managerial Person of the Company in the resolution at item no. 6 of the notice calling 12th AGM.

The Board of Directors accordingly recommends the special resolution as set out at Item No. 6 of the accompanying notice for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the resolution at item no. 6.

All the documents referred to in resolution mentioned at item no. 6 of the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection electronically without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. till September 29, 2023. Members seeking to inspect such documents can send an email to [vdmlcs@hotmail.com](mailto:vdmlcs@hotmail.com).

**Item No. 7:**

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 ("Act"), Members of the Company at the 26th Annual General Meeting ("AGM") held on September 23, 2019 approved the appointment of Mr. Ashit Kantilal Doshi (DIN: 08486679) as Non-Executive Independent Directors of the Company for a continuous period of 5 (five) years w.e.f. June 20, 2019 to June 19, 2024 ("first term").

Section 149 of the Act provides that an Independent Director shall hold office for a term of 5 (five) consecutive years and shall be eligible for re-appointment, on passing a Special Resolution by the Members of the Company, for a second term of another 5 (five) consecutive years i.e. holding office up to two consecutive terms of five years, whose term of office shall not be liable to retire by rotation.

The Board of Directors, based on the performance evaluation on various parameters of Independent Directors and recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act, considered that given the background and contributions made by Mr. Ashit Kantilal Doshi (DIN: 08486679) during his tenure, his continued association would



be beneficial to the Company and hence it is desirable to continue to avail his services as Independent Directors. Accordingly, the Board of Directors approved his re-appointment as Independent Director of the Company for second term of 5 consecutive years, not liable to retire by rotation, and recommended the same to the Members for their approval by passing Special Resolution.

Mr. Ashit Kantilal Doshi (DIN: 08486679) is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given his consent to act as Director. The Company has also received declaration from him that he meets criteria of independence as prescribed under section 149(6) of the Act and the Listing Regulations and that he is not debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India ("SEBI") or any such authority.

In the opinion of the Board, Mr. Ashit Kantilal Doshi (DIN: 08486679) fulfill the conditions specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies Act, 2013 ("Act") along with the Rules made thereunder and Schedule IV of the Act for his re-appointment as Independent Directors of the Company and he is independent of the Management and possesses appropriate skills, experience, knowledge and capabilities required for the role of Independent Director.

The Company has received notices in writing from a Member pursuant to provision of Section 160 of the Act proposing candidature of Mr. Ashit Kantilal Doshi (DIN: 08486679) for the office of Independent Director of the Company.

The brief profile of Mr. Ashit Kantilal Doshi (DIN: 08486679) is given in the annexure to the Notice of 12<sup>th</sup> AGM pursuant to the provisions of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

All the documents referred to in resolution mentioned at item no. 6 of the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection electronically without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. till September 29, 2023. Members seeking to inspect such documents can send an email to [vdmics@hotmail.com](mailto:vdmics@hotmail.com).

The terms & conditions of his re-appointment and all the documents referred to in resolution mentioned at item no. 7 of the accompanying Notice of the 12<sup>th</sup> AGM and the Explanatory Statement shall be made available for inspection electronically without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. till September 29, 2023. Members seeking to inspect such documents can send an email to [vdmics@hotmail.com](mailto:vdmics@hotmail.com).

Mr. Ashit Kantilal Doshi (DIN: 08486679) and their relatives are concerned and interested in the resolution set out at Item No. 7 of the Notice with regard to his re-appointment. None of the other Directors or Key Managerial Personnel of the Company or their respective relatives, except mentioned above, are in any way concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 7.

In accordance with the provisions of Section 149 read with Schedule IV of the Act and other applicable provisions of the Act and in terms of Regulation 25(2A) of the Listing Regulations, re-appointment of Mr. Ashit Kantilal Doshi (DIN: 08486679) as an Independent Director requires approval of Members of the Company by passing a Special Resolution. Accordingly, the Board recommends the Special Resolution at Item No. 7 for approval by the Members.

**Annexure to Item No. 5 & 7 of the Notice:**

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

<b>Name of the Director</b>	<b>Mr. Mihir Bipin Manek</b>	<b>Mr. Ashit Kantilal Doshi</b>
DIN	00650613	08486679
Date of Birth	March 08, 1982	February 21, 1969
Age	41 Years	54 years
Qualifications	B. Sc. in Industrial Chemistry	S.Y. B.com
Nationality	Indian	Indian
Experience	17 years of experience and expertise in the business of procurement of imported raw materials and distribution of various chemicals.	He has an experience of more than 24 years as a Remisser.
Terms and conditions of appointment/ reappointment	Proposed to be re-appointed as a Director whose office is liable to retire by rotation.	Proposed to be re-appointed as an Independent Non-Executive Director on existing terms and conditions till June 19, 2029.
Details of remuneration sought to be paid	Existing remuneration	Existing remuneration
Date of first appointment on the Board	July 31, 2006	June 20, 2019
Shareholding in the Company	Nil	Nil
List of Directorships held in other Companies	1. Arjun Food Colorants Manufacturing Private Limited 2. Vidhi Finechem Private Limited	Nariman Investment Holdings Private Limited
Committee Membership in other Company	Nil	Nil

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

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

**Date:** August 11, 2023  
**Place:** Mumbai

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

## BOARD'S REPORT

To,  
The Members,  
**Vidhi Specialty Food Ingredients Limited**

Your Directors are presenting the **Thirtieth Annual Report** on the business and operations of your Company together with the Audited Financial Statement for the financial year ended March 31, 2023.

### 1. Financial Summary or Highlights:

The financial highlights of the Company are as follows:

(₹ in Lakhs)

Particulars	Current Year		Previous Year	
		2022-23		2021-22
Total Income		40,520.28		53,843.84
Total Expenditure (excluding Depreciation and exceptional item)		35,188.79		45,631.47
<b>Profit for the year before providing Depreciation and exceptional item</b>		<b>5,331.49</b>		<b>8,212.37</b>
Less: Depreciation	336.04		297.01	
Less: Exceptional Items	Nil	336.04	Nil	297.01
<b>Profit before Tax</b>		<b>4,995.45</b>		<b>7,915.36</b>
<b>Less: Provision for Taxation</b>				
Current Year	1265.00		1960.00	
Earlier Year	Nil		Nil	
Deferred Tax	(55.05)	1,209.95	79.50	2,039.50
<b>Profit after Tax</b>		<b>3,785.50</b>		<b>5,875.86</b>
Add: Other Comprehensive Income		3.25		9.31
<b>Total Comprehensive Income</b>		<b>3,788.75</b>		<b>5,885.17</b>
Add: Profit brought forward from Previous Year		18,803.13		13,806.15
Total Profit in Balance Sheet		22,591.88		19,691.32
<b>Less: Appropriation</b>				
Dividend Paid		399.56		299.67
Transfer to General Reserve		0.00		588.52
Dividend Distribution Tax		0.00		0.00
Transitional Provisions (Ind-AS 116)		0.00		0.00
<b>Balance Profit carried to Balance Sheet</b>		<b>22,192.32</b>		<b>18,803.13</b>

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

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

(₹ In Lakh)

Sr. No.	Particulars	As on March 31, 2022	As on March 31, 2023	Increase / (Decrease) (in %)
1.	Total Income	53,843.84	40,520.28	(24.74%)
2.	Profit Before Tax	7,915.36	4,995.45	(36.89%)
3.	Profit After Tax from continuing operations	5,875.86	3,785.50	(35.57%)

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

The Company has manufactured 4250.02 MT of food colours against 3573.81 MT in the previous year. Your Directors assure to increase the revenue in coming years with commencement of production at Dahej Plant in near future. The Board strive for bright future for your Company with overall growth in turnover as well as profit with expansion of its production facility.

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

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

**4. Dividend:**

Your Directors are pleased to recommend a final dividend of ₹ 0.40/- (Rupees Forty Paise Only) per equity share of ₹ 1/- each fully paid up (i.e. 40%) for the financial year ended March 31, 2023. The total outflow on account of final dividend will be ₹ 199.78 Lakhs. The dividend payment is subject to the approval of the Members at the ensuing Annual General Meeting ('AGM') and be paid to the Members whose names appear in the Register of Members/Beneficial Holders as on Book Closure Date fixed for the said purpose.

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

- whose names appear as beneficial owners as at the end of the business hours on Friday, September 22, 2023 in the list of the Beneficial Owners to be obtained from the Depositories, i.e. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL], in respect of the shares held in electronic/dematerialized mode; and
- whose names appear as Members in the Register of Members of the Company as on Friday, September 22, 2023 in respect of the shares held in physical mode.

In line with our focus on enhancing shareholder returns and in view of the Company's strong cash generation and positive growth momentum, the Board of Directors had decided to distribute profits to its Members and accordingly the Board of Directors had declared interim dividend during the financial year 2022-23 as per details given below:

Type of Dividend	Date of Board Meeting	Rate of Dividend	Per share Dividend	Total Outflow
1 <sup>st</sup> Interim Dividend	November 11, 2022	40% per share	₹ 0.40/- per share	₹199.78 Lakhs

Total dividend pay out for the year 2022-23 (including final dividend to be declared in the ensuing AGM) is ₹ 0.80/- per equity share of ₹1/- each against ₹0.80/- per equity share for previous year.

## 5. Reserves:

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

## 6. Investor Education and Protection Fund (IEPF):

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

Sr. No.	Dividend type	Dividend declaration date	Amount transferred to IEPF (In ₹)*	Dividend Transferred to IEPF on	Number of shares transferred
1.	1 <sup>st</sup> Interim Dividend for FY 2015-16	August 12, 2015	84,381.20/-	October 10, 2022	20
2.	Final Dividend for FY 2014-15	September 16, 2015	99,588/-	November 10, 2022	1,000
3.	2 <sup>nd</sup> Interim Dividend for FY 2015-16	November 14, 2015	1,10,204.00/-	December 28, 2022	1
4.	3 <sup>rd</sup> Interim Dividend for FY 2015-16	February 09, 2016	1,16,986.20/-	March 28, 2023	6
<b>Total</b>			<b>4,11,159.40/-</b>		<b>1,027</b>

\*Amount deposited in IEPF for above mentioned Dividend is ₹ 84,381/-, ₹99,588/-, ₹1,10,204/- and ₹ 1,16,986/- as, by default, challan on MCA got generated after rounding off.

As per the requirements of the IEPF Rules, the Company has transferred 1,027 Equity Shares on which dividends were unclaimed for seven consecutive years. Further, the details of unclaimed dividend and due dates for transfer of unclaimed dividend to IEPF account has been given in Notes to the Notice calling Thirtieth AGM and are also available on our website, at <https://vidhifoodcolors.com/investor-relation/unclaimed-dividends/>

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

The Company has a Wholly-owned Subsidiary, Arjun Food Colorants Manufacturing Private Limited, as on March 31, 2023. However, the Company did not have any Joint Venture or Associate Company during the year under review. During the year under report no Company become or ceased to be Subsidiary, Joint Ventures or Associate Companies.

Arjun Food Colorants Manufacturing Private Limited did not have any business operation during the year 2022-23. Hence, there was no income from operation. However, the Company has incurred total expenses of ₹ 3.50/- lakhs during the year as compared to expenses of ₹ 7.09/- lakhs in the previous year. The Loss after tax of the Company during the year was ₹ 3.50/- lakhs as compared to Loss after Tax of ₹ 7.09/- lakhs in the previous year. Since there was no business income, the said Company has not contributed to the turnover/

performance of the Company but due to losses, it has negatively impacted on consolidated profits of the Company.

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

Further, pursuant to the provisions of Section 136 of the Act, the Standalone as well as Consolidated financial statements of the Company along with and all other documents required to be attached thereto and separate audited financial statement in respect of the subsidiary is available on the website of the Company at [https://vidhifoodcolors.com/INVPDFDocs/SubsidiariesFinancials/2022-23/Financial%20Statements\\_Arjun%20Food%20Colorants%20Private%20Limited\\_2022-23.pdf](https://vidhifoodcolors.com/INVPDFDocs/SubsidiariesFinancials/2022-23/Financial%20Statements_Arjun%20Food%20Colorants%20Private%20Limited_2022-23.pdf)

## 8. Deposits:

During the year the Company has not accepted any Deposits falling within the preview of Chapter V of the Companies Act, 2013 and Rules made there under. However, the Company has taken unsecured loan from Directors. As per the requirement of proviso to Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the details of money accepted by the Company from the Directors during the Financial Year 2022-23 are mentioned below:

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

## 9. Directors and Key Managerial Personnel:

As on the date of this Report, your Company had Nine (9) Directors consisting of 5 (Five) Independent Directors including 1 (One) Independent Woman Director, 3 (Three) Executive Directors and 1(One) Non-Executive Woman Director (Promoter).

In pursuance of the provisions of Section 152(6) of the Act and Articles of Association of the Company, Mihir B. Manek (DIN: 00650613) retires by rotation from the Board in the ensuing AGM and, being eligible for re-appointment, has offered himself for re-appointment. The Board of Directors recommends his re-appointment to the Members of the Company.

A resolution seeking shareholders' Approval for his re-appointment along with other required details forms part of the Notice convening 12<sup>th</sup> AGM.

Mr. Ashit Kantilal Doshi (DIN: 08486679) who was appointed by the Board of Directors as an Additional Independent Director of the Company w.e.f. June 20, 2019 for a period of five years and who holds office of Independent Director up to June 19, 2024.

In terms of Section 149 and other applicable provisions of the Act, Mr. Ashit Kantilal Doshi (DIN: 08486679), being eligible, is proposed to be re-appointed as Independent Director on the recommendation of the Nomination & Remuneration Committee and on the basis of the outcome of his performance evaluation up to the Financial Year 2022-23, for a second term of 5 (five) consecutive years commencing from June 20, 2024 up to June 19, 2029 subject to the approval of the Members by passing Special Resolution.

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

- Ms. Priyanka Suresh Soni (Membership No.: A63701) Company Secretary & Compliance Officer of the Company, had resigned from the Company w.e.f. December 10, 2022.
- Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its Meeting held on February 10, 2023 had appointed Ms. Vishakha Pandya (Membership No.: A59436) as Company Secretary & Compliance Officer of the Company.
- Mr. Vijay Atre (DIN: 00416853), Non- Executive Director of the Company, had resigned from the Board of Directors of the Company w.e.f. August 31, 2022.
- In the 29th AGM Mrs. Pravina Bipin Manek (DIN: 00416533) and Mrs. Vidhi Harsh Parekh (DIN: 07584061) were re-appointed as Director pursuant to Section 152(6) of the Act.
- The Board of Directors in their meeting held on August 12, 2022 has re-appointed Mr. Bipin Madhavji Manek (DIN: 00416441) as Managing Director for a period of five years w.e.f. November 01, 2022 on existing terms and conditions. The said re-appointment was approved by the Members in the 29th AGM.

The Company has received declarations from all the Independent Directors of the Company pursuant to the provisions of Section 149(7) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations stating that they meet the criteria of independence as provided under the Act and the Listing Regulations and that they are not disqualified to become Directors under the Act; and in the opinion of the Board of Directors, all the Independent Directors fulfill the criteria of independence as provided under the Act read with the Listing Regulations and that they are independent of the Management.

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

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

Pursuant to the provisions of Section 203 of the Act following persons are designated as Key Managerial Personnel (KMP) as on March 31, 2023:

- Mr. Bipin Madhavji Manek(DIN: 00416441),Chairman and Managing Director
- Mr. Mitesh Dinesh Manek, Chief Financial Officer
- Ms. Vishakha Pandya (Membership No. A59436), Company Secretary and Compliance Officer of the Company

**Note:** Ms. Priyanka Suresh Soni (Membership No. A63701), Company Secretary, acted as the Secretary and Compliance Officer till the closing hours of December 10, 2022.

#### 10. Board Evaluation:

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

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

As per provisions of Section 178(2) of the Act, Nomination and Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out. Further, the Independent Directors, as part of their mandate under Schedule IV of the Act, need to make an evaluation of performance of the Board, its Committee and constituents of the Board apart from their self-evaluation. Under this process, a structured questionnaire was prepared after taking into consideration inputs received from the Directors, setting out parameters of evaluation; the questionnaire for evaluation are to be filled in, consolidated and discussed with the Chairman. The evaluation by the Independent Directors has been undertaken at their meeting held on February 10, 2023. The Board of Directors undertook evaluation of Independent Directors at their meeting held on February 10, 2023 and placed on its record that the Independent Directors have the requisite qualification, expertise and track record for performing their duties as envisaged under the Law, and they add value in the decision making process of the Board.

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

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

#### 11. Board Familiarization Program:

At the time of appointment of Independent Director, through the induction process, he/she is familiarized with the Company, the Director's roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. A presentation is made before the Board Members on the Board Meeting date covering various areas including business, strategy, financial performance and forecast, compliances/regulatory updates, audit reports, risk assessment and mitigation,



industry, roles, rights, responsibilities of Independent Directors, etc. The Familiarization Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. All Independent Directors attended the orientation and familiarization programs held during the financial year 2022-23.

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

## 12. Policy on the Directors' appointment and remuneration:

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

## 13. Number of meetings of the Board of Directors:

The Board of Directors met Four (4) times during the Financial Year under review. The intervening gap between any two meetings was not more than 120 days as prescribed under the Act. Details of the dates of Board Meetings and the attendance of the Directors at the Board Meetings are provided separately in the *Report on Corporate Governance*.

## 14. Committees of the Board:

As on March 31, 2023, the Board had five Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

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

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

## 15. Corporate Social Responsibility Committee (CSR Committee):

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

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

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

4 (Four) Committee Meeting were held during the financial year under review, on May 12, 2022, August 12, 2022, November 11, 2022 and February 10, 2023.

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

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

**CSR Policy development and implementation:**

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

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

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

**16. Vigil Mechanism:**

The Company has a 'Whistle Blower Policy'/'Vigil Mechanism' in place as per Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations. The objective of the Vigil Mechanism is to provide the employees, Directors, customers, contractors and other stakeholders of the Company an impartial and fair avenue to raise concerns and seek their redressal, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and fair dealings with all its stakeholders and constituents and its commitment to open communication channels. The Company is also committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization, for whistleblowing in good faith. The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. The Policy contains the provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

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

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

**17. Audit Report:****a) Statutory Audit Report:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) notified under section 133 of the Act. The Company has received an unmodified opinion in the Auditors' Report for the financial year 2022-23.

**b) Secretarial Audit Report:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2022-23 and issue Secretarial Audit Report. Secretarial Audit Report issued by M/s. Hemanshu Kapadia & Associates for the financial year 2022-23, on August 11, 2023, in Form MR-3 forms part of this report and annexed hereto as **Annexure D**.

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

Sr. No.	Secretarial Auditors' Observations	Reply from the Management
1.	Ms. Priyanka Suresh Soni, Company Secretary and Compliance Officer of the Company had resigned w.e.f. closing working hour of December 10, 2022. The Company has appointed Ms. Vishakha Shashikantbhai Pandya, Company Secretary, as Compliance Officer of the Company w.e.f. February 10, 2023. Hence, there was no Compliance Officer during the period from closure of working hour of December 10, 2022 till February 09, 2023.	The SEBI Listing Regulation does not prescribe time limit within which the Company Secretary/Compliance Officer to be appointed. However, Section 203(4) of the Companies Act, 2013 provide 6 months' time to fill the casual vacancy in the office of Company Secretary. Accordingly, the appointment of Company Secretary was made w.e.f. 10.02.2023, which was within 6 months from the date of creation of vacancy.
2.	The Company has processed a request for Duplicate cum Name Change of Share Certificate for 14000 Equity Shares after Stipulated time.	Request received from shareholder is for Issuance of Duplicate cum name change of share certificate(s). As RTA inform this process involves many legal formalities and its time –consuming due to this RTA took a time to proceed this request.
3	The Company has not deposited the amount of dividend within 5 day from the date of declaration to separate account for the 1st Interim Dividend for the financial year 2022-23 declared in the Board Meeting held on November 11, 2022. The Company had deposited the amount of Dividend in separate account on November 17, 2022, i.e. on 7th days from the Board Meeting dated November 11, 2022.	Immediately after the Board and Annual General Meeting, as the case may be, the Company has submitted the documents to the Bank for opening of Bank account but due to Bank holidays, the Bank took time in opening dividend accounts which caused delay. As soon as the dividend accounts were opened, the requisite dividend amount was deposited in the respective dividend accounts.

4.	The Company has not submitted financial results for the quarter ended June 30, 2022 with National Stock Exchange within 30 minutes of conclusion of Board Meeting but it was submitted on September 09, 2022.	Based on the e-mail received from NSE dated 13.07.2022, which specifically mentioned that the filing of Quick Results is no longer required and filing of Outcome of Board meeting is sufficient to achieve compliance under Schedule III of Listing Regulations, the Company has not uploaded the Financial Results (in PDF) for the quarter ended 30.06.2022 on NSE portal. Further, the tab 'Quick Results' was also removed from NSE NEAPS Portal. In Seminars conducted by NSE, it was informed that quick results is no longer required and only outcome would achieve the compliance. After notice was received from NSE, within 2 hours Company submitted the said results on NSE on 09.09.2022. The Company has filed waiver application with NSE on 20.09.2022, which is pending for disposal with NSE.
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#### 18. Auditors:

##### a) Statutory Auditors:

On the recommendation of the Audit Committee and the Board, the Member in their Twenty-Ninth AGM had appointed M/s. Bhuta Shah & Co. LLP, Chartered Accountants (Firm Registration No.: 101474W/W100100) as the Statutory Auditors of the Company to hold office for a term of five consecutive financial years from the conclusion of the Twenty-Ninth AGM of the Company till the conclusion of the Thirty-Fourth AGM to be held for the financial year 2026-27.

##### b) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and on the basis of the recommendation of the Audit Committee, the Board in their meeting held on May 26, 2023 had appointed M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries (FCS: 3477 and C.P. No.: 2285), to undertake the Secretarial Audit of the Company for the financial year 2023-24 and issue Secretarial Audit Report as required under the Act.

##### c) Internal Auditors:

Pursuant to the provisions of Section 138 of the Act read with Rule 13 of Companies (Accounts) Rules, 2014 and on the basis of the recommendation of Audit Committee, the Board of Directors in their meeting held on May 26, 2023 had appointed M/s. Jayesh Kothari & Co., Chartered Accountants, (FRN: 148528W) as the Internal Auditors of the Company for the financial year 2023-24.

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

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

**20. Managerial Remuneration and Particulars of Employees:**

The information required to be disclosed with respect to the remuneration of Directors and KMPs in the Board's Report pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2022-23, is appended as **Annexure F** to the Board's Report.

The names of top ten employees of the Company in terms of remuneration drawn as required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2022-23, is appended as **Annexure F** to the Board's Report.

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

**21. Annual Return:**

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

[https://vidhifoodcolors.com/INVPDFDocs/4.%20Annual%20Reports/2022-23/1.%20Form\\_MGT\\_7\\_Vidhi\\_March%2031.%202023.pdf](https://vidhifoodcolors.com/INVPDFDocs/4.%20Annual%20Reports/2022-23/1.%20Form_MGT_7_Vidhi_March%2031.%202023.pdf)

**22. Share Capital & Listing of Securities:**

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

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

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

**23. Management Discussion and Analysis Report:**

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

**24. Corporate Governance:**

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

**25. Directors' Responsibility Statement:**

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

- a) in the preparation of the annual accounts for the financial year ended on March 31, 2023, the applicable accounting standards have been followed and that there are no material departures from the same;

- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2023 and of the profit and loss of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively during the financial year ended March 31, 2023; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively during the financial year ended March 31, 2023.

## 26. Particulars of Contracts and arrangements with related parties:

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

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

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

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

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

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

The details of loan given and Investment made by the Company have been given in note no. 5 of the Financial Statement.

## 28. Risk Management:

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

The Risk Management Committee ('RMC') of the Board provides oversight and sets the tone for implementing the Enterprise Risk Management ("ERM") framework across the organization. It reviews the status of key risks, progress of ERM implementation across locations and any exceptions as flagged to it, on periodic basis.

The Committee oversees enterprise risk management framework to ensure execution of decided strategies with focus on action and monitoring risks arising out of unintended consequences of decisions or actions and related to performance, operations, compliance, incidents, processes, systems and transactions are managed appropriately. The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

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

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

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

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

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

Your Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act, including constitution of the Internal Complaints Committee. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Policy is gender neutral. We are pleased to inform you that no complaints pertaining to sexual harassment were received during the Financial Year 2022-23 and pending as on March 31, 2023.

### **31. Secretarial Standards:**

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

### **32. Cost Records:**

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

### **33. Business Responsibility and Sustainability Reporting (BRSR):**

The Listing Regulations mandate the inclusion of the Business Responsibility and Sustainability Reporting (BRSR) from 2022-23 in lieu of the Business Responsibility Report (BRR) as part of the Annual Report for the top 1,000 listed entities based on market capitalization. Since your Company falls under Top 1,000 Companies by Market Cap, pursuant to Regulation 34(2)(f) of the Listing Regulations, we have integrated BRSR disclosures into our Annual Report as **Annexure G**. Disclosure in BRSR based on ESG parameters,

compelling organizations to holistically engage with stakeholders and go beyond regulatory compliances in terms of business measures and their reporting.

### 34. Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy as required under regulation 43A of the Listing Regulations. The said Policy is uploaded on the Company's website. The weblink of the same is as follows:

<https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/18.%20Dividend%20Distribution%20Policy.pdf>

### 35. Other Disclosures/Reporting:

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

- a) Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report;
- b) Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Act);
- c) The details of application made and proceeding pending under the Insolvency and Bankruptcy Code, 2016;
- d) The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions;
- e) Significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future; and
- f) Details in respect of frauds reported by the Auditors under section 143(12) other than those which are reportable to the Central Government, as there were no such frauds reported by the Auditors.

### 36. Acknowledgements:

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

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

Sd/-

**Bipin Madhavji Manek**

Chairman & Managing Director

(DIN: 00416441)

**Address:** 12/A, Sommerset House,  
Off. Bhulabhai Desai Road,  
Warden Road, Sophia College,  
Mumbai – 400 026

**Date:** August 11, 2023

**Place:** Mumbai



## Form No. AOC-1

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

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

**Part "A": Subsidiaries**

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

(Amount in ₹ Lakhs)

Sr. No.	Name of the subsidiary	Arjun Food Colorants Manufacturing Private Limited
1.	The date since when subsidiary was acquired	April 22, 2019
2.	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	01.04.2022 to 31.03.2023
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiaries	Not Applicable
4.	Share capital	8.28
5.	Reserves & surplus	494.44
6.	Total assets	521.27
7.	Total Liabilities	18.55
8.	Investments	Nil
9.	Turnover	0.00
10.	Profit (Loss) before taxation	(3.50)
11.	Provision for taxation	0.00
12.	Profit (Loss) after taxation	(3.50)
13.	Proposed Dividend	Nil
14.	Extent of shareholding	100.00%

**Notes:**

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

**Part "B": Associates and Joint Ventures**

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

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

For and on behalf of Board of Directors

**Vidhi Specialty Food Ingredients Limited,**

Sd/-  
**Bipin Manek**  
Managing Director  
(DIN: 00416441)

Sd/-  
**Mihir Manek**  
Joint Managing Director  
(DIN: 00650613)

Sd/-  
**Mitesh Manek**  
Chief Financial Officer

Sd/-  
**Vishakha Pandya**  
Company Secretary  
(Mem No. A59436)

**Date:** August 11, 2023

**Place:** Mumbai

## Nomination & Remuneration Policy

### I. OBJECTIVE:

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

#### The objective of the policy is to ensure that:

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

### II. DEFINITIONS

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

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

### III. ROLE OF COMMITTEE

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

The Committee shall:

- i. Periodically review the size and composition of the Board to ensure that it is structured in such a manner which enables to take appropriate decision in the best interest of the Company as a whole;
- ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommending candidates to the Board as and when need arises keeping in view the Board structure and expertise/experience required;
- iii. Establish and on regular basis, review the succession plan of the Board, KMPs and Senior Executives;
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;
- v. To formulate criteria for evaluation of Independent Directors and the Board;
- vi. Recommend to the Board, performance criteria for the Directors, KMPs and Senior Management;
- vii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel and their remuneration;
- viii. Help the Board to formulate and ensure the Board nomination process keeping in mind the diversity of gender, expertise, experience and Board structure;
- ix. Review and recommend to the Board:
  - a) The Remuneration Policy for all employees including KMPs and Senior Management including various components of remuneration whether fix or variable, performance reward, retirement benefits,
  - b) Remuneration of the Executive Directors and KMPs,
  - c) Remuneration of Non Executive Directors including Chairman, as a whole and individually and sitting fees to be paid for attending the meeting of the Board and Committee thereof, and
  - d) Equity based incentive Schemes;
- x. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- xi. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;
- xii. To perform such other functions as may be necessary or appropriate for the performance of its duties;

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

##### i. Appointment criteria and qualifications

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend

to the Board his/her appointment, as per Company's Policy.

- b. A person to be recommended to the Board should be a man with integrity, possess adequate qualification, expertise and experience for the position he/ she is considered for appointment and industry in which Company operates. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- c. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
- d. The Company shall not appoint or continue the employment of any person as Managing Director and/or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- e. A whole-time KMP of the Company shall not hold office in more than one Company except in its Subsidiary Company at the same time. However, a whole-time KMP can be appointed as a Director in any Company with the permission of the Board of Directors of the Company.
- f. For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended for such role shall meet the description.
- g. For the purpose of identifying suitable candidates, the Committee may;
  - use the services of an external agencies, if required
  - consider candidates from a wide range of backgrounds, having due regard to diversity and
  - consider the time commitments of the candidates

## ii. Term / Tenure

### a) Managing Director/Whole-time Director:

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

### b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

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

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

**iii. Evaluation:**

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

**iv. Removal:**

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

**v. Retirement:**

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

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

**i. General:**

- a) The remuneration/compensation/commission/fees etc. to be paid to the Managing Director, Whole-time Director, other Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval which shall be subject to the prior/post approval of the shareholders of the Company or Central Government, wherever required.
- b) The remuneration and commission to be paid to the Managing Director, Whole-time Director shall be in accordance with the percentage/ slabs/conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- c) Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director and Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.

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

**a) Fixed pay:**

The Managing Director/Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of

the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board on the recommendation of the Committee, subject to the approval of the shareholders or Central Government, wherever required.

**b) Minimum Remuneration:**

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

**c) Provisions for excess remuneration:**

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

**iii. Remuneration to Non- Executive / Independent Director:**

**a) Sitting Fees:**

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

**b) Remuneration / Commission:**

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

**c) Stock Options:**

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

**d) Remuneration for services of Professional Nature:**

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

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

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

**iv. Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Nomination and Remuneration Committee or any other Committee to be constituted by the Company for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- d) The incentive pay/performance linked pay shall be decided based on the extent of achievement of the individual target/objective or performance of the Key Managerial Personnel and Senior Management and performance of the Company which will be decided annually or at such intervals as may be considered appropriate.

**4. Policy Review:**

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

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

**IV. Implementation:**

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

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

Sd/-

**Bipin Madhavji Manek**

Chairman & Managing Director

(DIN: 00416441)

**Address:** 12/A, Sommerset House,

Off. Bhulabhai Desai Road,

Warden Road, Sophia College,

Mumbai – 400 026

**Date:** August 11, 2023

**Place:** Mumbai

## Annual Report on Corporate Social Responsibility (CSR) activities

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

### 1. A brief outline on Company's Corporate Social Responsibility (CSR) Policy:

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

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

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

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

### 2. The Composition of the CSR Committee as on March 31, 2023 as follows:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Chairman (Independent Director)	4	4
2.	Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Member (Independent Director)	4	4
3.	Mr. Rahul Chakradhar Berde (DIN: 06981981)	Member (Independent Director)	4	4

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

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

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

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

### 4. Executive Summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

### 5. a) Average net profit of the Company as per sub-section (5) of Section 135: ₹58,06,42,895/-



- b) Two percent of average net profit of the Company as per sub-section (5) of Section 135 : ₹1,16,12,858/-
- c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- d) Amount required to be set off for the financial year, if any: ₹ 1,83,062/-
- (d) Total CSR obligation for the financial year [(b)+ (c)-(d)]: ₹ 1,14,29,796/-
6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): 1,14,29,796/- [please refer note given below the table given in clause (f)].
- b) Amount spent in Administrative Overheads: NIL
- c) Amount spent on Impact Assessment, if applicable: NIL
- d) Total amount spent for the Financial Year [(a)+(b)+(c)]: 1,14,29,796/-
- e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund.	Amount.	Date of transfer.
1,14,29,796/-*	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

\*please refer note given below the table given in clause (f).

- f) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	₹ 1,16,12,858/-
(ii)	Total amount spent for the Financial Year	₹ 1,17,83,062/-*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 1,70,204/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 1,70,204/-

\*This includes ₹ 1,83,062/-, which was spent in the FY 2021-22 and available for set-off, and ₹ 1,16,00,000/- actually spent in the FY 2022-23 towards CSR activities. Hence, out of ₹ 1,16,00,000/- actually spent in the FY 2022-23, ₹ 1,14,29,796/- is for FY 2022-23 and ₹ 1,70,204/- is available for set-off in next FY.

**7. Details of Unspent CSR amount for the preceding three financial years: NIL**

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the Financial Year (in ₹).	Amount transferred to a fund as specified under Schedule VII as per second proviso to section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (in ₹)	Deficiency, if any
					Amount (in ₹).	Date of transfer		
1.			<b>Not Applicable</b>					
	TOTAL							

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

Yes     No

If Yes, enter the number of Capital assets created/ acquired

**Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the Property or Asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration number, if applicable	Name	Registered Address
			<b>Not Applicable</b>				

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

Sd/-

**Bipin Madhavji Manek**

(DIN: 00416441)

Chairman and Managing Director  
Address: 12/A, Sommerset House,  
Off. Bhulabhai Desai Road,  
Warden Road, Sophia College,  
Mumbai – 400 026

**Date:** August 11, 2023

**Place:** Mumbai

Sd/-

**Prafullachandra Anantlal Shah**

(DIN: 00417022)

Chairman of CSR Committee

**Address:** 54, Jai Vijay Society, Sahar Road,  
Western Express Highway, Opp. Parsee Wada, Sahar  
P and T Colony, Vile Parle (East), Mumbai -400099

**Date:** August 11, 2023

**Place:** Mumbai

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

For the Financial year ended March 31, 2023  
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

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

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 (“the audit period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not Applicable to the Company during the Audit period**);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (**Not Applicable to the Company during the Audit period**);

- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Audit period as the Company has not issued any Debt instruments/ Securities)**;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit period as delisting of securities did not take place)**; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit period as the Company has not bought back its securities)**.
- vi. The following industry specific laws and regulations, as informed and certified by the Audit Committee of the Company which are specifically applicable to the Company based on Food Colour Manufacturing Industry:
- The Food Safety & Standards Act, 2006;
  - The Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011;
  - The Food Safety and Standards (Packaging) Regulations, 2018;
  - The Food Safety and Standards (Labelling and Display) Regulations, 2020;
  - The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
  - The Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;
  - The Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011;
  - The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India and as notified by the Central Government, and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time.

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

1. *Ms. Priyanka Suresh Soni, Company Secretary and Compliance Officer of the Company had resigned w.e.f. closing working hour of December 10, 2022. The Company has appointed Ms. Vishakha Shashikantbhai Pandya, Company Secretary, as Compliance Officer of the Company w.e.f. February 10, 2023. Hence, there was no Compliance Officer during the period from closure of working hour of December 10, 2022 till February 09, 2023.*
2. *The Company has processed a request for Duplicate cum Name Change of Share Certificate for 14000 Equity Shares after Stipulated time.*
3. *The Company has not deposited the amount of dividend within 5 day from the date of declaration to separate account for the 1st Interim Dividend for the financial year 2022-23 declared in the Board Meeting held on November 11, 2022. The Company had deposited the amount of Dividend in separate account on November 17, 2022, i.e. on 7th days from the Board Meeting dated November 11, 2022.*

4. *The Company has not submitted financial results for the quarter ended June 30, 2022 with National Stock Exchange within 30 minutes of conclusion of Board Meeting but it was submitted on September 09, 2022.*

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

There was change in the composition of the Board of Directors during the period under review due to cessation of Mr. Vijay Atre (DIN: 00416853) as Non- Executive Director of the Company in view of resignation w.e.f. August 31, 2022.

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

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

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

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

- (i) Public/Rights/Preferential issue of shares/debentures/sweat equity;
- (ii) Redemption/buy-back of securities;
- (iii) Merger/amalgamation/reconstruction, etc.; and
- (iv) Foreign Technical Collaborations.

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

**Sd/-**  
**HemanshuKapadia**  
**Proprietor**  
C.P. No.: 2285  
Membership No.: F3477  
UDIN:F003477E000783839

**Date:** August 11, 2023

**Place:**Mumbai

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

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

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

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

**Sd/-**  
**HemanshuKapadia**  
**Proprietor**  
C.P. No.: 2285  
Membership No.: F3477  
UDIN:F003477E000783839

**Date:** August 11, 2023  
**Place:**Mumbai

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

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

**A. Energy Conservation:****1. The steps taken/impact on conservation of energy:**

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

In addition to this, the Company had set-up 2 MW Solar Power Plant at Village: Rambhapur, Tal: Murtizapur, Dist: Akola, Maharashtra. 100% of electricity generated through above solar power plant is utilised for captive use for Company's Plant situated in Roha. This project supports the Company's green energy requirements for its manufacturing units. It also help the Company reducing carbon emissions.

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

- a) LED bulbs installed to save energy;
- b) Switching off equipments whenever not in use;
- c) Printing only important documents;
- d) Improvement in low insulation;
- e) Periodic desertion of Boiler;
- f) Use of energy efficient electric equipments;
- g) Regular maintenance of Machines and equipments;
- h) Use of natural lightning and natural ventilation; and
- i) Educating employees and workers for energy conservation and creating awareness amongst the employees and workers.

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

- a) Installation of Solar Power Plant;
- b) Few batch processes scaled up/modified for saving of energy and time;
- c) The Company will take continuous steps to use the alternate sources by using cost effective fuels; and
- d) Power factor kept unity, few capacitors replaced resulting in significant cost savings.

**3. The capital investment on energy conservation equipments:**

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

**B. Technology Absorption:****1. The efforts made towards technology absorption:**

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

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

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

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

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

**4. Expenditure incurred on Research and Development:**

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

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

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

(₹ in lakhs)

Particulars	Financial Year 2022-23
Research & Development Activities	103



**C. Foreign Exchange Earnings and Outgo:**

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

(₹ in lakhs)

<b>Particulars</b>	<b>Financial Year 2022-23</b>	<b>Financial year 2021-22</b>
Foreign Exchange Inflow	26,427.59	23,468.86
Foreign Exchange Outflow	11,762.09	18,941.09

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

**Date:** August 11, 2023

**Place:** Mumbai

Sd/-

**Bipin M. Manek**

Chairman & Managing Director

(DIN: 00416441)

**Address:** 12/A, Sommerset House,

Off. Bhulabhai Desai Road,

Warden Road, Sophia College,

Mumbai – 400026

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

The percentage increase in remuneration of each Director during the Financial Year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP (in ₹)	% Increase/ Decrease in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Bipin Madhavji Manek (DIN: 00416441) Chairman and Managing Director	2,30,00,000	-11.54%	61.13
2.	Mr. Mihir Bipin Manek (DIN: 00650613) Joint Managing Director	2,30,00,000	-11.54%	61.13
3.	Mrs. Pravina Bipin Manek* (DIN: 00416533) Non-Executive Director	Nil	N.A.	N.A.
4.	Mrs. Vidhi Harsh Parekh (DIN: 07584061) Whole-time Director	12,00,000	0%	3.19
5.	Mr. Vijay Krishnaswamirao Atre (DIN: 00416853)% Non-Executive Director	2,50,000	N.A.	N.A.
6.	Mr. Prafullachandra Anantlal Shah@ (DIN: 00417022) Independent Director	80,000	N.A.	0.21
7.	Mr. Niren Dinkerrai Desai@ (DIN: 01978382) Independent Director	80,000	N.A.	0.21
8.	Mr. Rahul Chakradhar Berde@ (DIN:06981981) Independent Director	80,000	N.A.	0.21
9.	Mr. Ashit Kantilal Doshi@ (DIN: 08486679) Independent Director	80,000	N.A.	0.21
10.	Mrs. Jyoti Sunil Modi@ (DIN:08699101) Independent Director	80,000	N.A.	0.21
11.	Mr. Mitesh Dinesh Manek Chief Financial Officer	18,00,000	0%	N.A.

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP (in ₹)	% Increase/ Decrease in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director to median remuneration of employees
12.	Ms. Priyanka Suresh Soni & Company Secretary & Compliance Officer	3,74,516	N.A.	N.A.
13	Ms. Vishakha Pandya# Company Secretary & Compliance Officer	1,00,714	N.A.	N.A.

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

%Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) Non-Executive Director has resigned w.e.f. August 31, 2022. Hence, percentage increase and comparison with median remuneration of employees for him cannot be provided.

@The remuneration of Independent Directors covers sitting fees only which increased from ₹12,500/- per meeting in which financial results are considered to ₹20,000/- per meeting in which financial results are considered.

&Ms. Priyanka Suresh Soni has resigned w.e.f. December 10, 2022. Hence, percentage increase for her cannot be provided.

#Ms. Vishakha Pandya was appointed w.e.f. February 10, 2023. Hence, percentage increase for her cannot be provided.

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

The median remuneration of employees of the Company during the Financial Year was ₹ 3,76,224/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

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

In the Financial Year, there was an increase of 0.64% in the median remuneration of employees.

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

There were 83 (Including KMPs) permanent employees on the pay roll of the Company as on March 31, 2023.

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

Average percentile increase made in the salaries of employees other than the managerial personnel in the Financial Year i.e. 2022-23 was 10.02% whereas there was percentile decrease in the managerial remuneration for the Financial Year 2022-23.

Managerial personnel get remuneration by way of percentage of net profit of the Company. Since the Net Profit of the Company in financial year 2022-23 have been decreased as compared to the previous year, the remuneration of some managerial Personnel was also decreased. In view of the decrease in managerial remuneration, percentile can't be calculated.

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

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

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

Sr. No.	1	2
<b>Name</b>	<b>Bipin Madhavji Manek*</b>	<b>Mihir Bipin Manek*</b>
<b>Designation</b>	Chairman & Managing Director	Joint Managing Director
<b>Remuneration paid</b>	₹ 2,30,00,000/-	₹ 2,30,00,000/-
<b>Nature of employment</b>	Executive Director	Executive Director
<b>Qualifications and Experience</b>	B.Com with an overall experience of 37 years in the field of Imports & Exports in food colour industries and business management.	B.Sc. in Industrial Chemistry with an overall experience of 17 years and expertise in the business of procurement of imported raw materials and distribution of various chemicals.
<b>Date of commencement of employment</b>	January 19, 1994	July 31, 2006
<b>Age</b>	67 years	41 years
<b>Previous Employment</b>	N.A. since he is associated with the Company since its inception.	He was not employed before joining the Company
<b>No. of shares in the Company along with his spouse and dependent children</b>	Individual holding: 26,10,333 Equity Shares (5.23%) Holding of the spouse: 34,90,667 Equity Shares (6.99%) Holding as Trustee of Bipin Manek Family Private Trust: 1,15,00,000 Equity Shares (23.03%) Holding as Trustee of Pravina Manek Family Private Trust: 1,30,00,000 Equity Shares (26.03%) Holding as Trustee of Manek Family Private Trust: 15,00,000 Equity Shares (3.00%)	Nil
<b>Whether relative of Director or employee</b>	Related to Mr. Mihir Bipin Manek, Mrs. Pravina Bipin Manek & Mrs. Vidhi Harsh Parekh	Related to Mr. Bipin Madhavji Manek, Mrs. Pravina Bipin Manek & Mrs. Vidhi Harsh Parekh

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

Sr. No.	3	4
<b>Name</b>	<b>Parag Y Surve</b>	<b>Mitesh Dinesh Manek</b>
<b>Designation</b>	Works Manager	Chief Financial Officer
<b>Remuneration paid</b>	₹ 19,27,510/-	₹ 18,00,000/-
<b>Nature of employment</b>	Permanent	Key Managerial Personnel
<b>Qualifications and Experience</b>	M.Sc. with an overall experience of 27 years in production and administration	M.Com with an overall experience of 20 years in finance and administration
<b>Date of commencement of employment</b>	July 01, 1996	April 01, 2002
<b>Age</b>	51 years	46 years
<b>Previous Employment</b>	He was not employed before joining the Company	He was not employed before joining the Company
<b>No. of shares in the Company along with his spouse and dependent children</b>	Individual Holding: 4,000 Equity Shares (0.01%)	Holding of spouse: 1,00,000 Equity Shares (0.20%)
<b>Whether relative of Director or employee</b>	Not related	Not related

Sr. No.	5	6
<b>Name</b>	<b>Manoj Madhukar Jadhav</b>	<b>Vidhi H Parekh</b>
<b>Designation</b>	Senior R&D Officer	Whole-time Director
<b>Remuneration paid</b>	₹ 17,69,100/-	₹ 12,00,000/-
<b>Nature of employment</b>	Permanent	Executive Director
<b>Qualifications and Experience</b>	Ph.D. with an overall experience of 10 years in Research and Development	Commerce Graduate with an experience of more than 17 years in work related to the DGFT and Human Resources
<b>Date of commencement of employment</b>	September 16, 2016	November 01, 2020
<b>Age</b>	37 years	36 Years
<b>Previous Employment</b>	Rallis India Limited	Fazlani La Academie Globale
<b>No. of shares in the Company along with his spouse and dependent children</b>	716 Equity Shares (0.00%)	Nil
<b>Whether relative of Director or employee</b>	Not related	Related to Mr. Bipin Madhavji Manek, Mrs. Pravina Bipin Manek & Mr. Mihir Bipin Manek

Sr. No.	7	8
<b>Name</b>	<b>Dhanraj Mohbiyas</b>	<b>Jaysingh K Burundkar</b>
<b>Designation</b>	Senior R&D Executive	Maintenance Manager
<b>Remuneration paid</b>	₹ 8,28,407/-	₹8,08,440 /-
<b>Nature of employment</b>	Permanent	Permanent
<b>Qualifications and Experience</b>	Ph. D in Chemistry with an overall experience of 3 years in Research & Development	B.E. with an overall experience of 30 years in maintenance of plant, machinery and other assets
<b>Date of commencement of employment</b>	April 22, 2022	April 01, 2014
<b>Age</b>	34 years	49 years
<b>Previous Employment</b>	Spectrum Dyes and Chemicals Pvt. Ltd.	Roha Dyechem Private Limited
<b>No. of shares in the Company along with his spouse and dependent children</b>	Nil	902 Equity Shares (0.00%)
<b>Whether relative of Director or employee</b>	Not related	Not related

Sr. No.	9	10
<b>Name</b>	<b>Milind R Patil</b>	<b>Sagar Subhash Pathak</b>
<b>Designation</b>	Quality Control Manager	Sr Export Executive
<b>Remuneration paid</b>	₹ 7,77,840 /-	₹ 6,60,000/-
<b>Nature of employment</b>	Permanent	Permanent
<b>Qualifications and Experience</b>	M.Sc. with an overall experience of 30 years in quality control	TY BSC (Chemistry & Botany) PGDM (Welingkar Mumbai) with an overall experience of 10 years
<b>Date of commencement of employment</b>	April 01, 1996	April 01, 2011
<b>Age</b>	51 years	41 years
<b>Previous Employment</b>	Roha Dyechem Private Limited	Sun Pharmaceuticals Limited
<b>No. of shares in the Company along with his spouse and dependent children</b>	Nil	Nil
<b>Whether relative of Director or employee</b>	Not related	Not related

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

Sd/-

**Bipin Madhavji Manek**

Chairman & Managing Director

(DIN: 00416441)

**Address:** Flat No.12, Somerset House,  
Off Bhulabhai Desai Road,  
Warden Road, Mumbai – 400 026

**Date:** August 11, 2023

**Place:** Mumbai

**BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT****SECTION A: GENERAL DISCLOSURES**

<b>I. Details of the listed entity</b>		
1.	Corporate Identity Number (CIN) of the Listed Entity	L24110MH1994PLC076156
2.	Name of the Listed Entity	Vidhi Specialty Food Ingredients Limited
3.	Year of incorporation	19 <sup>th</sup> January 1994
4.	Registered office address	E/27 Commerce Center, 78, Tardeo Road, Mumbai - 400034
5.	Corporate address	E/27 Commerce Center, 78, Tardeo Road, Mumbai - 400034
6.	E-mail	<a href="mailto:vdmlcs@hotmail.com">vdmlcs@hotmail.com</a>
7.	Telephone	022 6140 6615
8.	Website	<a href="https://vidhifoodcolors.com/">https://vidhifoodcolors.com/</a>
9.	Financial year for which reporting is being done	1 <sup>st</sup> April, 2022 to 31 <sup>st</sup> March, 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd & National Stock Exchange Ltd
11.	Paid-up Capital	₹ 4,99,45,000/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Mitesh Manek Chief Financial Officer <a href="mailto:mitesh.manek@vidhifoodcolors.com">mitesh.manek@vidhifoodcolors.com</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis

**II. Products/services****14. Details of business activities (accounting for 90% of the turnover)**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical product	68.77%
2	Trade	Wholesale Trading	31.23%

**15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Synthetic food colours, dyes and pigments from any source in basic form or as concentrate	20114	67.21%
2	Wholesale of industrial chemicals	51496	30.26%

**III. Operations****16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	1	3	4
International	0	0	0

**17. Markets served by the entity:**

a. Number of locations	
Locations	Number
National (No. of States)	28
International (No. of Countries)*	80

\*The Company is selling outside Maharashtra and exporting through dealers and distributors.

<b>b. What is the contribution of exports as a percentage of the total turnover of the entity?</b>	66.70%
<b>c. A brief on types of customers</b>	Vidhi is a leading manufacturer of Superior Synthetic and Natural Food Grade colours; providing customers with world class colour solutions in applications of Foods & Beverages, Confectionaries, Pharmaceuticals, Feeds, Cosmetics, Inkjet Inks and Salt free colours. Our colours are being distributed and consumed in over 80 countries across 6 continents through distributors and directly to some end users also.

**IV. Employees****18. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	65	59	90.77%	6	9.23%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	65	59	90.77%	6	9.23%
<b>WORKERS</b>						
4.	Permanent (F)	26	26	100%	0	0
5.	Other than Permanent (G)	21	18	85.71%	3	14.29%
6.	Total workers (F + G)	47	44	93.62%	3	6.38%



**b. Differently abled Employees and workers:**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	2	2	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	2	2	100%	0	0
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	3	33.33%
Key Management Personnel*	5	2	40%

\*KMP is defined as per Section 203 of Companies Act, 2013.

**20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	6.12%	30.77%	9.01%	13.51%	57.14%	20.45%	3.03%	50%	8.11%
Permanent Workers	0%	0%	0%	0%	0%	0%	0%	0%	0%

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****21. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Arjun Food Colorants Manufacturing Private Limited	Wholly Owned Subsidiary	100%	No

**VI. CSR Details**

<b>22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)</b>	<b>Yes</b>
<b>(ii) Turnover (in ₹)</b>	₹ 40,399.29 Lakhs
<b>(iii) Net worth (in ₹)</b>	₹ 25,139.45 Lakhs

**VII. Transparency and Disclosures Compliances****23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0		0	0	
Investors (other than shareholders)	Yes	0	0		0	0	
Shareholders	Yes	0	0		0	0	
Employees and workers	Yes	0	0		0	0	
Customers	Yes	15	0		10	0	
Value Chain Partners	Yes	0	0		0	0	
Others (please specify)* Whistle Blower	Yes	0	0		0	0	

Note: The Policies are placed on the Company's website under the Investor Relation & Codes and Policies section and the same can be accessed through the web-link: <https://vidhifoodcolors.com/investor-relation/codes-policies/>

\*In some of the Whistle-blower cases the identity is not known, and they may belong to any of the above stakeholders' group.

**24. Overview of the entity’s material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative Implication)
1	GHG Emissions	R	<p>Chemical production leads to direct greenhouse gas (GHG) emissions, stemming from the burning of fossil fuels in production and cogeneration methods, as well as emissions from changing feedstocks. These emissions could lead to regulatory fines and operational risks for companies in the chemicals sector. However, the financial implications might differ based on the amount of emissions and current emissions regulations. As nations work to curb emissions, the industry might face tougher regulations. Companies that efficiently control GHG emissions through enhanced energy efficiency, utilizing alternative fuels, or advancements in production processes might see increased operational efficiency and lowered regulatory risks, along with other financial advantages.</p>	<p>The Company is shifting towards reduced energy consumption from non-renewable resources. With the initiation of a 2.5 MWp/2MW solar power project in Sunbless solar Park in Murtizapur, Akola, Maharashtra. Consistent steps are taken to enhance energy efficiency, predominantly through the modernization and replacement of outdated equipment with energy-efficient alternatives.</p>	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative Implication)
2	Water and Wastewater Management	R	<p>Water is a vital component in the production of chemicals. With the historic rise in water scarcity and costs, coupled with anticipated further increases due to factors like overuse, changing population dynamics, pollution, and climate change, the significance of water management becomes evident. Companies with operations that heavily rely on water might face increased risks of operational setbacks due to water scarcity. This can lead to escalated water sourcing costs and higher capital expenses.</p> <p>Additionally, the chemicals industry often produces wastewater from its processes, which requires treatment before being discarded. Failure to meet water quality standards can lead to costs associated with regulatory compliance, mitigation, or potential legal battles. By focusing on minimizing water usage through better efficiency and other management methods, companies can potentially decrease operational expenses in the long run and buffer against financial impacts from regulations, water shortages, and disruptions tied to community concerns.</p>	The processed water is sent to ETP plant. The wastewater is treated is used in gardening and domestic purposes. Rainwater harvesting is done by the Company which is collected and used in gardening and operations.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative Implication)
3	Waste and Hazardous Material Management	R	<p>The production of chemicals can result in the creation of potentially harmful waste, which might include heavy metals, used acids, catalysts, and sludge from wastewater treatment, among others. Companies encounter both regulatory and operational hurdles in handling this waste, especially since certain waste types come with specific rules regarding their transport, processing, storage, and disposal. Approaches to waste management encompass minimizing waste production, ensuring proper treatment and disposal, and, when feasible, recycling and reclaiming. Although these measures might necessitate upfront investment or operational expenses, they can ultimately lead to reduced long-term costs for companies and decrease the likelihood of facing costs associated with cleanup responsibilities or regulatory sanctions.</p>	<p>Managing waste in a secure and responsible manner is a key focus at Vidhi.</p> <p>The company manufactures additives for diverse industries like food and beverages, cosmetics, pharmaceutical feed nutrition, ensuring they meet the technical specifications of the end products. Consequently, our products cannot be recycled at the conclusion of the value chain.</p> <p>Hazardous waste (ETP Sludge etc) - The Company ensures proper collection and management of hazardous waste. The hazardous waste generated from the manufacturing units of the Company is sent to Mumbai Waste Management Limited (MWML) agency, for necessary treatment and disposal.</p>	Negative
4	Energy Efficiency	R	<p>Chemical production often demands a high amount of energy, which is utilized for powering processing units, cogeneration facilities, machines, and other non-manufacturing infrastructures. The energy source chosen, the volume used, and management tactics depend on the products being made. Commonly, non-feedstock energy primarily comes from fossil fuels like natural gas and its derivatives, though purchased electricity might also make up a considerable portion. As a result, expenses on energy can form a significant chunk of the production costs.</p>	<p>Efforts have been made to decrease its carbon impact.</p> <p>With the initiation of a 2.5 MWp/2MW solar power project in Sunbless solar Park in Murtizapur, Akola, Maharashtra, the Company is shifting towards reduced energy consumption from non-renewable resources.</p>	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative Implication)
			<p>The energy portfolio of a company might comprise of in-house generated power, electricity from the grid, fossil fuels, and green or alternative sources of energy. Factors to consider when selecting an energy source encompass its price, supply dependability, associated water consumption and air pollution, as well as regulatory implications and risks. Hence, decisions about energy consumption and sourcing can influence a company's operational efficiency and its risk assessment in the long run.</p>	<p>In order to conserve energy and reduce our environmental impact, we are committed to replacing all of our traditional lights with LED lights. This can lead to significant savings on our energy bills, as well as a reduction in our carbon emissions.</p>	
5	Human Rights	R	<p>Human rights are integral to business operations. They represent the rights, freedoms, and standards of treatment that every individual is entitled to. It is the ethical responsibility of the company to ensure the well-being and rights of all stakeholders, from employees to local communities. This encompasses fair labor practices, ensuring health and safety standards, respecting indigenous rights, preventing involuntary resettlements, and avoiding environmental harm that affects community well-being. Ensuring human rights not only aligns with global ethical standards but also mitigates risks like reputational damage, regulatory penalties, and potential litigations for the company.</p>	<p>The Company is committed to upholding the respect, dignity, fairness, and human rights of all its members. This commitment is reflected in our code of conduct policy. Additionally, the Company has established procedures, including an internal code of conduct, to reinforce these values.</p>	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative Implication)
6	Community Relations	R	<p>Chemical companies play a significant economic role in many communities, offering job opportunities and fostering community growth through tax contributions and capital influx. However, they also face challenges tied to environmental policies, the health of the surrounding community, and process safety. These issues can have profound regulatory, operational, financial, and reputational consequences. Long-term exposure to environmental by-products like air pollutants and water usage can negatively impact the health of individuals residing near these facilities. Furthermore, safety mishaps can pose direct threats to community well-being, potentially resulting in regulatory fines, legal proceedings, and associated costs. Thus, for a harmonious coexistence, it's beneficial for chemical companies to foster robust ties with local communities. This can help avert operational hiccups, minimize regulatory challenges, attract and retain skilled workforce, decrease litigation risks following safety incidents, and maintain a favorable societal operating license.</p>	<p>We genuinely value the significance of community and continuously seek ways to give back to the diverse communities where we operate. Proactively, we engage in charitable endeavors through our CSR initiatives designed to elevate the quality of life for those in our surrounding communities.</p>	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative Implication)
			<p>To achieve this, companies can employ various strategies, such as crafting community engagement plans, creating codes to align organizational and community interests, or performing impact assessments to ensure projects don't harm the local environment or populace.</p>		
7	Employee health and safety	R	<p>Workers in chemical production plants are exposed to risks such as heavy machinery, hazardous materials, extreme heat and pressure, and electrical threats, to name a few. Establishing a robust safety culture is essential to preemptively address these risks, as neglecting them could lead to financial setbacks like increased medical expenses, legal actions, and operational interruptions. By prioritizing workplace safety and fostering a safety-first mindset, companies can reduce related costs and potentially enhance overall efficiency.</p>	<p>Dedicated to upholding the utmost safety standards, we aim to prevent any potential hazards in the workplace.</p> <p>The company is devoted to ensuring its operations and facilities remain devoid of incidents and major threats to the health and safety of its stakeholders. This is achieved through enhanced skillsets, effective communication, heightened safety consciousness, and rigorous training.</p> <p>Our manufacturing processes, certified under ISO 9001:2015, ISO 22000:2005, and HACCP, underscore our sustained commitment to quality, environmental stewardship, occupational health, and safety protocols.</p> <p>The Company provides Medical Health check-ups to all factory workers.</p>	Negative



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative Implication)
8	Product Design, Safety and life cycle management	O	<p>Amid rising resource constraints and regulations promoting material efficiency, reduced energy use, and decreased emissions, the Chemicals sector stands to gain by creating products that boost user efficiency. Whether it's diminishing car emissions via material refinement or advancing the efficacy of building insulation, products from the Chemicals industry can amplify efficiency in various fields. Companies that craft cost-efficient answers to cater to the growing customer appetite for heightened efficiency might see advantages in terms of greater revenue, expanded market presence, a fortified competitive edge, and an enriched brand reputation.</p> <p>Ensuring product safety and responsible management is crucial for companies within the Chemicals sector. The possible health and environmental consequences of chemicals when in use can shape product demand and regulatory challenges, potentially impacting revenue and leading to increased operational costs, regulatory adherence expenses, and mitigation measures.</p>	<p>Vidhi is a leading provider of color solutions for a wide range of industries. Our team of highly experienced and qualified chemists is dedicated to partnering with our customers to develop superior color solutions that meet their specific needs.</p> <p>Our fully equipped and functional laboratory is accredited by the Bureau of Indian Standards (BIS) and forms the core of our Quality Control Department. We follow stringent procedures and failsafe methods of testing, right from the stage of sampling of all raw materials to in-process checks at various stages of the reactions and thorough testing of all finished products. Our team of highly qualified and trained chemists ensures that our products meet the highest quality standards.</p> <p>We work closely with our customers, right from the stage of envisioning the product to commercial production and after-sales support. We share up-to-date information and news developments regarding regulatory procedures and new standards being implemented across all global markets, thereby securing the interests of our valued customers.</p>	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative Implication)
			<p>By devising innovative strategies to manage the possible effects of products during their utilization, including the introduction of less toxic alternatives, the industry can decrease regulatory threats and expand their market presence. Such measures could enhance shareholder returns through better market positioning, increased market dominance, minimized regulatory challenges, and an uplifted brand reputation.</p>	<p>Vidhi is an ISO 9001:2000, ISO 22000:2005, and HACCP certified company. Our manufacturing facilities have been audited and found satisfactory by the U.S. FDA. All our products carry HALAL and Kosher certification.</p> <p>We are committed to providing our customers with the highest quality color solutions and the best possible service. We are confident that Vidhi is the right partner for food color needs.</p>	
9	Business Ethics and Legal Compliance	R	<p>Business ethics and legal compliance are paramount for chemical companies. These principles ensure that companies operate with integrity, fairness, and within the confines of the law. Adhering to ethical standards and regulatory mandates not only reduces the risk of legal repercussions and financial penalties but also strengthens the company's reputation, fosters trust among stakeholders, and ensures long-term sustainability in the competitive market.</p>	<p>By implementing comprehensive policies, continuous training, robust internal controls, and monitoring mechanisms, the Company ensures to operate with integrity and in alignment with applicable laws, thereby minimizing potential risks and safeguarding reputation and operations.</p>	Negative
10	Governance	R	<p>Strong corporate governance is core to achieving the organization's mission and any risks can undermine stakeholder trust, damage reputation and disrupt business. This pillar evaluates the impact companies' corporate governance and business ethics practices have on investors. All companies are assessed on all Governance Key Issues, including Ownership &amp; Control, Board, Pay, Accounting, Business Ethics, and Tax Transparency.</p>	<p>The Company has in place a thorough and strong system of internal controls, guaranteeing accurate reporting and compliance with all relevant regulatory statutes and company guidelines. Additionally, the Company has enforced a code of conduct as well as whistleblower and insider trading policies to safeguard the interests of investors and other key stakeholders.</p>	Negative

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://vidhifoodcolors.com/investor-relation/codes-policies/">https://vidhifoodcolors.com/investor-relation/codes-policies/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	No	No	No	Yes	Yes	No	No	No
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015, ISO 22000:2018, Kosher, Halal	ISO 9001:2015, ISO 22000:2018, FSSAI, GMP, HACCP	HACCP	ISO 9001:2015, ISO 22000:2018, Kosher, GMP, Halal	-	-	ISO 9001:2015, ISO 22000:2018, FSSAI, GMP, Halal	ISO 9001:2015, ISO 22000:2018, FSSAI, GMP, Halal, Kosher	ISO 9001:2015, ISO 22000:2018, FSSAI, GMP, Halal, Kosher
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	We commit to uphold ethical practices, maintain transparency, and ensure accountability in all our actions, as guided by our established policies	We are an ISO 9001:2000, ISO 22000:2005, and HACCP certified company, found satisfactory by the U.S. FDA. All our products carry HALAL and Kosher certification. We ensure that our products sustainable & safe	Employees and workers will continue to be provided with health and safety benefits	We are taking several initiatives and will conduct formal study and come up with targets	We commit to uphold anti-discrimination as guided by our established policies	The Company shall continue to adopt renewable energy across its facilities and proper water and waste management to ensure positive impact.	We commit that our engagement will be in a responsible manner and in accordance with our Code of Conduct	We commit to investing the CSR funds for social development	We will continue to be customer-centric
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	-	-	-	-	-	-	-	-	-

**Governance, leadership and oversight**

**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

Our esteemed company, Vidhi Specialty Food Ingredients Limited, is today a leader in manufacturing Superior Synthetic and Natural Food Grade Colours. It is a privilege to address you today and share our journey towards a more sustainable and responsible future.

As we embark on our journey, we recognize the paramount importance of Environmental, Social, and Governance (ESG) factors in shaping the success of our operations and our contributions to society. Our inaugural Business Responsibility and Sustainability Report encapsulates our commitment to transparency, accountability, and driving positive change.

While we operate in a dynamic industry, we are steadfast in addressing the ESG challenges that define our path forward. From the outset, we have acknowledged the pressing need to reduce our carbon footprint and enhance resource efficiency. Our initiative to shift towards renewable energy sources, exemplified by the 2.5 MWp/2MW solar power project at Sunbless Solar Park in Murtizapur, Maharashtra, reflects our dedication to sustainable practices. This endeavor not only demonstrates our commitment to reducing energy consumption but also positions us as a role model for the industry.

Our journey towards a sustainable future is marked by significant achievements. We have diligently pursued energy efficiency by modernizing equipment, ensuring the responsible treatment of wastewater through our ETP plant, and harnessing rainwater for various operations. These steps collectively symbolize our commitment to responsible water management and resource conservation.

In addressing the challenge of waste management, we have taken proactive measures. Our commitment to handling hazardous waste with utmost care and partnering with certified agencies for proper disposal underscores our dedication to safeguarding the environment and local communities.

Ensuring the safety and well-being of our stakeholders is paramount. By enhancing skillsets, promoting safety awareness, and rigorous training, we've created an environment that minimizes hazards and maximizes productivity. Our ISO certifications and alignment with global quality standards validate our commitment to excellence.

Ethics and responsibility are embedded in every facet of our operations. Our adherence to codes of conduct, whistleblower and insider trading policies, and comprehensive internal controls exemplify our unwavering commitment to integrity. We proudly support local and small producers, nurturing their growth and fostering symbiotic relationships that amplify the positive impact we create.

Our partnerships extend beyond business to encompass social and community upliftment. Through CSR initiatives, we actively contribute to enhancing the quality of life in the communities we operate in. We view this engagement as a testament to our belief in shared prosperity and sustainable growth.

In closing, I want to express our gratitude to each stakeholder who has supported our journey. We're not just coloring products; we're painting a more vibrant and sustainable future. The path to sustainability is an ongoing voyage, and we invite all of you to join hands with us as we navigate these waters of change. As we look forward, we are committed to setting even higher benchmarks, achieving remarkable milestones, and delivering value that echoes our dedication to sustainability, responsibility, and excellence.

Thank you for your unwavering support, and together, let's continue to make a meaningful difference.

Thank you.

<b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b>	Name: Mr. Mitesh Manek Chief Financial Officer
<b>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b>	Yes Name: Mr. Mitesh Manek Chief Financial Officer

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Performance against above policies and follow up action*</b>	Committee of the Board									Annually								
<b>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances**</b>	Committee of the Board									Quarterly								

\*The Committee of the Board periodically assesses the effectiveness of these policies and make any necessary amendments to the policies and procedures.

All the Policies are reviewed at least once annually and performance against some of these policies are reviewed usually on annual basis. Policies are reviewed considering various parameters like statutory requirements and the frequency as stated in the policy document or need basis.

\*\*The Company is in compliance with applicable laws. A Compliance report across all statutory requirements is submitted to the Audit Committee on a quarterly basis.

<b>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b>	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
	No	No	No	No	No	No	No	No	No

\*The internal auditors consistently review procedures and compliances, and the Board is regularly informed about the state of compliance. Policies are frequently assessed and updated, considering best practices and risk analysis, by the relevant department or business leaders. Necessary approvals are sought from management, Board Committees, or the Board directly. We’ve carried out an internal assessment of the effectiveness of the Business Responsibility Policies. No external agency has evaluated our policy.

**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>The entity does not consider the Principles material to its business (Yes/No)</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>The entity does not have the financial or/human and technical resources available for the task (Yes/No)</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>It is planned to be done in the next financial year (Yes/No)</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Any other reason (please specify)</b>									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

**PRINCIPLE 1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

**Essential Indicators**

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

<b>Segment</b>	<b>Total number of training and awareness programmes held</b>	<b>Topics/ principles covered under the training and its impact</b>	<b>% age of persons in respective category covered by the awareness programmes</b>
<b>Board of Directors</b>	8	- Business, strategy, risk and update of laws - Familiarisation Programme for Independent Directors	100%
<b>Key Managerial Personnel</b>	9	- Business, strategy, risk and update of laws - Corporate Governance Matters, POSH Awareness & Updates on Companies Act 2013	100%
<b>Employees other than BoD and KMPs</b>	18	- Heath & Safety training which include Fire Drill , First aid & Medical Emergency , Material Handling, Chemical Safety, Food Safety, - Human Right Training which include POSH Training, New Employee Induction, and - Skill Upgradation Training which include Performance Evaluations About Improvement, Cybersecurity Training Programs	90%
<b>Workers</b>	18	- Heath & Safety training which include Fire Drill , First aid & Medical Emergency , Material Handling, Chemical Safety, Food Safety, - Human Right Training which include POSH Training, New Employee Induction, and - Skill Upgradation Training which include Performance Evaluations About Improvement, Cybersecurity Training Programs	90%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	-	0	NA	NA
Settlement	NA	-	0	NA	NA
Compounding fee	NA	-	0	NA	NA
Non - Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA		NA	NA
Punishment	NA	NA		NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company is committed to complying with all relevant laws, rules, and regulations and upholding the pinnacle of business ethics. We foster an environment rooted in transparency, integrity, and adheres to highest ethical and moral principles. A distinct Code of Conduct is in place for the Company's Directors and Senior Management. The Code of Conduct for the Board of Directors and Senior Management Personnel can be accessed via the provided weblink: <https://vidhifoodcolors.com/investor-relation/codes-policies/>

The Business Responsibility & Sustainability Policy as approved by the Board of Directors of the Company prohibits practices that are abusive, corrupt, or anti-competitive. Copy of the BRS Policy is available at: <https://vidhifoodcolors.com/investor-relation/codes-policies/>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

**6. Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL		NIL	

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest – Not Applicable**

**Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	
Capex	-	-	

<b>2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)</b>	No. However, the Company has procedure in place for sustainable sourcing including transportation, and Company is aiming to source 100% of the main raw material requirements sustainably.
<b>b. If yes, what percentage of inputs were sourced sustainably?</b>	NA
<b>3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.</b>	<p>Managing waste in a secure and responsible manner is a key focus at Vidhi.</p> <p>The company manufactures additives for diverse industries like food and beverages, cosmetics, pharmaceuticals, feed nutrition, ensuring they meet the technical specifications of the end products. Consequently, our products cannot be recycled at the conclusion of the value chain.</p> <p>1. Plastics (including packaging) - Not central to Vidhi's operations.</p> <p>2. E-waste - Not central to Vidhi's operations.</p>



	<p>3. Hazardous waste (ETP Sludge etc) - The Company ensures proper collection and management of hazardous waste. The hazardous waste generated from the manufacturing units of the Company is sent to Mumbai Waste Management Limited (MWML) agency, for necessary treatment and disposal.</p> <p>4. Other waste - All other non-hazardous wastes are directed for disposal via third-party services.</p>
<p>4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.</p>	<p>No.</p>

**PRINCIPLE 3 Businesses Should Respect and Promote The Well-Being Of All Employees, Including Those In Their Value Chains**

**Essential Indicators**

**1. a. Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number ©	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	59	0	0	0	0	NA	NA	0	0	0	0
Female	6	0	0	0	0	6	100%	NA	NA	0	0
<b>Total</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent employees</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**b. Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number ©	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	26	0	0	0	0	NA	NA	0	0	0	0
Female	0	0	0	0	0	0	0	NA	NA	0	0
<b>Total</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent workers</b>											
Male	18	0	0	0	0	NA	NA	0	0	0	0
Female	3	0	0	0	0	3	100%	NA	NA	0	0
<b>Total</b>	<b>21</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>14.29%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	70%	Yes	100%	70%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Others – Please Specify	NA					

**3. Accessibility of workplaces**

<b>Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.</b>	Yes, the operating locations of the Company have accessibility for differently abled employees, workers and visitors.
<b>4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.</b>	Yes, the organisation provides equal opportunity to each individual and does not discriminate on the basis of color, religion, sex, nationality, ancestry, age, marital status, sexual orientation or disability.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender*	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
Total	NA	NA	NA	NA

\*The Employees had not availed parental leave during the Financial Year

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Certainly, the company advocates for transparent communication. Employees and staff are urged to first discuss their concerns with their direct Head of Department (HOD). If no resolution is achieved, they are guided to escalate their grievances through email, either to the CFO or the factory leader, depending on the situation.
Other than Permanent Workers	
Permanent Employees	For cases involving sexual harassment or discrimination, individuals, whether victims or witnesses, can file a complaint, named or anonymous, with the Internal Complaint Committee (ICC). These complaints are then forwarded to the appropriate HOD, who collaborates with the ICC to address and rectify the situation.  To ensure the reporting of genuine concerns or grievances, the Audit Committee has been assigned the responsibility of establishing a vigil mechanism. The Company is committed to following the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act of 2013 to handle grievances concerning sexual harassment.
Other than Permanent Employees	

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union(D)	% (D / C)
Total Permanent Employees	65	0	0	0	0	0
- Male	59	0	0	0	0	0
- Female	6	0	0	0	0	0
Total Permanent Workers	26	18	69.23%	0	0	0
- Male	26	18	69.23%	0	0	0
- Female	0	0	0	0	0	0

\*Permanent workers were members of Hind Majdoor Sabha

**8. Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% ( B / A)	No. (C)	% ( C / A)		No. (E)	% ( E / D)	No. (F)	% ( F / D)
<b>Employees</b>										
Male	59	53	89.83%	53	89.83%	39	39	100%	39	100%
Female	6	5	83.33%	5	83.33%	7	7	100%	7	100%
<b>Total</b>	<b>65</b>	<b>58</b>	<b>89.23%</b>	<b>58</b>	<b>89.23%</b>	<b>46</b>	<b>46</b>	<b>100%</b>	<b>46</b>	<b>100%</b>
<b>Workers</b>										
Male	44	40	90.91%	40	90.91%	40	40	100%	40	100%
Female	3	2	66.67%	2	66.67%	4	4	100%	4	100%
<b>Total</b>	<b>47</b>	<b>42</b>	<b>89.36%</b>	<b>42</b>	<b>89.36%</b>	<b>44</b>	<b>44</b>	<b>100%</b>	<b>44</b>	<b>100%</b>

**9. Details of performance and career development reviews of employees and worker\*:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	59	59	100%	39	39	100%
Female	6	6	100%	7	7	100%
<b>Total</b>	<b>65</b>	<b>65</b>	<b>100%</b>	<b>46</b>	<b>46</b>	<b>100%</b>
<b>Workers</b>						
Male	26	26	100%	26	26	100%
Female	0	0	100%	0	0	0%
<b>Total</b>	<b>26</b>	<b>26</b>	<b>100%</b>	<b>26</b>	<b>26</b>	<b>100%</b>

\*The performance and career development assessments for permanent employees and workers are conducted.

**10. Health and safety management system:**

<p><b>a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?</b></p>	<p>Yes.</p> <p>The Company deals with chemicals and manufactures food colors and trades in specialty chemicals, is committed to maintaining the highest level of safety measures in order to avoid any risks in the workplace.</p> <p>The company is committed to keeping its operations and workplace free of incidents and significant risks to the health and safety of its stakeholders through improved work skills, strong communication channels, safety awareness, and sound training practices.</p> <p>The company's certified manufacturing activities comply with ISO 9001:2015, ISO 22000:2005, and HACCP, which reflects the company's ongoing commitment to quality, environmental, occupational health, and safety practices.</p>
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<p><b>b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?</b></p>	<p>The company has implemented a comprehensive risk management process to prevent injuries, incidents in the workplace, and disruptions to business operations. The company regularly reviews and eliminates risks related to its operations. It also provides mock drills, conducts safety audits, and offers trainings to minimize risks.</p>
<p><b>c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)</b></p>	<p>Yes, the company encourages a reporting culture where employees are comfortable reporting any accidents or near-miss incidents that may occur during work. The company thoroughly investigates each incident to determine the cause and takes necessary measures to prevent similar incidents from happening in the future. Additionally, the company provides employees with various safety training programs to ensure a safe working environment in the facility.</p>
<p><b>d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)</b></p>	<p>Yes</p>

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
<p><b>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</b></p>	<p><b>Employees</b></p>	<p><b>0</b></p>	<p><b>0</b></p>
	<p><b>Workers</b></p>	<p><b>0</b></p>	<p><b>0</b></p>
<p><b>Total recordable work-related injuries</b></p>	<p><b>Employees</b></p>	<p><b>0</b></p>	<p><b>0</b></p>
	<p><b>Workers</b></p>	<p><b>0</b></p>	<p><b>0</b></p>
<p><b>No. of fatalities</b></p>	<p><b>Employees</b></p>	<p><b>0</b></p>	<p><b>0</b></p>
	<p><b>Workers</b></p>	<p><b>0</b></p>	<p><b>0</b></p>
<p><b>High consequence work-related injury or ill-health (excluding fatalities)</b></p>	<p><b>Employees</b></p>	<p><b>0</b></p>	<p><b>0</b></p>
	<p><b>Workers</b></p>	<p><b>0</b></p>	<p><b>0</b></p>

<p><b>12. Describe the measures taken by the entity to ensure a safe and healthy workplace.</b></p>	<p>VSFIL is committed to providing safe workplaces that focus on preventing injuries and illnesses. The company continuously strives to eliminate hazards and reduce occupational health and safety risks.</p> <p>Here are some of the specific measures that VSFIL takes to ensure a safe workplace:</p> <ul style="list-style-type: none"> <li>- Provision and maintenance of fire detection, alarm, and suppression systems.</li> <li>- Regular site reviews, inspections, and audits to assess safety preparedness.</li> <li>- Regular mock drills for fire and medical emergencies.</li> <li>- Provision of ergonomically designed chairs and workstations to prevent musculoskeletal disorders (MSDs) and low-radiation computer monitors for better visual health.</li> </ul>
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	<ul style="list-style-type: none"> <li>- Regular training on occupational health and safety to sensitize employees on OHS aspects and inculcate a culture of safety.</li> <li>- Employee engagement campaigns on health and safety topics such as fire safety, road safety, emergency evacuation, and ergonomics.</li> <li>- VSFIL does not use any solvents or other inflammables in the factory to ensure safety. The company has completely removed these substances from the factory premises through process engineering.</li> </ul>
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**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

<b>15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health &amp; safety practices and working conditions.</b>	<p>NA</p> <p>The company reported zero accidents during the year. However, it regularly checks the working conditions to ensure the safety of its employees.</p>
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**PRINCIPLE 4: Businesses Should Respect The Interests Of And Be Responsive To All Its Stakeholders**

**Essential Indicators**

<b>1. Describe the processes for identifying key stakeholder groups of the entity.</b>	<p>The company considers anyone that can directly or indirectly affect its operations or business chain as a key stakeholder. This includes customers, shareholders, investors, suppliers, communities, government and regulatory bodies, and employees. The company regularly conducts stakeholder mapping exercises to identify and engage with these stakeholders. The inclusion and prioritization of these stakeholders is based on their interest, impact, and influence on the company. Meeting the needs, interests, and expectations of stakeholders is essential to the company's operations.</p>
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**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
<b>Customers (End consumers/ dealers and distributors)</b>	No	<ul style="list-style-type: none"> <li>- Emails</li> <li>- Customer meet and calls</li> <li>- Product feedback</li> <li>- Brochures</li> </ul>	Need based	<ul style="list-style-type: none"> <li>- Expectation and satisfaction</li> <li>- Product related queries</li> <li>- Product performance review and feedback</li> <li>- Customer Engagement</li> <li>- Grievances handling</li> </ul>
<b>Shareholders and Investors</b>	No	<ul style="list-style-type: none"> <li>- Quarterly Results</li> <li>- Annual General Meeting,</li> <li>- Investors Meet</li> <li>- Investor Presentation</li> <li>- Dedicated email ID for Investor Grievances Website</li> <li>- Newspaper</li> <li>- Stock Exchange Filings</li> <li>- Press Releases</li> </ul>	Periodic/ Annual	<ul style="list-style-type: none"> <li>- Understand concerns and expectations</li> <li>- Business performance</li> <li>- Long term growth and sustainability</li> </ul>
<b>Suppliers</b>	No	<ul style="list-style-type: none"> <li>- Emails</li> <li>- Video Conference</li> <li>- Website</li> <li>- Suppliers meet</li> <li>- Plant visits</li> <li>- Discussion meetings</li> </ul>	Monthly/ Quarterly/ Annually/ Need based	<ul style="list-style-type: none"> <li>- Timely delivery,</li> <li>- Payment terms &amp; conditions,</li> <li>- Quality of goods procured</li> </ul>

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
<b>Communities</b>	No	<ul style="list-style-type: none"> <li>- Directly</li> <li>- CSR Implementation</li> </ul>	Frequent and Need based	<ul style="list-style-type: none"> <li>- education,</li> <li>- empowerment health, infrastructure,</li> <li>- Awareness Program,</li> <li>- Community Development, etc.</li> </ul>
<b>Government and Regulatory Authorities</b>	No	<ul style="list-style-type: none"> <li>- Press Release</li> <li>- Quarterly Result</li> <li>- Annual ReportRegulatory filings</li> <li>- Emails, letters, meetings etc.</li> </ul>	Need based	<ul style="list-style-type: none"> <li>-Statutory Compliance</li> <li>-Good governance practice</li> <li>-Resolutions of Issues</li> </ul>
<b>Employees</b>	No	<ul style="list-style-type: none"> <li>- Emails</li> <li>- Circulars</li> <li>- Notice Boards</li> <li>- Review meetings</li> <li>- Training and Development programs</li> <li>- Employee Satisfaction</li> </ul>	Ongoing	<ul style="list-style-type: none"> <li>- Career Management and Growth Prospects</li> <li>- Building a safety culture and inculcating safe work practices among employees</li> <li>- Training and development</li> <li>- Health and well-being</li> <li>- Policy communication/ Team building etc</li> </ul>



**PRINCIPLE 5 Businesses Should Respect and Promote Human Rights**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. employees workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	65	65	100%	39	39	100%
Other than permanent	0	0	0	7	7	100%
<b>Total Employees</b>	65	65	100%	46	46	100%
<b>Workers</b>						
Permanent	26	26	100%	26	26	100%
Other than permanent	21	21	100%	18	18	100%
<b>Total Workers</b>	47	47	100%	44	44	100%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B / A)	No. (C)	% (C / A)		No.(E)	% (E/D)	No.(F)	% (F/D)
<b>Employees</b>										
Permanent	65	0	0	65	100%	46	0	0	46	100%
Male	59	0	0	59	100%	39	0	0	39	100%
Female	6	0	0	6	100%	7	0	0	7	100%
Other than permanent	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
<b>Workers</b>										
Permanent	26	0	0	26	100%	26	0	0	26	100%
Male	26	0	0	26	100%	26	0	0	26	100%
Female	0	0	0	0	0	0	0	0	0	0
Other than permanent	21	21	100%	0	0	18	18	100%	0	0
Male	18	18	100%	0	0	14	14	100%	0	0
Female	3	3	100%	0	0	4	4	100%	0	0

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
<b>Board of Directors (BoD)*</b>	6	₹ 2,30,00,000/-	3	₹ 12,00,000/-
<b>Key Managerial Personnel**</b>	1	₹ 18,00,000/-	1	₹ 7,20,000/-
<b>Employees other than BoD and KMP</b>	56	₹ 2,61,600/-	4	₹ 2,85,600/-
<b>Workers</b>	26	₹ 3,75,624/-	0	NA

The Company has paid managerial remuneration in compliance with the necessary approvals required by Section 197 read with Schedule V of the Act. The Company has in place a Nomination and Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the Listing Regulations, which is available on weblink of the Company provided below.

\*BOD comprises of 3 ED, 1 NED Non-Independent and 5 NED Independent. NEDs has not been included in determining median remuneration as they are not taking remuneration/ or are paid sitting fees

\*\*KMP includes CFO and CS. Remuneration paid to ED has been taken into determining median of BOD and hence excluded from KMP.

<b>4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)</b>	Yes
<b>5. Describe the internal mechanisms in place to redress grievances related to human rights issues.</b>	<p>The company has established reporting channels for employees, customers, suppliers, and other stakeholders to raise concerns or make disclosures about any actual or potential violations of the company's Code of Conduct or policies, including human rights violations.</p> <p>Employees can raise their concerns to their Head of Department (HoD). If the issue is not resolved, they can escalate the matter by email to the Chief Financial Officer (CFO), depending on the situation. Non-permanent employees can raise concerns by email to the relevant stakeholders.</p> <p>Anyone can make protected disclosures under the company's Whistleblower Policy. All representations made through these channels are reviewed, and appropriate action is taken to address any substantiated violations.</p> <p>To address complaints regarding sexual harassment, an Internal Complaint Committee (ICC) has been established with expertise in the Prevention of Sexual Harassment ("POSH").</p>

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
<b>Sexual Harassment</b>	0	0		0	0	
<b>Discrimination at workplace</b>	0	0		0	0	
<b>Child Labour</b>	0	0		0	0	
<b>Forced Labour/ Involuntary Labour</b>	0	0		0	0	
<b>Wages</b>	0	0		0	0	
<b>Other human rights related issues</b>	0	0		0	0	

<p><b>7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.</b></p>	<p>In alignment with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and related regulations, the Company upholds a stringent stance against sexual harassment, implementing a robust Prevention of Sexual Harassment policy. This policy ensures the safety of employees and provides avenues for addressing any arising concerns. An Internal Complaints Committee is in place to manage and resolve sexual harassment incidents.</p> <p>The Company champions equality, ensuring opportunities are equally available to everyone, irrespective of race, ethnicity, nationality, gender, language, age, sexual orientation, religion, marital status, socio-economic background, or unique abilities.</p> <p>To instill awareness about discrimination and harassment, new entrants to the company undergo an orientation program. Furthermore, the policy is disseminated across the organization for transparency and easy access.</p> <p>Concerns on discrimination and harassment are dealt with confidentially. VSFIL does not tolerate any form of retaliation against anyone reporting good faith concerns. Anyone involved in targeting such a person raising such complaints will be subject to disciplinary action.</p>
<p><b>8. Do human rights requirements form part of your business agreements and contracts?(Yes/No)</b></p>	<p>Yes</p>

**9. Assessments for the year:**

	<b>%age of your plants and offices that were assessed (by entity or statutory authorities or third parties)*</b>
<b>Child labour</b>	100%
<b>Forced/involuntary labour</b>	100%
<b>Sexual harassment</b>	100%
<b>Discrimination at workplace</b>	100%
<b>Wages</b>	100%
<b>Others – please specify</b>	100%

\*The Company assesses and ensures that fair labour practices are being followed at all its plants and offices at regular intervals. We have received certification in accordance with several international standards. ISO certifications necessitate audits by an external certification body as part of their compliance criteria.

<b>10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.</b>	No significant concerns
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**PRINCIPLE 6: Businesses Should Respect and Make Efforts To Protect And Restore The Environment**

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

<b>Parameter</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
<b>Total electricity consumption (A)</b>	24,469 GJ	22,783 GJ
<b>Total fuel consumption (B)</b>	1,37,507 GJ	1,34,754 GJ
<b>Energy consumption through other sources (C)</b>	0	0
<b>Total energy consumption (A+B+C)</b>	<b>1,61,976 GJ</b>	<b>1,57,537 GJ</b>
<b>Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)</b>	<b>4.01 GJ / ₹ in Lakhs</b>	<b>2.93 GJ / ₹ in Lakhs</b>
<b>Energy intensity (optional) – the relevant metric may be selected by the entity</b>		
<b>Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.</b>		No

<b>2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.</b>	No
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**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	74,386 KL	80,284 KL
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>74,386 KL</b>	<b>80,284 KL</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>74,386 KL</b>	<b>80,284 KL</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>1.84 KL/ ₹ in Lakhs</b>	<b>1.49 KL/ ₹ in Lakhs</b>
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>		
<b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.</b>		No

<b>4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.</b>	No
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**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
Nox		0	0
Sox	Kg/Day	15.09	15.09
Particulate matter (PM)	Mg/Nm3	91.97	91.97
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)		0	0
Hazardous air pollutants (HAP)		0	0
Others– please specify			
<b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.</b>			Yes

Air Emissions (other than GHG Emissions) of Stack attached to boilers, baby boilers, thermopac is done by M/s Sadekar Enviro Engineers Pvt Ltd

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
<b>Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)</b>	<b>Metric tonnes of CO2 equivalent</b>	12,387 tCO <sub>2</sub> e	12,124 tCO <sub>2</sub> e

<b>Total Scope 2 emissions (Break-up of the GHG into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available)</b>	<b>Metric tonnes of CO<sub>2</sub> equivalent</b>	2,567 tCO <sub>2</sub> e	3,314 tCO <sub>2</sub> e
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		0.37 tCO <sub>2</sub> e/ ₹ in Lakhs	0.29 tCO <sub>2</sub> e/ ₹ in Lakhs
<b>Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity</b>			
<b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.</b>			No

<b>7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.</b>	<p>The Company is actively implementing strategies to bolster its environmental performance. Efforts have been made to decrease its carbon impact.</p> <p>With the initiation of a 2.5 MWp/2MW solar power project in Sunbless solar Park in Murtizapur, Akola, Maharashtra, the Company is shifting towards reduced energy consumption from non-renewable resources.</p> <p>Consistent steps are taken to enhance energy efficiency, predominantly through the modernization and replacement of outdated equipment with energy-efficient alternatives. Conserving energy and natural resources has always been a priority, and the Company remains committed to elevating its energy performance annually.</p>
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**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Total Waste generated (in metric tonnes)</b>		
<b>Plastic waste (A)</b>	0	0
<b>E-waste (B)</b>	0	0
<b>Bio-medical waste (C)</b>	0	0
<b>Construction and demolition waste (D)</b>	0	0
<b>Battery waste (E)</b>	0	0
<b>Radioactive waste (F)</b>	0	0
<b>Other Hazardous waste. Please specify, if any. (G)</b>	118.68 MT	95.25 MT
<b>Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)</b>	0	0
<b>Total (A+B + C + D + E + F + G + H)</b>	118.68 MT	95.25 MT
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
<b>(i) Recycled</b>		
<b>(ii) Re-used</b>		
<b>(iii) Other recovery operations</b>		
<b>Total</b>		

Parameter	FY 2022-23	FY 2021-22
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration		
(ii) Landfilling	<b>118.68 MT</b>	<b>95.25 MT</b>
(iii) Other disposal operations		
<b>Total</b>	<b>118.68 MT</b>	<b>95.25 MT</b>
<b>Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.</b>		No

<b>9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.</b>	<p>The Company deals with chemicals and manufactures food colors and trades in specialty chemicals and therefore take the utmost safety measures to avoid any risks in the workplace.</p> <p>The company complies with all legal requirements regarding emissions, wastewater, and waste disposal. Improving workplace safety is a top priority at both of the company's manufacturing plants. The company has put in place the necessary mechanisms to meet compliance requirements and conduct regular monitoring to avoid any deviations.</p> <p>The company has in-house facilities to recycle its waste and is constantly working to reduce it. Currently, it recycles more than 10% of its waste through a multiple-effect evaporator that recycles 80 KL per day. The sludge generated in the ETP plant is managed by a third-party vendor.</p> <p>The effluents/emissions/waste generated by the company's manufacturing facilities are within the permissible limits set by CPCB/SPCB.</p>
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**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: The Company is compliant with all the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.	1
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b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	CHEMEXIL (Basic Chemicals Cosmetics & Dyes Export Promotion Council)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

**PRINCIPLE 8 Businesses Should Promote Inclusive Growth and Equitable Development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					



**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

<b>3. Describe the mechanisms to receive and redress grievances of the community.</b>	<p>Grievance redressal mechanism is in place to receive and address the stakeholders' complaints. No complaint has been received from the stakeholders as on March 31, 2023. Dedicated e-mail ID has been provided to address any business enquiry, grievances etc. Senior management team promptly and adequately responses to such enquiry, grievances. In order to ensure the proper and speedy redressal of stakeholders' grievances, the Stakeholders' Relationship Committee is constituted.</p> <p>Anyone can make protected disclosures under the company's Whistleblower Policy. All representations made through these channels are reviewed, and appropriate action is taken to address any substantiated violations.</p> <p>Vidhi has established a dedicated grievance redressal mechanism for community.</p>
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**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23	FY 2021-22
<b>Directly sourced from MSMEs/ small producers</b>	5.32%	3.13%
<b>Sourced directly from within the district and neighbouring districts</b>	59.01%	62.85%

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

<p><b>1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.</b></p>	<p>Vidhi has a dedicated email ID to address any business enquiry, grievance, or feedback. The senior management team promptly and adequately responds to all such inquiries. The company places high emphasis on customer satisfaction as it adheres to a customer-centric philosophy. The Company has defined SOP for addressing customer complaints and CAPA is initiated for timely redressal.</p> <p><b>Technical team works closely with end users</b></p> <p>Vidhi has a team of highly experienced and qualified chemists who are dedicated to partnering with customers to develop superior color solutions for their products. The technical team works closely with the end user, right from the product conceptualization stage to commercial production and after-sales support.</p> <p><b>Stringent testing procedures</b></p> <p>Vidhi follows stringent procedures and fail-safe methods of testing, right from the sampling of raw materials to in-process checks at various stages of the reactions. All finished products are thoroughly tested by a team of highly qualified and trained chemists.</p> <p><b>Sharing of regulatory information</b></p> <p>Vidhi shares up-to-date information and news developments regarding regulatory procedures and new standards being implemented across all global markets. This helps to secure the interests of valued customers.</p>
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**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	<b>As a percentage to total turnover</b>
<b>Environmental and social parameters relevant to the product</b>	NA
<b>Safe and responsible usage</b>	NA
<b>Recycling and/or safe disposal</b>	

**3. Number of consumer complaints in respect of the following:**

	<b>FY 2022-23</b>		<b>Remarks</b>	<b>FY 2021-22</b>		<b>Remarks</b>
	<b>Received during the year</b>	<b>Pending resolution at end of year</b>		<b>Received during the year</b>	<b>Pending resolution at end of year</b>	
<b>Data privacy</b>	0	0		0	0	
<b>Advertising</b>	0	0		0	0	
<b>Cyber-security</b>	0	0		0	0	
<b>Delivery of essential services</b>	0	0		0	0	

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
<b>Restrictive Trade Practices</b>	0	0		0	0	
<b>Unfair Trade Practices</b>	0	0		0	0	
<b>Other</b>	15	0		10	0	

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
<b>Voluntary recalls</b>	0	0
<b>Forced recalls</b>	0	0

<p><b>5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/ No) If available, provide a web-link of the policy.</b></p>	<p>The Risk Management Committee is constituted in line with the provisions of Regulation 21 of the Listing Regulations. The brief terms of reference of the Committee is to formulate, monitor and review risk management policy and plan covering cyber security risks, data privacy risks and other risks associated to the Company. The Company considers cyber security as a key risk and to eliminate this risk, it takes adequate measures like state-of-the-art firewall solutions, user awareness program, and many other measures.</p>
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<p><b>6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.</b></p>	<p>Since there were no complaints, there was no need for any corrective action.</p>
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## REPORT ON CORPORATE GOVERNANCE

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

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

Pursuant to the provisions of Regulation 34(3) read with Chapter IV and Schedule V and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a Report on Corporate Governance for the financial year ended March 31, 2023 is furnished below:

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

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

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

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

- Archival Policy
- Board Diversity Policy
- Code of Conduct for Board Members and Senior Management Personnel
- Insider Trading Code
- Corporate Social Responsibility Policy
- Nomination and Remuneration Policy
- Policy for evaluation of the performance of the Board of Directors
- Policy for determination of materiality of events
- Policy for determining material subsidiary
- Policy for preservation of documents
- Policy on related party transactions
- Risk Management Policy
- Vigil Mechanism cum Whistle-Blower Policy
- Business Responsibility and Sustainability Reporting Policy
- Dividend Distribution Policy

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

## (2) Board of Directors:

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

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

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

Composition of the Board of Directors as on March 31, 2023 was in accordance with the requirements of Regulation 17 of the Listing Regulations and Companies Act, 2013.

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

Name of the Director(s) and their DIN	Designation	Category	No. of other Directorships#	Committee positions#	
				Chairperson	Member
<b>Executive Directors</b>					
Mr. Bipin Madhavji Manek (DIN: 00416441)	Chairman & Managing Director	Promoter	Nil	Nil	Nil
Mr. Mihir Bipin Manek (DIN: 00650613)	Joint Managing Director	Promoter	Nil	Nil	1
Mrs. Vidhi Harsh Parekh (DIN: 07584061)	Whole-time Director	Promoter	Nil	Nil	Nil
<b>Non-Executive Directors</b>					
Mrs. Pravina Bipin Manek (DIN: 00416533)	Non-Executive Woman Director	Promoter	Nil	1	Nil
Mr. Vijay Krishnaswamirao Atre * (DIN: 00416853)	Non-Executive Director	Non - Independent	Nil	Nil	Nil
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Non-Executive Director	Independent	Nil	Nil	2

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

*\*Mr. Vijay Atre resigned from the Board of Directors of the Company w.e.f. August 31, 2022.*

*#For the purpose of considering the number of other Directorships and Committee positions, all Public Limited Companies, whether listed or not, have been included and all other Companies including Private Limited Companies, Foreign Companies, high value debt listed entities and Companies under section 8 of the Act have been excluded. Committee positions considered are only of Audit Committee and Stakeholders' Relationship Committee, including that of the Company.*

None of the Directors on the Board as on March 31, 2023 holds Directorships in any other Public Company or Listed Company.

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

Name of Directors	12.05.22	12.08.22	11.11.22	10.02.23	Previous AGM (30.09.22)
Mr. Bipin Madhavji Manek (DIN: 00416441)	Yes	Yes	Yes	Yes	Yes
Mr. Mihir Bipin Manek (DIN: 00650613)	Yes	Yes	Yes	Yes	Yes
Mrs. Vidhi Harsh Parekh (DIN: 07584061)	Yes	Yes	Yes	Yes	Yes
Mrs. Pravina Bipin Manek (DIN: 00416533)	Yes	Yes	Yes	Yes	Yes
Mr. Vijay Krishnaswamirao Atre* (DIN: 00416853)	No	No	NA	NA	NA
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Yes	Yes	Yes	Yes	Yes
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Yes	Yes	Yes	Yes	Yes
Mr. Rahul Chakradhar Berde (DIN: 06981981)	Yes	Yes	Yes	Yes	Yes
Mr. Ashit Kantilal Doshi (DIN: 08486679)	Yes	Yes	Yes	Yes	Yes
Mrs. Jyoti Sunil Modi (DIN: 08699101)	Yes	Yes	Yes	Yes	Yes

*\*Mr. Vijay Atre resigned from the Board of Directors of the Company w.e.f. August 31, 2022.*

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

4 (Four) Board Meetings were held during the financial year under review on May 12, 2022, August 12, 2022, November 11, 2022 and February 10, 2023.

The Twenty-Ninth Annual General Meeting was held on September 30, 2022.

**d. Disclosure of relationships between Directors inter-se:**

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

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

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

**e. Number of shares and convertible instruments of the Company held by Non- Executive Directors as on March 31, 2023:**

Sr. No.	Name of Director	No. of Shares held	% of Shareholding
1.	Mrs. Pravina Bipin Manek (DIN: 00416533)*	34,90,667	6.99
2.	Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Nil	N.A.
3.	Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)#	Nil	N.A.
4.	Mr. Rahul Chakradhar Berde (DIN: 06981981)	2500	0.005
5.	Mr. Ashit Kantilal Doshi (DIN: 08486679)	Nil	N.A.
6.	Mrs. Jyoti Sunil Modi (DIN: 08699101)	Nil	N.A.

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

*#He holds 24,000 Equity Shares of the Company jointly with Mrs. Bhavna Niren Desai (first holder).*

The Company has not issued any convertible instruments.

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

The Company at its various meetings held during the financial year 2022-23 has familiarized the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarise them with the Company's policies, procedures and practices.

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

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

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

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

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

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

\*Mr. Vijay Atre resigned from the Board of Directors of the Company w.e.f. August 31, 2022.



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

As per the declaration received from Independent Directors, all Independent Director’s meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations. None of the Independent Directors of the Company serve as an Independent Director in any other Listed Company and none of the Executive Directors are Independent Directors of any Listed Company. The Board confirms that the Independent Directors fulfill the conditions specified in Listing Regulations and that they are Independent of the Management.

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

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

**j. Code of Conduct:**

The Board of Directors has laid down a ‘Code of Conduct’ for all the Board Members and Senior Management Personnel of the Company. The ‘Code of Conduct’ has also been posted on the website of the Company and all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2022-23.

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

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

**(3) Audit Committee:**

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

The composition of the Audit Committee as on March 31, 2023 as well as details of meetings of Audit Committee held and attended by each Member during the financial year 2022-23 is as follows:

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

The Members of the Audit Committee met 4 (four) times during the financial year 2022-23 on May 12, 2022, August 12, 2022, November 11, 2022 and February 10, 2023. The highlights of each of the Audit

Committee Meetings were informed to the Board of Directors and discussed in the Board Meeting. All the recommendations made by the Audit Committee during the financial year were accepted by the Board.

Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382), Chairman of the Audit Committee, was present at the last Annual General Meeting held on Friday, September 30, 2022 to answer the queries of the shareholders.

All the Members of the Audit Committee are financially literate and have relevant accounting and financial management expertise as required under the Act and Regulation 18 of the Listing Regulations. During the year 2022-23, Ms. Priyanka Suresh Soni (Membership No. A63701), Company Secretary, acted as the Secretary of the Audit Committee till the closing hours of December 10, 2022. After appointment, Ms. Vishakha Pandya (Mem. No. A59436) acted as Secretary of Audit Committee effective from February 10, 2023.

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

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

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

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

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

- to formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor,
- to take into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as an auditor and whether such qualifications and experience are commensurate with the size and requirements of the Company, provided that while considering the appointment, the Audit Committee shall have regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court,
- may call for such other information from the proposed auditor as it may deem fit,
- to recommend the name of an individual or a firm as auditor to the Board for consideration,
- may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Company. The finance Director, internal auditor and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee,
- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible,
- approval of payment to statutory auditors for any other services rendered by the statutory auditors,
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Act,
  - b. changes, if any, in accounting policies and practices and reasons for the same,
  - c. major accounting entries involving estimates based on the exercise of judgment by management,
  - d. significant adjustments made in the financial statements arising out of audit findings,
  - e. compliance with listing and other legal requirements relating to financial statements,
  - f. disclosure of any related party transactions, and
  - g. modified opinion(s) in the draft audit report
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval,
- reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter,
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems,
- reviewing the adequacy of internal audit function and frequency of internal audit,
- discussion with internal auditors of any significant findings and follow up there on,
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board,

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

**Audit Committee shall mandatorily review the following information:**

- Management discussion and analysis of financial condition and results of operations,
- Management letters/letters of internal control weaknesses issued by the statutory auditors,
- Internal audit reports relating to internal control weaknesses,
- The appointment, removal and terms of remuneration of the chief internal auditor, and
- Statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1), and
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

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

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

**(4) Nomination and Remuneration Committee:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Act and the Listing Regulations, as amended from time to time, the scope and the terms of reference of the Nomination and Remuneration Committee have been defined. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Act and the Listing Regulations.

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

The composition of the Nomination and Remuneration Committee as on March 31, 2023 as well as details of meeting of Nomination and Remuneration Committee held and attended by each Member during the financial year 2022-23 are as follows:

Name	Designation	Category	Numbers of Meetings	
			Held	Attended
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Chairman	Non-Executive, Independent	3	3
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Member	Non-Executive, Independent	3	3
Mrs. Pravina Bipin Manek (DIN: 00416533)	Member	Non-Executive, Promoter	3	3

The Members of the Committee met Three (3) times during the financial year 2022-23 on May 12, 2022, August 12, 2022 and February 10, 2023.

Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382), the Chairman of the Nomination and Remuneration Committee, was present at the last Annual General Meeting held on Friday, September 30, 2022 to answer the queries of the shareholders.

The purpose of this Committee is to screen and to review individuals qualified to serve as Executive Directors, Non-Executive Directors, Independent Directors and Key Managerial Personnel and remuneration to be paid to them in accordance with the Nomination and Remuneration Policy of the Company and recommend to the Board for its approval. The Committee makes recommendations to the Board on candidates for –

- i. nomination for election or re-election by the shareholders; and
- ii. any board vacancies that are to be filled.

It may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Management or the Chairman of the Company. It reviews and discusses all matters pertaining to candidates and evaluates the candidates as Director or Key Managerial Personnel. The Nomination and Remuneration Committee provides the manner in which the annual evaluation of the Board, its Committee and of individual Directors to be done and co-ordinates and oversees the process.

**b) Brief description of terms of reference includes:**

- to identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors (Board) their appointment and removal and to carry out evaluation of every Director's performance,
- to formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management,
- while formulating the policy as aforesaid, to ensure that:
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully,
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
  - c) remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals, provided that such policy shall be disclosed in the Board's Report.

- to determine, review and recommend to the Board, the remuneration of the Company's Managing/Joint Managing/Deputy Managing/Whole time/Executive Director(s), including all elements of remuneration package,
- to determine, review and recommend to the Board, the remuneration of the Company's top executives who are one level below the Managing/Joint Managing/Executive Director(s),
- to formulate, implement, supervise and administer the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines,
- formulation of criteria for evaluation of independent Directors and the Board of Directors,
- devising a policy on diversity of the Board of Directors,
- whether to extend or continue the term of appointment of independent Director, on the basis of the report of performance evaluation of independent Director,
- aligning key executive and board remuneration with the longer term interests of the Company and its shareholders,
- ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender, and
- to carry out any other functions as authorized by the Board from time to time or as enforced by statutory/regulatory authorities.

**c) Performance evaluation criteria for Independent Directors:**

The Nomination and Remuneration Policy of the Company showcase the appointment criteria and remuneration payable to the Directors of the Company. The remuneration paid to the Directors is broadly based on the criteria such as his/her qualification, experience, profile and his/her performance. The detailed procedure of performance evaluation is provided under Point No. 10 of the Board's Report.

The criterion for evaluation of performance of Independent Directors inter-alia includes:

- highest Personal and Professional ethics, integrity and values,
- inquisitive and objective perspective, practical wisdom and mature judgment,
- demonstrated intelligence, maturity, wisdom and independent judgment,
- self-confidence to contribute to Board deliberations and stature such that other board members will respect his or her view,
- the willingness and commitment to devote the extensive time necessary to fulfill his/her duties,
- the ability to communicate effectively and collaborate with other Board Members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including willingness to listen and respect the views of others,
- the skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable Company or organization, including but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing,
- commitment, including guidance provided to the Senior Management outside of Board/Committee Meetings,
- effective deployment of knowledge and expertise,
- independence of behavior and judgment, and
- maintenance of confidentiality of critical issues.

**(5) Stakeholders' Relationship Committee:**

The Company has always valued its investors' and stakeholders' relationships. In order to ensure the proper and speedy redressal of stakeholders' grievances, the Stakeholders' Relationship Committee is constituted. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Act and the Listing Regulations.

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

The composition of the Stakeholders' Relationship Committee as on March 31, 2023 as well as details of meeting of Stakeholders' Relationship Committee attended by each Member during the financial year 2022-23 is as follows:

Name	Designation	Category	Numbers of Meetings	
			Held	Attended
Mrs. Pravina Bipin Manek (DIN: 00416533)	Chairperson	Non-Executive, Promoter	4	4
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Member	Non-Executive, Independent	4	4
Mr. Rahul Chakradhar Berde (DIN: 06981981)	Member	Non-Executive, Independent	4	4

During the financial year under review, the Committee met 4 (four) times, i.e. on May 12, 2022, August 12, 2022, November 11, 2022 and February 10, 2023.

The role of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, non receipt of Annual Reports and such other grievances as may be raised by the security holders from time to time.

**b) Name and designation of Compliance Officer:**

Ms. Priyanka Suresh Soni (Mem No. A63701), Company Secretary, was the Compliance Officer of the Company till closing hours of December 10, 2022 and Ms. Vishakha Pandya (Mem No. A59436), Company Secretary, is the Compliance Officer of the Company w.e.f. February 10, 2023. The Compliance Officer has been entrusted the task of overseeing the share transfer, transmission, splitting and consolidation of shares and issue of duplicate share certificates done by the R & TA and attending to grievances of the Shareholders/Investors intimated to the Company directly by the SEBI.

**c) Details of the Shareholders' Complaints:**

No. of pending complaints as on April 1, 2022	0
Number of Shareholders' complaints received during the financial year 2022-2023	0
Number of complaints not resolved to the satisfaction of Shareholders as on March 31, 2023	0
No. of pending complaints as on March 31, 2023	0

All Share transfers and correspondence thereon are handled by the Company's R & TA viz. M/s. Link Intime India Private Limited having Registered Office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.

**d) Brief description of terms of reference:**

The terms of reference of Committee inter-alia includes:

- to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc.,
- to supervise the process relating to transfer, transmission, transposition, split, consolidation of securities,
- to issue the duplicate share certificate(s) and supervise the process,
- to supervise the process relating to consider re-materialization/de-materialization requests,
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- to implement and monitor the Company's Code of Conduct for Prohibition of Insider Trading in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended,
- to make recommendations to improve service levels for stakeholders, and
- to carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory authorities.

**(5A) Risk Management Committee:**

The Board of Directors of the Company has constituted a Risk Management Committee ('RMC') for framing, implementing and monitoring the Risk Management Policy of the Company. The RMC assists the Board in fulfilling its oversight responsibility with respect to Enterprise Risk Management.

**(a) Composition, Names of the Chairperson and Members of the Committee, meetings of the Committee held and attendance details:**

The composition of the Risk Management Committee as on March 31, 2023 as well as details of meeting of Risk Management Committee attended by each Member during the financial year 2022-23 is as follows:

Name	Designation	Category	Numbers of Meetings	
			Held	Attended
Mrs. Jyoti Sunil Modi (DIN: 08699101)	Chairperson	Non-Executive, Independent	3	3
Mr. Mihir Bipin Manek (DIN: 00650613)	Member	Executive, Promoter	3	3
Mr. Mitesh Manek	Member	Chief Financial Officer	3	3



During the financial year under review, the Committee met 3 (Three) times, i.e. on May 12, 2022, August 12, 2022 and February 08, 2023.

**(b) Brief description of terms of reference:**

The Risk Management Committee is constituted in line with the provisions of Regulation 21 of the Listing Regulations. The brief terms of reference of the Committee is to formulate, monitor and review risk management policy and plan, inter alia, covering investment of surplus funds, management of foreign exchange risks, cyber security risks, data privacy risks and other risks associated to the Company.

The terms of reference or Role of the RMC are as follows:

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

**(6) Remuneration of Directors:**

**(a) Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:**

During the year under review (during his tenure as Director), the Company had paid ₹ 2,50,000/- to Mr. Vijay Krishnaswamirao Atre\* (DIN: 00416853), Non-executive Director, as remuneration by way of Commission.

The Independent Directors were given sitting fees for attending meetings of the Board in which financial statements/results are discussed, as approved by the Board. The Board of Directors in its meeting held on May 12, 2022 has approved the increase in sitting fees to be paid to Independent Directors from existing ₹ 12,500/- to ₹ 20,000/- for every meeting of the Board of Directors attended by them, in which Financial Results of the Company are approved effective from Board Meeting held on May 12, 2022.

Also, Mrs. Pravina Bipin Manek (DIN: 00416533) was paid Guarantee Commission for guarantee given by her for securing loan taken by the Company from Banks. Mrs. Pravina Bipin Manek (DIN: 00416533) had received ₹ 45,00,000/- (Rupees Forty Five Lakh only) as Guarantee Commission.

The above payments made to Non-Executive Directors were approved by the Shareholders. Apart from mentioned above, the Non-Executive Directors were not paid any remuneration.

Mrs. Pravina Bipin Manek (DIN: 00416533) is one of the Promoters of the Company and Mr. Bipin Madhavji Manek (DIN: 00416441), Chairman and Managing Director, Mr. Mihir Bipin Manek (DIN: 00650613), Joint Managing Director of the Company and Mrs. Vidhi Harsh Parekh (DIN: 07584061), Whole-time Director of the Company, are her relatives. No other Non-Executive Directors are inter-se related to each other.

**(b) Criteria for making payments to Non-Executive Directors:**

Criteria for making payments to Non-Executive Directors are given in the Nomination and Remuneration Policy and same is placed on the website of the Company at the link

<https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/7.%20Nomination%20and%20Remuneration%20Policy.pdf>

**(c) Disclosures with respect to remuneration:**

**(i) Details of remuneration paid to the Executive Directors for the financial year 2022-23 are as given below:**

Name of Directors	Amount in ₹			Contract period	Notice period
	Salary	Commission	Total		
Mr. Bipin Madhavji Manek (DIN: 00416441), Chairman and Managing Director	60,00,000	1,70,00,000	2,30,00,000	From 01.11.2022 till 31.10.2027	Three Calendar months
Mr. Mihir Bipin Manek (DIN: 00650613), Joint Managing Director	60,00,000	1,70,00,000	2,30,00,000	From 15.07.2020 till 14.07.2025	Three Calendar months
Mrs. Vidhi Harsh Parekh (DIN: 07584061), Whole-time Director	12,00,000	Nil	12,00,000	From 01.11.2020 till 31.10.2025	Two Months
<b>Total</b>	<b>1,32,00,000</b>	<b>3,40,00,000</b>	<b>4,72,00,000</b>		

**Notes:**

- The above figures exclude provisions for contribution to Provident Funds/Gratuity Fund.
- Appointment, terms, conditions and payment of remuneration to the Managing Director and Joint Managing Director is governed by the resolution(s) passed by the Nomination & Remuneration Committee, Board of Directors and Members of the Company.
- Mr. Bipin Madhavji Manek (DIN: 00416441) is holding 26,10,333 Equity Shares of the Company constituting 5.23% of total voting power. He is one of the Trustees for three Private Trusts which are holding in aggregate 52.06% of total Voting Power in the Company. Further, Mr. Mihir Bipin Manek (DIN: 00650613) is one of the Trustees for two Private Trusts which are holding in aggregate 49.06% of total Voting Power in the Company.
- Mrs. Vidhi Harsh Parekh (DIN: 07584061) does not hold any share in the Company as on the date of this Report.
- The Company does not have any employees' stock option scheme.

- The period of office of Mr. Bipin Madhavji Manek (DIN: 00416441), Chairman and Managing Director, shall not be liable to retirement by rotation whereas, the period of office of Mr. Mihir Bipin Manek (DIN: 00650613), Joint Managing Director, and Mrs. Vidhi Harsh Parekh (DIN: 07584061), Whole-time Director, shall be liable to retirement by rotation.
- Mr. Bipin Madhavji Manek (DIN: 00416441) was also paid ₹ 45,00,000/- as Guarantee Commission for guarantee given by him for securing loan taken by the Company from Banks.

(ii) The details of Remuneration paid to the Non-Executive Directors during the financial year 2022-23 are as given below:

Name of Directors	Amount in ₹				
	Sitting fees	Commission	Salary	Others	Total
Mr. Vijay Krishnaswamirao Atre# (DIN: 00416853)	0	2,50,000	0	0	2,50,000
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	80,000	0	0	0	80,000
Mr. Ashit Kantilal Doshi (DIN: 08486679)	80,000	0	0	0	80,000
Mr. Nirenbbhai Dinkerrai Desai (DIN: 01978382)	80,000	0	0	0	80,000
Mr. Rahul Chakradhar Berde (DIN: 06981981)	80,000	0	0	0	80,000
Mrs. Pravina Bipin Manek* (DIN: 00416533)*	0	0	0	0	0
Mrs. Jyoti Sunil Modi (DIN: 08699101)	80,000	0	0	0	80,000
<b>Total</b>	<b>4,00,000</b>	<b>2,50,000</b>	<b>0</b>	<b>0</b>	<b>6,50,000</b>

**#Remuneration by way of Commission.**

\*Mrs. Pravina Bipin Manek (DIN: 00416533) was paid ₹ 45,00,000/- as Guarantee Commission for guarantee given by her for securing loan taken by the Company from Banks.

Independent Directors are not liable to retire by rotation under the Act. The Company does not have any employees' stock option scheme.

**(7) General Body Meetings:****a) Details of last three Annual General Meetings:**

Details of the date, location and time, where last three Annual General Meetings (AGMs) held and the special resolutions passed thereat are as follows:

<b>Year, date and time</b>	<b>Location</b>	<b>Special Resolution(s) passed</b>
FY 2021-22 29 <sup>th</sup> AGM held on Friday, September 30, 2022 at 03:30 p.m.	Held through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") which was deemed to be held at the Registered Office of the Company viz. E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400 034	<ol style="list-style-type: none"> <li>To consider re-appointment of Mr. Bipin Madhavji Manek (DIN: 00416441) as Managing Director of the Company and continue to act as Managing Director of the Company and giving remuneration after the age of 70 years</li> <li>To approve the increase in remuneration of Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as Non-Executive Director of the Company which may exceed fifty per cent of the total annual remuneration payable to all Non-Executive Directors.</li> <li>To approve the aggregate annual remuneration payable to the Promoter-Executive Directors/ Members of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.</li> </ol>
FY 2020-21 28 <sup>th</sup> AGM held on Tuesday, September 28, 2021 at 03:30 p.m.	Held through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") which was deemed to be held at the Registered Office of the Company viz. E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400 034	<ol style="list-style-type: none"> <li>To approve the payment of remuneration to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as Non-Executive Director of the Company which may exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors.</li> <li>To approve the aggregate annual remuneration payable to the Promoter-Executive Directors / Members of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.</li> </ol>
FY 2019-20 27 <sup>th</sup> AGM held on Tuesday, September 29, 2020 at 03:30 p.m.	Held through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") which was deemed to be held at the Registered Office of the Company viz. E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400 034	<ol style="list-style-type: none"> <li>To approve the payment of remuneration to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as Non-Executive Director of the Company which may exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors.</li> <li>To approve the aggregate annual remuneration payable to the Promoter-Executive Directors / Members of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.</li> </ol>

**b) Special Resolutions passed through Postal Ballot:**

During the financial year 2022-23, no approval of the shareholders was taken through Postal Ballot.

**c) Person who conducted the aforesaid postal ballot exercise: Not Applicable****d) Whether any special resolution is proposed to be conducted through postal ballot: No****e) Procedure for postal ballot:**

The Company will comply with the requirements relating to the postal ballot process as and when such matter arises requiring approval of the Members by such process as provided u/s 108 and 110 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 44 of the Listing Regulations, including any statutory modification or re-enactment thereof for the time being in force.

**(8) Means of Communication:****a) Quarterly results:**

Quarterly/Half yearly/Annual results are regularly submitted to the Stock Exchanges, where the securities of the Company are listed, immediately after the approval of the Board pursuant to the Listing Regulations' requirements and are published in the newspapers.

The financial results are displayed on the Company's website i.e. <https://vidhifoodcolors.com/investor-relation/financial-results/>

The financial results are submitted and disseminated on the website of BSE Limited as well as National Stock Exchange of India Limited, Stock Exchanges where securities of the Company are listed.

**b) Newspapers wherein results normally published:**

The quarterly, half-yearly and annual results of the Company during the financial year 2022-23 were normally published in the newspapers, viz. Business Standard (English) and Mumbai Lakshadeep (Marathi, the regional language).

**c) Any Website, where displayed:**

<https://vidhifoodcolors.com/investor-relation/investor-contact/>

**d) Whether Website also displays official news releases:**

The Company has maintained a functional website <https://vidhifoodcolors.com/> which displays official news releases.

**e) Presentations made to institutional investors or to the analysts:**

The Investor Presentation on quarterly results are published on website of the Company and the website of the Stock Exchanges. Quarterly results, regulatory filings, transcripts of earnings call, Investor Relations presentations and schedules of analyst and investor interactions are available at <https://vidhifoodcolors.com/investor-relation/announcements/>

**(9) General Shareholder Information:****a) Annual General Meeting (AGM):**

Day, date and time : Friday, September 29, 2023 at 03:30 p.m. (IST)  
 Venue : Meeting through Video Conferencing/Other Audio Visual Means

**b) Financial year** : April 1, 2022 to March 31, 2023

**c) Date of Book Closure and Dividend Payment Date:**

The Dividend, if declared at the AGM, would be paid/dispatched on/after Friday, September 29, 2022 and within thirty days from the date of declaration of dividend. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 23, 2023 to Friday, September 29, 2023, both days inclusive, for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for final dividend on Equity Shares, if declared at the AGM.

**d) Name and address of stock exchanges at which the Company's securities are listed and confirmation about payment of annual listing fees to each of stock exchanges:**

The Company's Equity Shares are listed on

- i) **BSE Ltd. (BSE)** - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001; and
- ii) **National Stock Exchange of India Limited (NSE)** - Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

The Company has paid the applicable annual listing fees to BSE and NSE for the financial year 2022-23 within the stipulated time.

**e) Stock code:**

BSE Scrip Code	531717
NSE Trading Symbol	VIDHIING
ISIN Number for NSDL & CDSL	INE632C01026

**f) Market Price Data: High, Low during each month in last financial year\*:**

The performance of the Equity Shares of the Company on BSE and NSE depicting the liquidity of the Company's Equity Shares for the financial year ended on March 31, 2023, on the said exchanges, is as follows:

**Stock Market data – BSE**

Month	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	Total Turnover (₹)
April, 2022	409.05	513.60	409.05	453.80	4,40,598	20,96,60,767
May, 2022	443.00	459.85	372.00	403.25	1,75,550	7,20,63,087
June, 2022	403.45	417.10	343.20	405.70	1,93,552	7,36,00,879
July, 2022	403.00	450.00	379.30	388.10	62,709	2,56,07,371

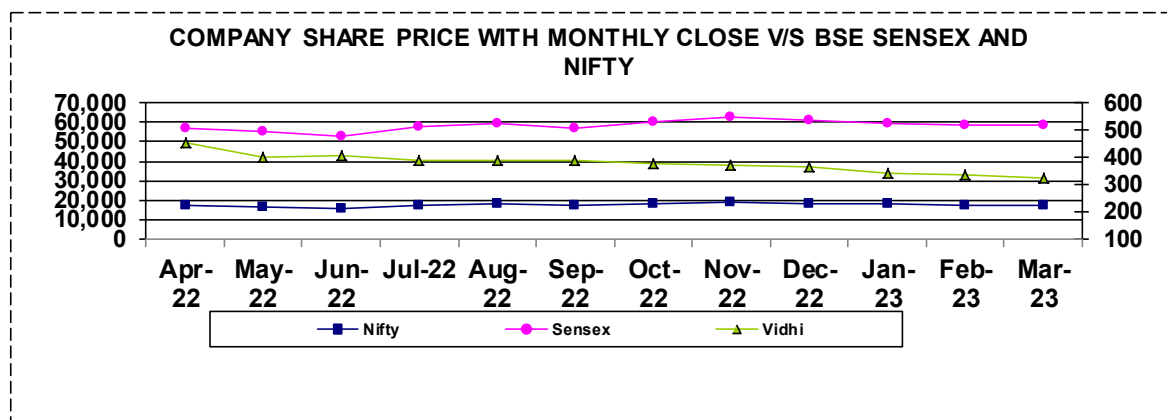
Month	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	Total Turnover (₹)
August, 2022	392.45	413.90	360.00	390.00	61,864	2,45,77,160
September, 2022	390.05	443.80	368.15	386.35	1,38,973	5,69,66,967
October, 2022	403.75	405.00	365.00	376.40	43,675	1,65,95,324
November, 2022	379.10	402.95	355.90	370.55	50,442	1,90,12,220
December, 2022	365.00	373.20	334.25	363.45	89,562	3,17,20,233
January, 2023	363.45	391.60	335.70	342.80	43,390	1,57,58,588
February, 2023	343.00	356.00	317.15	332.45	40,043	1,33,25,066
March, 2023	331.15	365.00	319.05	326.20	47,098	1,56,15,749

**Stock Market data – NSE**

Month	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	Total Turnover (₹)
April, 2022	490.90	513.85	475.20	495.10	35,60,758	1,706,433,300
May, 2022	449.90	455.40	447.00	451.05	9,89,910	39,98,94,761
June, 2022	415.00	418.90	340.70	412.70	8,59,525	32,42,20,733
July, 2022	445.00	450.00	381.35	431.50	8,47,084	35,19,83,325
August, 2022	406.30	413.90	368.85	404.35	7,09,437	28,09,06,772
September, 2022	432.55	443.50	373.25	430.35	14,13,197	58,38,71,200
October, 2022	390.00	403.50	383.35	389.50	5,06,553	19,33,16,709
November, 2022	393.00	404.45	358.05	394.10	5,88,395	22,17,20,713
December, 2022	372.70	372.90	338.00	370.80	8,34,545	29,55,05,974
January, 2023	385.95	392.00	333.50	384.00	4,06,108	15,05,18,387
February, 2023	352.25	354.90	320.00	352.25	4,62,095	15,43,22,191
March, 2023	350.00	352.00	320.10	345.25	4,25,561	14,16,48,404

\*(Source: This information is compiled from the data available on the website of BSE and NSE)

**g) Performance in comparison to broad-based indices:**



**h) In case the securities are suspended from trading, reason thereof:**

Not applicable, since the securities of the Company have not been suspended from trading.

**i) Registrar to an issue and Share Transfer Agents (R & TA):****Link Intime India Private Limited**

C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083  
Tel: 022- 28515644/5606 Fax: 022- 28512885

**j) Share Transfer System:**

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected in dematerialized form only.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 mandated all listed companies to issue securities in dematerialized form only while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the RTA of the Company, for assistance in this regard.

Also, share transactions in electronic form can be effected in a much simpler and faster manner. Transfers, Transmission, etc. of equity shares in electronic form are effected through the depositories with no involvement of the Company.

The Company has obtained certificates on yearly basis from the Practicing Company Secretary, certifying due compliance with the formalities of share transfer as required under Regulation 40 of the Listing Regulations and submitted a copy of the Certificate to the Stock Exchanges where the securities of the Company are listed.

**k) Distribution of shareholding as on March 31, 2023:**

<b>No. of Equity Shares held</b>	<b>No. of Members*</b>	<b>% of Members</b>	<b>Total Shares</b>	<b>% of shares</b>
1 - 5000	20461	97.90	49,12,988	9.83
5001 – 10000	178	0.85	12,90,240	2.58
10001 - 20000	117	0.56	17,13,807	3.43
20001 - 30000	52	0.25	13,03,932	2.61
30001 - 40000	28	0.13	10,18,267	2.03
40001 - 50000	11	0.05	10,18,267	0.99
50001 - 100000	27	0.13	18,63,403	3.73
100001 & Above	25	0.12	3,73,44,086	74.77
<b>Total</b>	<b>20,899</b>	<b>100.00</b>	<b>4,99,45,000</b>	<b>100</b>

\*Based on number of Folio/Client and DP-ID



Shareholding pattern of the Company as on March 31, 2023:

category code	Category of the Shareholder	Number of Shareholders*	Total Number of Shares	Total Share-holding as a % of total number of shares
<b>[A]</b>	<b>Shareholding of Promoter &amp; Promoter Group</b>			
(1)	Indian (Individuals)	2	61,01,000	12.22
(2)	Any Other (Trust)	3	2,60,00,000	52.06
	<b>Total Shareholding of Promoter and Promoter Group</b>	<b>5</b>	<b>3,21,01,000</b>	<b>64.27</b>
<b>[B]</b>	<b>Public Shareholding</b>			
(1)	Institutions	5	44,897	0.09
(2)	Non-Institutions	20,498	1,77,99,103	35.64
	<b>Total Public Shareholding</b>	<b>20,503</b>	<b>1,78,44,000</b>	<b>35.73</b>
<b>[C]</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0.00
	<b>GRAND TOTAL [A]+[B]+[C]</b>	<b>20,508</b>	<b>4,99,45,000</b>	<b>100.00</b>

\*Based on PAN

As on March 31, 2023 none of the Promoter or Member of the Promoter's Group of the Company has pledged any shares of the Company.

**i) Dematerialization of Shares and liquidity:**

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

As on March 31, 2023, 99.57% of the total Subscribed and Fully Paid-up Equity Share Capital comprising of 4,97,28,990 Equity shares of the Company are in dematerialized form.

All the shares of the Company held by the Promoter or Promoter Group were held in Demat form.

**m) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on Equity:**

Not Applicable as there were no outstanding ADRs or GDRs, Warrants or any Convertible Instruments as on the date of this Report.

**n) Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

**o) Plant Location:****Factory I:**

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

**Factory II:**

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

Further, the Company has set-up a plant in Dahej SEZ, Gujarat but the same will operationalize soon, subject to receipt of necessary approvals are received from various authorities.

**p) Address for correspondence:****(i) Registered Office:**

Vidhi Specialty Food Ingredients Limited  
E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400034  
Tel.: 022-6140 6666 Fax: 022-2352 1980

**(ii) For queries on Annual Report or investors' assistance:**

Ms. Vishakha Pandya,  
Company Secretary and Compliance Officer  
Vidhi Specialty Food Ingredients Limited  
E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034

Investors can register their complaints/ grievances at the Company's e-mail id: [vdmfcs@hotmail.com](mailto:vdmfcs@hotmail.com)  
The aforesaid e-mail id and other relevant details have been displayed on the website of the Company i.e. <https://vidhifoodcolors.com/>

**(iii) For share transfer/dematerialisation of shares/other queries relating to the securities (Registrar & Share Transfer Agents):****Link Intime India Private Limited**

C 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai – 400 083,  
Tel: 022- 2249186270 Fax: 022- 2249186060  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

The aforesaid e-mail id and other relevant details have been displayed on the website of the Company at <https://vidhifoodcolors.com/investor-relation/investor-contact/>

**q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:**

There was no debt instruments issued by the Company or any fixed deposit scheme announced by the Company. The Company has obtained credit rating of secured loan taken from Bank and financial institutions.

As at the financial year ended March 31, 2023, the Company had Long Term Rating of CRISIL A-/Stable and Short Term Rating of CRISIL A2+ on Bank Loan facilities

CRISIL Ratings have upgraded Company's rating on the bank facilities to "CRISIL A-/Stable/CRISIL A2+" from "CRISIL BBB+/Positive/CRISIL A2" vide its rationale dated June 08, 2023.

**(10) Other Disclosures:**

**a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:**

During the financial year under review, there were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. The related party transactions are entered into by the Company are based on business exigencies and are intended to further the Company's interests.

**b) Details of non-compliance by the Company, penalties or strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years and no penalties and/or strictures have been imposed on the Company in this regard. However, there were following departure from compliance of Listing Regulations:

- Ms. Priyanka Suresh Soni, Company Secretary and Compliance Officer of the Company had resigned w.e.f. closing working hour of December 10, 2022. The Company has appointed Ms. Vishakha Pandya, Company Secretary, as Compliance Officer of the Company w.e.f. February 10, 2022. Hence, there was no Compliance Officer during the period from closure of working hour of December 10, 2022 till February 09, 2022.
- The Board of Directors in its Meeting held on August 12, 2022 has approved the un-audited financial results for the quarter ended June 30, 2022 and submitted the financial results within 30 Minutes from the conclusion of the Board Meeting on BSE Limited but due to interpretation issue on communication received from NSE, the financial results was not submitted within 30 minutes from the conclusion of Board Meeting with NSE. Subsequently, the Company has received a notice dated September 14, 2022 (read with notice dated September 09, 2022) from NSE imposing fine of ₹ 1,41,600/- (including GST) for Non-Compliance of Regulation 33 of Listing Regulations for said non-compliance for which the Company has submitted a waiver application. The NSE has considered the facts and approved the waiver application vide its approval letter dated June 08, 2023.

**c) Details of establishment of Vigil Mechanism/ Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:**

The Company has a Vigil Mechanism /Whistle Blower Policy in place, details of which have been furnished in the Board's Report. The Board of Directors affirms that no personnel have been denied access to the Audit Committee.

**d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has complied with all the mandatory requirements of the Schedule V of the Listing Regulations. The status of compliance with the non-mandatory requirements of this clause has been detailed in Point No. 12 below.

**e) Web link where policy for determining 'material' subsidiaries is disclosed:**

<https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Policies/15.%20Policy%20For%20Material%20Subsidiary.pdf>

**f) Web link where policy on dealing with related party transactions is disclosed:**

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

**g) Disclosure of commodity price risks and commodity hedging activities:** Not applicable since the Company is not doing the commodity hedging activities.**h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A):** During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.**i) Certificate from Mr. Hemanshu Kapadia (Membership: F3477 and CP No. 2285), Practicing Company Secretary, Proprietor of M/s. Hemanshu Kapadia & Associates, is attached herewith, which forms part of this Report, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board (SEBI)/ Ministry of Corporate Affairs or any such statutory authority.****j) During the financial year 2022-23, all the recommendations of all the Committees of the Board have been accepted by the Board of Directors unanimously.****k) Total fees for all services paid by the Company and its subsidiaries, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part:**

Bhuta Shah & Co LLP, Chartered Accountants (Firm Registration No. 101474W/W100100) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis during the financial year 22-23, are given below:

Type of services	Amount in ₹ Lakh
Audit Fee	12.50
Certification Services	3.54
<b>Total</b>	<b>16.04</b>

**i) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- a. number of complaints filed during the financial year: Nil
- b. number of complaints disposed of during the financial year: Nil
- c. number of complaints pending as on end of the financial year: Nil

**m) Disclosure of Loans and advances in the nature of loans to firms/companies in which Directors are interested:**

The Company has not provided any loans and advances to any firms/companies in which Directors are interested, except to Wholly-owned Subsidiary Company in which Directors of the Company are Directors. Details of the entities and loan are given below:

Sr. No.	Name of borrower	Name of Lender	Relation with Listed Entity	Type of transactions	O/s Amount in ₹ Lakh
1.	Arjun Food Colorants Manufacturing Private Limited	Vidhi Specialty Food Ingredients Limited	Wholly-owned Subsidiary	Loan	10.07

**n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries**

The Company does not has any Material Subsidiary.

**(11) Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed:**

The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Clause (C) of the Schedule V of the Listing Regulations.

**(12) Adoption of the discretionary requirements as specified in Part E of the Schedule II of the Listing Regulations:****(a) The Board:**

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

**(b) Shareholder's Rights:**

The Company's quarterly/half-yearly/annual results were furnished to the Stock Exchanges, published in the newspapers and also displayed on the website of the Company and therefore results were not separately sent to the Members. Quarterly/half-yearly/annual results of the Company are displayed on the website of the Company at the link <https://vidhifoodcolors.com/investor-relation/financial-results/>.

**(c) Modified opinion(s) in Audit Report:**

The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

**(d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:**

In the Company the Managing Director and Chairperson post is held by the same person, Mr. Bipin Madhavji Manek (DIN: 00416441).

**(e) Reporting of Internal Auditor:**

The Internal Auditor submits it's Report directly to the Audit Committee.

**(13) Disclosures of the compliance with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46:**

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

**(14) Disclosure with respect to demat suspense account/unclaimed suspense account under schedule V(F) of the Listing Regulations:**

As per the details given by the R & TA, the Company does not have any Demat Suspense Account/Unclaimed Suspense Account.

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

**Sd/-**

**Bipin Madhavji Manek  
Chairman & Managing Director  
(DIN: 00416441)**

**Address: 12/A, Sommerset House,  
Off. Bhulabhai Desai Road,  
Warden Road, Sophia College,  
Mumbai – 400 026**

**Date: August 11, 2023  
Place: Mumbai**

**Registered Office:**

**E/27, Commerce Centre,  
78, Tardeo Road, Mumbai – 400 034  
CIN: L24110MH1994PLC076156  
<https://vidhifoodcolors.com/>**

**DECLARATION BY THE MANAGING DIRECTOR UNDER SCHEDULE V (D) OF THE LISTING REGULATIONS REGARDING ADHERENCE TO THE CODE OF CONDUCT:**

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the same is uploaded on the website of the Company at <https://vidhifoodcolors.com/investor-relation/codes-policies/>

I hereby confirm that all the Board Members and Senior Management Personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended March 31, 2023.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Chief Executive Officer & Managing Director as on March 31, 2023.

**Date: August 11, 2023**

**Place: Mumbai**

**Sd/-**

**Bipin Madhavji Manek  
Chairman & Managing Director  
(DIN: 00416441)**

**Address: 12/A, Sommerset House,  
Off. Bhulabhai Desai Road,  
Warden Road, Sophia College,  
Mumbai – 400 026**

## Compliance Certificate regarding Compliance of Condition of Corporate Governance

To the Members of VIDHI SPECIALTY FOOD INGREDIENTS LIMITED,

We have examined the compliance of conditions of Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ('Listing Regulations') by **VIDHI SPECIALTYFOOD INGREDIENTS LIMITED** ('the Company') for the financial year ended **March 31, 2023**.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated under the above mentioned Listing Regulations, as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Listing Regulations, as applicable.

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

For **Hemanshu Kapadia & Associates**  
**Practicing Company Secretaries**

Peer Review Certificate No.: 1620/2021

Sd/-

**Hemanshu Kapadia**

**Proprietor**

C.P. No.: **2285**

Membership No.: **F3477**

UDIN: **F003477E000784147**

**Date:** August 11, 2023

**Place:** Mumbai



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
the Members of  
**VIDHI SPECIALTY FOOD INGREDIENTS LIMITED,**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VIDHI SPECIALTY FOOD INGREDIENTS LIMITED** having CIN: L24110MH1994PLC076156 and having Registered Office at E/27, Commerce Center, 78, Tardeo Road, Mumbai - 400 034 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and based on the information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Bipin Madhavji Manek	00416441	19/01/1994
2.	Mrs. Pravina Bipin Manek	00416533	19/01/1994
3.	Mr. Vijay Krishnaswamirao Atre*	00416853	02/05/1995
4.	Mr. Prafullachandra Anantlal Shah	00417022	06/01/2003
5.	Mr. Mihir Bipin Manek	00650613	31/07/2006
6.	Mr. Nirenbhai Dinkerrai Desai	01978382	06/01/2003
7.	Mr. Rahul Chakradhar Berde	06981981	30/09/2014
8.	Mr. Ashit Kantilal Doshi	08486679	20/06/2019
9.	Mrs. Jyoti Sunil Modi	08699101	19/03/2020
10.	Mrs. Vidhi Harsh Parekh	07584061	01/11/2020

\* Mr. Vijay Krishnaswamirao Atre has resigned w.e.f August 31, 2022.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Hemanshu Kapadia & Associates**  
**Practicing Company Secretaries**

Sd/-  
**Hemanshu Kapadia**  
**Proprietor**  
C.P. No.: **2285**  
Membership No.: **F3477**  
UDIN: **F003477E000784061**

**Date:** August 11, 2023

**Place:** Mumbai

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

This discussion provides an assessment by Management of the current financial position, results of operations for the financial year ended March 31, 2023, market scenario, industry position, global and Indian economy and its impact of the Company. Information presented in this discussion supplements the financial statement, schedules and exhibits for the financial year ended March 31, 2023.

### Global Economic Overview:

Financial year 2023 began on a mixed note. On the positive side, after wreaking havoc for almost two years, the impact of the COVID-19 pandemic on lives and livelihoods started receding. This was aided by a mass immunization programme and the advent of a less virulent variant called omicron. However, the flip side was the impact of inflationary trends, supply chain disruptions emanating from China, and the start of the Russia-Ukraine conflict impacting commodity prices.

Simultaneously, the massive and synchronous tightening of monetary policy by most central banks has started to tame inflation. Conversely, the rapid rise in interest rates has contributed to stresses in parts of the financial system raising financial stability concerns. As a result, the global GDP is estimated to have grown at a more subdued 3.4% in 2022, versus 5.9% in the prior year. In January 2023, high frequency economic indicators started picking up as COVID-19 waves subsided. In addition, it is observed that global growth will fall to 2.9 percent in 2023 as compare to 3.4 percent in 2022 before settling at 3.0 percent in 2024.

*Source: IMF World Economic Outlook April 2023*

### Domestic Economic Overview:

The growth in the real GDP during FY 2022-23 is estimated at 7.0%, compared to 9.1% in FY 2021-22. This is driven by the accentuated headwinds from prolonged geopolitical tensions, tightening global financial conditions and slowing external demand. As per the Monetary Policy Committee (the "MPC") of the RBI, the inflation outlook will be influenced by several factors, both global and domestic.

In FY2023, the Indian economy faced multiple challenges. The country's retail inflation indicator, consumer price inflation (CPI) inched above the RBI's tolerance range in January 2022. It remained above the target range for almost twelve months before retracting within the upper tolerance of 6% in November 2022. Rising international crude prices coupled with domestic weather conditions like excessive heat and unseasonal rains kept food prices high, fuelling retail inflation. The Government cut excise and customs duties and restricted exports to cool off inflation. The RBI, like other central banks, raised the monetary policy rates and reduced excess systemic liquidity. Major areas of concern for the economy were elevated commodity prices leading to a depreciation of the Indian rupee, higher retail inflation (both core and food inflation) leading to the RBI raising interest rates and rationalizing systemic liquidity, and a rising current account deficit (CAD).

At per Monetary Policy Committee (MPC) meeting held in April 2023, the RBI unanimously decided to keep the policy rates unchanged with an emphatic statement that the pause was only for this meeting and the MPC would not hesitate to take further action as may be required in future.

### Industry Structure & Development:

Food colours are standard in our everyday lives, and they may even be found in meals and drinks we wouldn't anticipate. Food colours are added to food or drink to modify the hue to make it more palatable. Natural food colours, synthetic food colours, are two broad categories of food colours. Food colours are employed in commercial food manufacturing and home cooking to persuade consumers to buy a product based on its visual appeal. It improves the product's taste, texture, and appearance while preserving its flavour and freshness. Any dye, pigment, or chemical that gives Colour when added to food and drink is a food colouring or colour additive. They

are available in liquids, powders, gels, and pastes. Food colouring is used in both commercial and household food manufacturing. Food colourants are also utilized in cosmetics, medicines, home craft projects, and medical gadgets, fertilizers among other non-food, uses natural food colours, artificial food colours and contemporary trends are discussed in this article.

Food colours are ingredients that are added to food or beverage to enhance its appearance. When colours are added to food products imparts very bright and tempting effect which influences the consumer to buy a product through visual perception. Colour is a key component to enhance the ultimate appetizing value and consumer acceptance towards foods and beverages.

The food color market is segmented into type, application and region.

- A) **Type** – Food color market is categorized into natural color and artificial color.
- B) **Application** -Beverages, Dairy & Frozen Desserts, Bakery & confectionary, Meat products, Processed food &Vegetables, Oils & fats, sweets and snacks, cosmetic, Pharma product, etc.
- C) **Region wise** – Food color market analyzed across North America (U.S., Canada and Mexico), Europe (Germany, France, UK, Italy, Spain and rest of Europe), Asia-Pacific (China, Japan, Australia, India and rest of Asia-Pacific), Latin America (Brazil, Argentina, Colombia and rest of Latin America), Middle East (Saudi Arabia, Egypt, Nigeria and rest of Middle East) and Africa (South Africa, Nigeria, and rest of Africa).

Every year incremental demand of ~₹ 1,500 to ₹, 1,700 crores is expected to generate globally for Food color. Global market of food colour/food colouring agents/powders is valued at US\$ 4.20 billion and is expected to grow around USD 10.0 billion between 2023 and 2032; this market is estimated to register the highest CAGR of 9.3%

### Market Analysis

The Global market will be valued at US\$ 4.20 billion and is expected to grow around USD 10.0 billion between 2023 and 2032; this market is estimated to register the highest CAGR of 9.3%. India's natural food colours industry was expected reach USD 0.09 billion by 2027, with a CAGR of 3.90 % across the area from 2020 to 2027. The Indian food colorants market is projected to witness a CAGR of 5.3% over the forecast period (2020- 2025). It is attributable to the expanding population and increased consumer awareness of health, expected to increase the industry. The growth of the global natural food color market is driven by an increase in demand for clean-label foods and health benefits offered by natural colors. As people become increasingly aware of the detrimental health effects of synthetic food colours, demand for natural food colours is growing. Artificial food colours enhance the appeal of food. Brightly coloured meals pique the curiosity of consumers, particularly youngsters. Children who are fed processed food-flavoured eatables are more likely to develop attention deficit hyperactivity disorder. These behavioural changes are more common in youngsters who consume higher levels of artificial food colours.

Food color is a pigment or substance that adds color to the food & beverages after being mixed. These colors are sourced either through synthetic or natural sources.

Synthetic food colours have been increasingly used than natural food colours by food manufacturers across the globe to attain certain properties such as low cost, improved appearance, high colour intensity, more colour stability, and uniformity.

The Indian Dye & Dyestuff industry plays a vital role in the economic development of the country. It is one of the core chemical industries in India. It is also the second highest export segment in the chemical industry.

India is a strong global dye supplier, accounting for approximately 16% of the world production of dyestuff and dye intermediates. Maharashtra and Gujarat account for 90% of dyestuff production in India due to the availability of raw materials and dominance of textile industry in these regions.

The major users of dyes in India are textiles, paper, plastics, printing ink and foodstuff industries. The textiles sector consumes around 80% of the total production due to high demand for polyester and cotton, globally.

### **Overview of Vidhi's Business and its Position in Food Colour Manufacturing Industry:**

The relevant industry for your Company is food colours, which occupies an important position in the Indian economy.

Vidhi is a globally renowned player in the food colour industry and a leading manufacturer of Superior Synthetic including Synthetic Water Soluble Colours, Aluminum Lakes, FD&C Colours, FD&C lakes, D&C Colours, Blends, Co-blended Lakes & Co-blended Granules. Its business is manufacturing of food colours as an ingredient for foodstuffs, pharmaceuticals, confectionery, pet foods, healthcare, dairy, soft drinks, cosmetic industries, etc. and trading of food colours and trading in chemicals. The colours are being distributed and consumed in over 80 countries across 5 continents. The manufacturing facilities of the Company are spread over an area of 1,76,000 square feet, located in Dhatav Village of Raigad District in the State of Maharashtra - India.

The manufacturing facilities have been audited and found satisfactory by the U.S. FDA. All the products carry Halal and Kosher certification. It is ISO 9001:2015, ISO 22000:2005 certified Company.

The Company is the third largest manufacturer of synthetic food grade dyes globally and 2nd largest in Asia with a capacity of above 3,500 MTPA and it is in process of additional production capacity of ~8,500 MTPA with two Greenfield expansions. Over the last 29 years, it has established strong relationships with global majors like Nestle, Britannia, Pepsi, Cipla, Parle G, Unilever, ITC and so on.

Half of the sale in FY 2022-2023 comes from American continent followed by 17% from Europe and 19% from Australasia. 95.20% of all colours manufactured by the Company are exported globally.

The Company has unique in-house capabilities for the development and production of synthetic food grade colours backed by several decades of experience in the field. With manufacturing plants at Dhatav Village of Raigad District in the State of Maharashtra – India, the Company efficiently caters to customers across the country and across the world. More than 90% of goods manufactured by the Company were exported. The manufacturing capacity is elastic and is capable of meeting the expected sales growth for the next few years. The plants are modern, compliant with health, safety and environment norms, and the team is well trained to use the best manufacturing practices.

The Company has fully equipped & functional laboratory accredited by the Bureau of Indian Standards forms the core of Quality Control Department with dedicated R & D facility with a team of PHD's & qualified chemists, constantly working on process engineering of existing products and on development of new products to enhance the product portfolio and offerings. Stringent checks and processes established at each stage from Raw Material testing to In-Process to manufacturing processes to delivery of Finished Goods to ensure desired products with high standard of quality.

Vidhi has built up on technical services, marketing capabilities and production in bulk quantities to face competition from domestic as well as global markets. In this way, Vidhi enjoys a position of one of the leaders in food colour manufacturing Industry.

To increase the volume of Business Company is coming up with new production facility In Dahej Sez, Gujarat which is going to start soon which will lead to Shoot up in Manufacturing Sales. This greenfield expansion will enable VSFIL to address the growing demand – supply gap and will result in increasing better realizations as the company has also forayed into new high margin products. This development is in line with the company's commitment towards fostering sustainable growth and creating value for its stakeholders. Company assures to

increase the revenue in coming years with commencement of production at Dahej Plant in near future. The Board strive for bright future for your Company with overall growth in turnover as well as profit with expansion of its production facility.

Company's strategy involves focusing on offering value added products which command higher margins, increasing our penetration into newer geographies, addition of new customers, improving wallet share from existing customers, enhancement of product portfolio, operational efficiencies & operating leverage.

The Company is sharing of information & working hand in hand with the regulatory bodies like US FDA & EC for new product developments & standards to be implemented across the globe for food color industry.

#### **Outlook:**

The global food colour market is primarily driven by the increasing demand from beverage industry and bakery and confectionary. The high demand from flavoured drinks, fruit juices and nutritional drinks drives the global food colour market. For commercial adoption, synthetic food colours are in high demand because of the high stability under light, cheap in cost and less microbial contamination. However, natural food colours are expensive in comparison to synthetic ones.

Due to trade conflicts erupted around the world, especially among China, the United States and Western Europe. Large chemical markets that remain accessible in this scenario could present opportunities for chemical Companies in India.

The structure of China's chemical industry is changing due to stricter environmental norms, tighter financing and consolidation, which could present opportunities for India's chemical Companies in certain value chains and segments, especially in the short term.

While the capacity expansion plan remains on track, improving product mix, lower share of trading business and backward integration are expected to improve earnings. Operating margins should settle north.

The outlook for the business is stable in current year in view of COVID-19 however, the Company continues to work on manufacturing and distribution expansion and strengthening of supply chain. The Company is confident to meet the challenges posed globally due to COVID with its strength in marketing network, its strategic planning, productivity improvement and cost reduction exercise.

#### **Opportunities and Threats:**

The Company has a well set up infrastructure in respect to manufacturing capacities, human resources, technical expertise, etc. which are a key factor for future growth of its business. The Company can bank on its in-house R&D for development of new products, quality improvements and cost reductions. Another important aspect which helps the Company in having its diverse portfolio of products is the fact that, the manufacturing capacities are fungible. The dedicated teams for Quality Management and Quality Assurance, helps in maintaining the standards required for various products. The entire project or process is designed to ensure delivery of Best Quality Products. Company's products are having various quality certificates. Further, expansion plans and backward integration will enable the Company to cash on the various opportunities available to the Company.

#### **Opportunities:**

The global food colors market size was valued US\$ 4.20 billion and is expected to grow around USD 10.0 billion between 2023 and 2032 this market is estimated to register the highest CAGR of 9.3%. Growth in the global population is expected to result in increased demand for food & beverage products, which is further likely to drive the demand for the product over the forecast period. Food colors are vital ingredients of processed foods & beverages. Food processors reinforce the original product's quality by enhancing its visual appeal using food

coloring. Improving the product appeal is a major factor that has led to the addition of colors to food products. Food colors balance the loss of colors due to the effect of heat, light, air, moisture, and other atmospheric conditions. Food colors play a significant role in enhancing the visual appeal of off-color or colorless products. They also help to retain the original properties of vitamins, flavors, and nutrients in food products that can get altered due to sunlight.

#### **Further:**

- There is large domestic market with increased income and expenditure on consumer products;
- Closures of industries in China due to environmental norms;
- Good quality products;
- Quality human resources;
- Established production facilities;
- Management experience and expertise in food colour business;
- Rising Production and Consumption of Ready -to -Eat foods and Beverages are likely to push the demand of Synthetic Food Colors during the forecast period.
- Various pro industry initiative taken by the Government and the Reserve Bank of India;
- Access to international selling and sourcing markets is a key success factor and vital for the food colours manufacturing Industry; and
- Health benefits of certain natural food colors.

#### **Threats:**

- Impact of Russia-Ukraine War on Indian Food & Beverage Industry
- Commoditization is a constant threat. Substantial resources and money is spent on developing products, which if superior can be sold at a high price, nevertheless, with time competitors are able to produce these or similar products.
- Most of the chemical companies in India are smaller in scale as compared to their global counterparts. As the global Companies enter and strengthen their presence in the Indian market, they will also invest in marketing, distribution and production systems that local companies may struggle to match.
- Cost of compliance makes operations uneconomical and unviable for small players.
- Chemical companies are affected by environmental regulations. However, awareness about the regulations and their positive effects on the Company will add to value creation and growth.
- Stringent regulations pertaining to the use of colors in food applications

#### **Risks and Concerns:**

Global GDP in FY 2023 was affected by the Russia-Ukraine war and resultant dislocations in supply chains, leading to surging food and energy inflation. FY 2023 saw multiple external and internal challenges continuing to shape the overall risk profile of the company. Macroeconomic and geo-political risks had an impact throughout the year. The Russia-Ukraine war and geo-political tensions, trade wars and imposed sanctions were pervasive and had direct and cascading impacts on economies and businesses.

Even though the economy all over has impacted badly, the Company was impacted less. Further, there is no major decline whatsoever in demand for synthetic food colours in this situation as food colours are supplied to essential items like pharmaceuticals, food, feed, beverage, home care, personal care products etc.

The economic recovery and GDP growth depend on roll out of Government stimulus and policy measures to be taken by the Government to 'reboot' and 'rebound' the economy.

The Company is exposed to health, safety, security and environmental risks, given the diversity and complexity of the industry in which the Company operates. Macro-economic conditions like the policy decisions of the Government, currency fluctuations and volatility in commodity prices like crude oil can also affect the business of the Company.

Other Concerns are:

- Infrastructural challenges;
- Bilateral/multilateral trade agreements of the Country;
- High cost of power;
- Availability of skilled man power;
- High fragmentation of the chemical industry;
- Impact of Russia-Ukraine war in Indian market

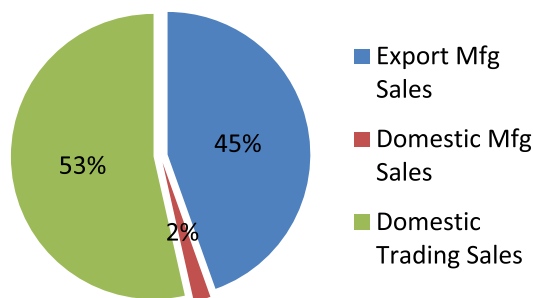
The Company fulfils its legal requirements concerning emission, waste water and waste disposal. Improving work place safety continued to be top priority at both the manufacturing plants. The Company continued its focus on compliance in all areas of its business operations by rationalizing and strengthening the controls. The Company has set in place the requisite mechanism for meeting with the compliance requirements and periodic monitoring to avoid any deviation. Company aims to set exemplary and sustainable standards, not only through products, services and performance, but also through integrity and behavior.

**Segment-wise or product-wise performance:**

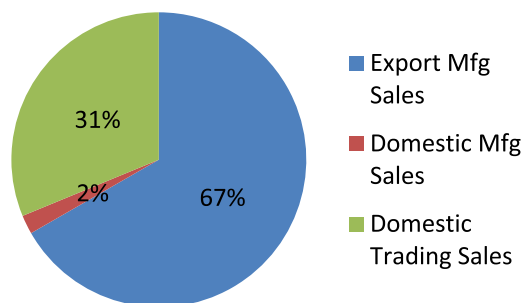
In accordance with Ind-AS 108, the Company has a single reportable business segment, namely, manufacturing and trading of food colours and chemicals. Thus, the segment wise or product wise performance report is not given in the report. The Company has manufactured 4250.02 MT food colours during the financial year 2022-23 against 3,573.81 MT in the previous year.

**Net Sales by Geography:**

**Sales 2022**



**Sales 2023**



**Discussion on financial performance with respect to operational performance:**

**i. Financial Performance:**

During the year under review, your Company has achieved Revenue from operations of ₹ 40,399.29 lakhs. The comparative figures are tabulated below. The Company has achieved net profit after tax of ₹ 3,785.50 lakhs for the financial year 2022-23. EBITDA stood at ₹ 5,694.90 lakhs for the financial year 2022-23. An operational EBITDA has decreased from 61% for financial year ended March 31, 2022 to 33.80% for the financial year ended March 31, 2023.

Finance Cost has been decreased to ₹ 363.41 lakhs for the financial year 2022-23 compared to ₹ 391.11 lakhs for the previous year. Depreciation and Amortization stood at ₹ 336.04 lakhs for the financial year 2022-23 compared to ₹ 297.01 lakhs for the previous year.

(₹ in Lakhs)

Particulars	F.Y. 2022-23	F.Y. 2021-22
Revenues from Operation	40,399.29	53,705.46
Revenues from Exports	26,427.59	23,468.86
EBITDA	5,694.90	8,603.48
PAT	3785.50	5,875.86
Earnings per share	7.59	11.78

## ii. Operational Performance:

Overall, the macro-economic situation is still challenging and policy measures taken by the Government are yet to impact the business in a big way. However, Company posted excellent growth in top as well as bottom line on the back of planned austerity measures and optimum resource management.

The Company's performance with regard to the export manufacturing sales volumes, increased in the financial year 2022-23 to 67% of total sales as compare to 45% of total sales in previous year, domestic trading sales decreased in the FY 2022-2023 to 31% as compare to increase to 53% in FY 2021-22.

The Company's main focus is on manufacturing activities and trading is not the focus area of business. Company has increased manufacturing activities which resulted into increase in manufacturing sales increased by 12.61% in the reporting period as compare to 36.55% in Previous Year. By a combination of a better product mix helped by specialty products and continual improvement in the efficiency of operations at both the locations, the Company has tried keeping its operating margins healthy for all the four quarters and has achieved to have a reasonable EBITDA level. Turnover of the Company has been decreased by 24.77% as compared to increase in previous year whereas the other income is also decreased by 12.57%. There is Increase in the Manufacturing Operations in the Reporting Period; however, the said plunge in the turnover of the Company was predominantly due to substantial reduction in Trading Activities.

## Environmental & Hazardous Safety and Quality Assurance:

Vidhi commits itself to ethical and sustainable operation and development in all business activities. Sustainability enhances innovative ways to do business. This is a necessary prerequisite for value creation. Sustainability at the Company is an integral part of the way we work and this helps the company to position itself in the sustainable market, build a competitive advantage through differentiation, support profitable growth, create added value for stakeholders, build brand image and reputation and anticipate and mitigate risk.

Our ability to treat customers, employees, neighbors and environment in a responsible way is not only ethically correct but also strengthens our partnership with those stakeholders upon whom our success as a Company ultimately depends. The Company takes initiatives to reduce environment, health and safety risks in the production, storage, distribution, use of products and disposal of waste. These include efficient use of energy and resources and continuous improvement of our processes to minimize the impact of our activities on the environment.

As your Company deals with chemicals and is in the business of manufacturing food colours and trading in specialty chemicals, it has to make sure that the highest degree of safety measures is maintained in order to avoid any risk at the workplace. Your Company is committed to maintain its operations and workplace free



from incidents and significant risk to the health and safety of its stakeholders through improved their work skills, strong channels of communication, safety awareness, and sound training practices.

The Company's certified manufacturing activities complies with ISO 9001:2015, ISO 22000:2005, and HACCP which reflects the Company's continued commitment towards Quality, Environment, Occupational Health and safety approaches.

#### **Internal Control Systems and its Adequacy:**

The Company has a system of internal controls to ensure that all its assets are properly safeguarded and not exposed to risks arising out of unauthorized use or disposal. The Internal Control system is supplemented by programs of internal audit to ensure that the assets are properly accounted for and the business operations are conducted in adherence to the laid down policies and procedures. The internal control system also focuses on processes to ensure integrity of the Company's financial accounting and reporting processes and compliance with the Company's legal obligations. The Company has a well-defined risk management programme for identifying and mitigating risks across all the functions which are reviewed by the Audit Committee and Board of Directors of the Company periodically.

The Company has a Risk Management Committee of the Board of Directors which meets regularly to review inter alia risk management policies, adequacies of internal controls, the financial information and other issues related to the Company's operations. The Internal Auditors along with finance team plans the audit schedule for the year in consultation with CFO and the Audit Committee. The Audit Committee of the Board approves the internal audit plan at the start of every financial year to ensure the coverage of most of the functions with a view to minimise associated risks. Independent external teams have been engaged as the Internal Auditors to perform the internal audit function, assess the internal controls and statutory compliances in various areas and also provide suggestions for improvement. The Audit Committee regularly reviews the major findings of the internal audits with respect to different locations and functions to help take effective steps in ensuring compliance.

#### **Human Resources:**

Performance measurement is a fundamental principle of the management. The measurement of performance is important because it identifies performance gaps between current and desired performance and provides indication of progress towards closing the gaps. The Company believes that human resources are a critical factor for its growth. The Company invests in its employees for the growth of their skills and talents so as to meet the growth aspirations of the business. The emphasis is on grooming in-house talent enabling them to take on larger responsibilities. The senior management team spends considerable time in reviewing the existing talent base and processes used for honing the skills of the members in the talent pool and assessing their preparedness for taking on new assignments.

Compensation and benefits packages have always been pivotal to retaining and motivating employees. To remain competitive in compensation and rewards offered, continual efforts were made to make compensation and benefits flexible and market-linked.

The relations with the employees and workers remained cordial and harmonious throughout the year. The Company had total work force of 83 as on March 31, 2023.

**Details of significant changes in key financial ratios (i.e. change of 25% or more as compared to the immediately previous financial year):**

<b>Ratios</b>	<b>F.Y. 2022-23</b>	<b>F.Y. 2021-22</b>	<b>% Change</b>
<b>Debtors Turnover</b>	3.93	3.51	11.97
<b>Inventory Turnover</b>	6.55	7.25	-10.00
<b>Interest Coverage Ratio</b>	15.67	22.00	-28.77
<b>Current Ratio</b>	2.87	2.32	23.71
<b>Debt Equity Ratio</b>	0.32	0.30	6.67
<b>Operating Profit Margin (%)</b>	14.37%	16.33%	-12.00
<b>Profit Margin (%)</b>	9.55%	11.15%	-14.35
<b>Return on Net worth (%)</b>	15.06%	27.02%	-44.26

**Reason for change in change of 25% or more in key financial ratios as compared to the immediately previous financial year:**

- a) **Interest Coverage Ratio:** During the year under Report, Company's interest coverage ratio declined to 15.67 times against 22.00 times in previous financial year. This was due to reduction in finance cost by 7.08%.
- b) **Change in Return on Net worth:** Due to increase in Profit after Tax, as compare to the previous year, Net Worth of the Company has been increased, resulting increase in Return on Net worth.

*Cautionary Statement*

*Certain statements under 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.*

## Independent Auditor's Report

To the Members of  
**Vidhi Specialty Food Ingredients Limited**  
**Report on Audit of the Standalone Financial Statements**

### Opinion

We have audited the standalone financial statements of Vidhi Specialty Food Ingredients Limited (“**the Company**”), which comprises the standalone balance sheet as at 31 March 2023, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023 and its profit and total comprehensive income, changes in equity, cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

## Key Audit Matters

Key audit matters ("KAM") are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Inventory Existence:</b></p> <p>The Company recognized inventory of ₹6,053.24 Lakhs as at 31 March 2023.</p> <p>Within each location, inventory is stored in packet, drums at factory and third-party locations.</p> <p>This is a key audit matter because of the</p> <ul style="list-style-type: none"> <li>• Significance of the inventory balance to the statement of financial position and</li> <li>• Complexity involved in determining inventory quantities on hand due to the number, conversion from Ltr. to Kgs., location and diversity of inventory storage locations, inventories lying with third parties etc.</li> </ul>	<p>We attended inventory counts at factory, which we selected based on financial significance and risk</p> <p>We performed the following procedures at each site:</p> <ul style="list-style-type: none"> <li>• Selected a sample of inventory items and compared the quantities we counted;</li> <li>• Observed a sample of managements inventory count procedures to assess compliance with Company Policy and</li> <li>• Made enquiries regarding obsolete inventory items and inspected the condition of items counted.</li> </ul> <p>We have also evaluated a selection of controls over inventory existence across the Company. Also obtained confirmation for inventories held with third parties.</p>
2	<p><b>Trade Receivables:</b></p> <p>Trade receivables comprise a significant portion of the current assets of the Company and serve as security for a majority of the Company short-term debt. As indicated in Note 5(C) of the financial statements. The receivables provision has been made based on Expected Credit Loss method. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.</p>	<p>We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts receivable. We also considered payments received subsequent to year-end, insurance held for overseas trade receivables, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Company including:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness and reasonableness of the assumptions applied in the managements' assessment of the receivables allowance;</li> <li>• Consideration of the creditworthiness of significant trade receivables over 90 days;</li> <li>• Consideration and concurrence of the agreed payment terms;</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> <li>• Verification of receipts from trade receivables subsequent to year-end;</li> <li>• Inspection of credit insurance policies; and</li> <li>• Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the Company's trade receivables are fairly valued and adequately provided. We further considered whether the provisions were misstated and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the financial statements are appropriate.</li> </ul>

**Other information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the IND AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has disclosed the impact of pending litigations as on 31 March 2023 on its financial position in its standalone financial statements – Refer note 25 (A) to the standalone financial statements.
  - b) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses.
  - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- d) i The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- ii. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) i and (d) ii above contain any material mis-statement.
- e) As stated in Note 9(viii) of the standalone financial statements:
- (i) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (ii) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (iii) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

(C) With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No. 101474W / W100100

**Sd/-**

**Atul Gala**

Partner

Membership No. 048650

Place: Mumbai

UDIN: 23048650BGTOGC8036

Date: 26 May, 2023



**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Vidhi Specialty Food Ingredients Limited for the year ended 31 March 2023**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible assets and hence, reporting for clause 1(a)(B) of the order is not applicable to the company.
- (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of property, plant and equipment by which all property, plant and equipment are verified in a phased program, in our opinion, such program is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification by the management.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in the standalone financial statements, are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii (a) As informed to us, the physical verification of the inventories was done by the management at reasonable intervals and for the year-end. We have received confirmation with respect to inventories lying with third parties. In our opinion, the frequency of verification is reasonable. Further, on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The quarterly Information statements filed by the company with financial institutions or banks are in agreement with the books of account of the Company, except details as mentioned in note 11(A)(vii) which is not matching with the books of account.
- iii According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any investments in Companies, limited liability partnership, firms or other parties. During the year, the Company has not provided loans or provided advances in nature of loans or provided security to any other entity.
- (a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided security or guarantee. However, it has provided loans or advances in the nature of loans its subsidiary. The Company does not hold any investments in any joint ventures or associates.

- B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not given any loans or advances in the nature of loans or guarantee or provided security to any parties other than subsidiary amounting to ₹7.61 lakhs during the year and outstanding balance at year end is ₹10.07 lakhs.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the loans and advances given during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the schedule of repayment of principal and payment of interest has not been stipulated
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no amount is overdue for more than ninety days
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are unable to comment upon whether there are loans granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are unable to comment upon whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv According to the information and explanations given to us and based on our examination of the records, the Company has complied with the provisions of Section 185 of the Act and Section 186 of the Companies Act, 2013 in respect of loans granted and investments made. The company has neither given any guarantees nor provided any securities during the year.
- v According to the information and explanations given to us, the company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- vi According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.
- vii In respect of statutory dues:
- (a) According to the information and explanations given to us and according to the records of the company examined by us, in our opinion, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited by the company with the appropriate authorities, though there have been few delays in deposit which is not serious.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value

Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues outstanding in respect of Income-tax, VAT, Excise duty, Service tax, Custom duty, Goods and Service tax, Cess or/and any other material statutory dues wherever applicable, which have not been deposited on account of any dispute
- viii According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
  - (c) According to the information and explanations given to us on the basis of our examination of the records of the Company, the outstanding term loans at the biggening of the year have been applied by the company during the year for the purpose which they were granted.
  - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purpose by the Company.
  - (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2023.
  - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2023.
- x
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi
- (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have not received any complaints from whistle blower during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- xiii In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- xvi (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a)(b) & (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii The Company has not incurred cash losses during the financial year covered by our audit as well as in the immediately preceding financial year.
- xviii There has been a change in the office of the statutory auditors of the Company during the year, consequent upon completion of a term of five years of previous auditors. No issues and/or concerns have been raised by the outgoing auditor.
- xix On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on any projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on any projects requiring a transfer to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No. 101474W / W100100

**Sd/-**

**Atul Gala**

Partner

Membership No. 048650

Place: Mumbai

UDIN: 23048650BGTOGC8036

Date: 26 May, 2023

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## **Annexure “B” to the Independent Auditors’ report on the standalone financial statements**

(Referred to in paragraph 2A(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Vidhi Specialty Food Ingredients Limited** of even date)

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

#### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Vidhi Specialty Food Ingredients Limited (“the Company”) as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the company has in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were operating as at 31 March 2023, based on the criteria for internal financial controls over financial reporting established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Management’s Responsibility for Internal Financial Controls**

The management of the company is responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No. 101474W / W100100

**Sd/-**

**Atul Gala**

Partner

Membership No. 048650

Place: Mumbai

UDIN: 23048650BGTOGC8036

Date: 26 May, 2023

**Balance Sheet as at 31 March 2023**

₹ In lakhs

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>I Non-current assets</b>			
Property, plant and equipment	3	4,400.45	3,568.23
Right of use assets	4	257.66	190.69
Capital work in progress	3	6,454.79	3,337.90
Financial assets	5		
(i) Investment in subsidiary	5(A)	1,320.15	1,320.15
Other non-current assets	7	13.15	14.17
<b>Total non-current assets</b>		<b>12,446.20</b>	<b>8,431.14</b>
<b>II Current assets</b>			
Inventories	6	6,053.24	7,266.38
Financial assets	5		
(i) Trade receivables	5(C)	10,076.78	15,012.74
(ii) Cash and cash equivalents	5(D)	728.12	118.57
(iii) Bank balances other than (iii) above	5(E)	25.74	27.84
(iv) Loans	5(F)	101.99	90.42
(v) Other financial assets	5(G)	1,382.16	1,343.97
Current tax assets (net)	8	-	40.33
Other current assets	7	2,356.61	2,884.86
<b>Total current assets</b>		<b>20,724.64</b>	<b>26,785.11</b>
<b>Total assets</b>		<b>33,170.84</b>	<b>35,216.25</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
Equity share capital	9	500.20	500.20
Other equity	10	24,639.25	21,250.05
<b>Total equity attributable to owners of the Company</b>		<b>25,139.45</b>	<b>21,750.25</b>
<b>Total equity</b>		<b>25,139.45</b>	<b>21,750.25</b>
<b>Liabilities</b>			
<b>II Non-current liabilities</b>			
Financial liabilities	11		
(i) Borrowings	11(A)	468.40	1,597.64
(ii) Lease liabilities	11(B)	69.96	-
Provisions	12	58.82	55.95
Deferred tax liabilities (net)	13	208.37	264.07
<b>Total non-current liabilities</b>		<b>805.55</b>	<b>1,917.66</b>
<b>III Current liabilities</b>			
Financial liabilities	11		
(i) Borrowings	11(A)	4,497.39	7,352.66
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	11(C)	182.20	264.33
(b) total outstanding dues of creditors other than micro and small enterprises	11(C)	2,096.37	3,406.03
(iii) Other financial liabilities	11(D)	194.41	171.94
Other current liabilities	14	197.29	337.85
Provisions	12	15.69	15.53
Current tax liabilities	15	42.49	-
<b>Total current liabilities</b>		<b>7,225.84</b>	<b>11,548.34</b>
<b>Total Liabilities</b>		<b>8,031.39</b>	<b>13,466.00</b>
<b>Total Equity and Liabilities</b>		<b>33,170.84</b>	<b>35,216.25</b>

The accompanying notes form an integral part of the standalone financial statements

**As per our report of even date****For Bhuta Shah & Co LLP****Chartered Accountants**

Firm Registration No. 101474W / W100100

**Atul Gala**

Partner

Membership No. 048650

**For and on behalf of the board of directors of****Vidhi Specialty Food Ingredients Limited****Bipin M. Manek**

Chairman &amp; Managing Director

DIN: 00416441

**Mitesh D. Manek**

Chief Financial Officer

**PAN: ALDPM9178K****Mihir B. Manek**

Joint Managing Director

DIN: 00650613

**Vishaka Pandya**

Company Secretary

Membership No. 59436

Place : Mumbai

Date : 26-05-2023

Place : Mumbai

Date : 26-05-2023



## Profit and Loss Statement for the year ended 31 March 2023

₹ In lakhs

Particulars	Notes	Year Ended 31 March 2023	Year Ended 31 March 2022
<b>I Income</b>			
Revenue from operations	16	40,399.29	53,705.46
Other income	17	120.99	138.38
<b>Total income</b>		<b>40,520.28</b>	<b>53,843.84</b>
<b>II Expenses</b>			
Cost of raw materials and components consumed	18	16,259.99	14,719.72
Purchases of stock in trade	19	13,133.97	26,776.18
Change in inventories of finished goods, stock in trade and work-in-progress	20	(100.55)	(1,686.92)
Employee benefits expense	21	908.38	947.45
Finance costs	22	363.41	391.11
Depreciation and amortisation expense	23	336.04	297.01
Other expenses	24	4,623.59	4,483.93
<b>Total expenses</b>		<b>35,524.83</b>	<b>45,928.48</b>
<b>III Profit before exceptional items and tax</b>		<b>4,995.45</b>	<b>7,915.36</b>
Exceptional items		-	-
<b>IV Profit before tax</b>		<b>4,995.45</b>	<b>7,915.36</b>
<b>V Income tax expense</b>	13		
Current tax		1,265.00	1,960.00
Deferred tax charge/(credit)		(55.05)	79.50
<b>Total tax expense</b>		<b>1,209.95</b>	<b>2,039.50</b>
<b>VI Net profit for the year after taxes</b>		<b>3,785.50</b>	<b>5,875.86</b>
Share of profit of associates and joint ventures (net)		-	-
<b>VII Profit for the year</b>		<b>3,785.50</b>	<b>5,875.86</b>
<b>VIII Other comprehensive income</b>			
<b>(a) Items that will not be reclassified to profit or loss in subsequent periods</b>			
(i) Remeasurements gains/(losses) on defined benefit plans		2.60	10.96
(ii) Income tax effect on above		0.65	(1.65)
<b>Other comprehensive income for the year, net of tax</b>		<b>3.25</b>	<b>9.31</b>
<b>IX Total comprehensive income for the year, net of tax</b>		<b>3,788.75</b>	<b>5,885.17</b>
<b>X Earnings per equity share [nominal value of share ₹ 1 (Previous year ₹ 1)]</b>			
Basic earning per share(₹)		7.59	11.78
Diluted earning per share(₹)		7.59	11.78

The accompanying notes form an integral part of the standalone financial statements

**As per our report of even date**

**For Bhuta Shah & Co LLP**

**Chartered Accountants**

Firm Registration No. 101474W / W100100

**Atul Gala**

Partner

Membership No. 048650

**For and on behalf of the board of directors of  
Vidhi Specialty Food Ingredients Limited**

**Bipin M. Manek**

Chairman & Managing Director

DIN: 00416441

**Mitesh D. Manek**

Chief Financial Officer

**PAN: ALDPM9178K**

**Mihir B. Manek**

Joint Managing Director

DIN: 00650613

**Vishaka Pandya**

Company Secretary

Membership No. 59436

Place : Mumbai

Date : 26-05-2023

Place : Mumbai

Date : 26-05-2023

## Cash flow statement for the year ended 31 March 2023

₹ In lakhs

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A</b>	<b>Cash flows from operating activities :</b>		
	Profit before tax	4,995.45	7,915.36
	<b>Adjustments to reconcile profit before tax to net cash flows</b>		
	Depreciation and amortisation expense	336.04	297.01
	Interest income on bank deposits and others	(46.27)	(44.85)
	Finance costs	363.41	391.11
	Provision for impairment of trade receivable and other assets provided for / (written back)	(2.60)	17.18
	Expected Credit loss	35.68	-
	Interest on MSME	0.62	(0.97)
	<b>Operating Profit before working capital changes</b>	<b>5,682.33</b>	<b>8,574.84</b>
	<b>Movement in working capital</b>		
	(Increase)/ Decrease in inventories	1,213.14	(3,273.09)
	(Increase)/ Decrease in trade receivables	4,900.27	(5,555.46)
	(Increase)/ Decrease in financial assets	(262.43)	(219.33)
	(Increase)/ Decrease in other non-current assets	1.02	2.83
	(Increase)/Decrease in Other current assets	740.82	(695.54)
	Increase/ (Decrease) in trade payables	(1,389.19)	925.86
	Increase/ (Decrease) in other financial liabilities	22.47	5.12
	Increase/ (Decrease) in other liabilities	(140.56)	219.53
	Increase/ (Decrease) in provisions	5.64	10.14
	<b>Cash generated from operations</b>	<b>10,773.50</b>	<b>(5.11)</b>
	Income tax paid (net of refund)	(1,181.90)	(2,149.89)
	<b>Net Cash flows from operating activities (A)</b>	<b>9,591.60</b>	<b>(2,155.00)</b>
<b>B</b>	<b>Cash flows from investing activities</b>		
	Purchase of property, plant and equipment and intangible assets	(4,283.05)	(4,059.76)
	Interest received on bank deposits	46.37	44.62
	<b>Net cash used in investing activities (B)</b>	<b>(4,236.68)</b>	<b>(4,015.14)</b>
<b>C</b>	<b>Cash flows from financing activities</b>		
	Proceeds/ (Repayment) of Long Term Borrowings (net)	(1,129.23)	1,414.47
	Proceeds from/ (repayment of) short term borrowings (net)	(2,855.26)	4,534.23
	Interest paid on borrowings	(363.41)	(391.11)
	Payment of dividend	(397.46)	(299.16)
	<b>Net cash used in financing activities (C)</b>	<b>(4,745.36)</b>	<b>5,258.43</b>
	<b>Net Increase/ (decrease) in cash and cash equivalents(A+B+C)</b>	609.56	(911.71)
	<b>Cash and cash equivalents as at beginning</b>	118.57	1,030.28
	Effects of exchange rate changes on cash and cash equivalents		
	<b>Cash and cash equivalents as at closing</b>	<b>728.13</b>	<b>118.57</b>

**Cash flow statement for the year ended 31 March 2021****Note :**

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind As 7 Specified under section 133 of the companies Act, 2013.

**2 Components of cash and cash equivalents**

Particulars	₹ In lakhs	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Cash and cash equivalents</b>		
Balances with banks		
In current / cash credit accounts	639.75	92.24
Deposits with a original maturity of less than three months	-	-
Deposits with original maturity of more than three months but less than twelve months	73.75	17.50
Cash on hand	14.63	8.83
<b>Cash and cash equivalents at the end of the year</b>	<b>728.13</b>	<b>118.57</b>

The accompanying notes form an integral part of the standalone financial statements

**As per our report of even date****For Bhuta Shah & Co LLP****Chartered Accountants**

Firm Registration No. 101474W / W100100

**Atul Gala**

Partner

Membership No. 048650

**For and on behalf of the board of directors of  
Vidhi Specialty Food Ingredients Limited****Bipin M. Manek**

Chairman & Managing Director

DIN: 00416441

**Mitesh D. Manek**

Chief Financial Officer

**PAN: ALDPM9178K**

**Mihir B. Manek**

Joint Managing Director

DIN: 00650613

**Vishaka Pandya**

Company Secretary

Membership No. 59436

Place : Mumbai

Date : 26-05-2023

Place : Mumbai

Date : 26-05-2023

## Statement of changes in equity for the year ended 31 March 2023

### (a) Equity share capital

₹ In lakhs

Particulars	Nos.	Amount
<b>Balance as at April 01, 2021</b>	500.20	500.20
Issue of equity shares ₹1/- each		
<b>Balance as at March 31, 2022</b>	<b>500.20</b>	<b>500.20</b>
Issue of equity shares ₹1/- each	500.20	500.20
<b>Balance as at March 31, 2023</b>	<b>500.20</b>	<b>500.20</b>

### (b) Other equity

₹ In lakhs

Particulars	General reserves	Retained earnings	Total other equity
<b>As at April 01, 2021</b>	1,858.40	13,806.15	<b>15,664.55</b>
<b>Profit for the year</b>	-	5,875.86	<b>5,875.86</b>
<b>Other comprehensive income for the year</b>			
Re-measurement gains / (losses) on defined benefit plans net of tax	-	9.31	<b>9.31</b>
<b>Total Comprehensive income for the year</b>	-	5,885.17	<b>5,885.17</b>
<b>Transactions with owners in their capacity as owners:</b>			
Dividend paid during the year	-	(299.67)	<b>(299.67)</b>
Transfer to General Reserve	588.52	(588.52)	-
<b>As at March 31, 2022</b>	<b>2,446.92</b>	<b>18,803.13</b>	<b>21,250.05</b>
Profit for the year	-	3,785.50	<b>3,785.50</b>
Other comprehensive income for the year			
Re-measurement gains / (losses) on defined benefit plans net of tax	-	3.25	<b>3.25</b>
<b>Total Comprehensive income for the year</b>	-	<b>3,788.75</b>	<b>3,788.75</b>
<b>Transactions with owners in their capacity as owners:</b>			
Dividend paid during the year	-	(399.56)	<b>(399.56)</b>
<b>As at March 31, 2023</b>	<b>2,446.92</b>	<b>22,192.32</b>	<b>24,639.25</b>

The accompanying notes form an integral part of the standalone financial statements

#### As per our report of even date

**For Bhuta Shah & Co LLP**

**Chartered Accountants**

Firm Registration No. 101474W / W100100

**Atul Gala**

Partner

Membership No. 048650

**For and on behalf of the board of directors of  
Vidhi Specialty Food Ingredients Limited**

**Bipin M. Manek**

Chairman & Managing Director

DIN: 00416441

**Mitesh D. Manek**

Chief Financial Officer

**PAN: ALDPM9178K**

**Mihir B. Manek**

Joint Managing Director

DIN: 00650613

**Vishaka Pandya**

Company Secretary

Membership No. 59436

Place : Mumbai

Date : 26-05-2023

Place : Mumbai

Date : 26-05-2023

## Notes to Financial Statements for the year ended 31 March 2023

### (1) Corporate Information:

The Company was incorporated on 19th January, 1994 and is engaged in the business of manufacturing and trading in synthetic food colors and trading in chemicals. The company was formerly known as "Vidhi Dyestuffs Manufacturing Limited" and w.e.f. 25th August, 2016, it is changed to "Vidhi Specialty Food Ingredients Limited".

The equity shares of the company are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

#### Authorization of financial statements

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors passed on 26th May 2023.

### (2) Significant Accounting Policies:

#### (i) Basis of preparation

The Financial Statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements upto the year ended 31st March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Effective 1st April 2017, the company has adopted Ind AS and adoption was carried out in accordance with Ind AS 101 first time adoption of accounting standard, with 1st April, 2016 as the transition was carried out from Indian Accounting

Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### (ii) Use of Estimates

Preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision of accounting estimates is recognized prospectively in current and future periods.

#### (iii) Current / Non-Current classification

The normal operating cycle of the Company is 12 months. Assets and Liabilities which are expected to be realizable / payable within 12 months are to be classified as current and rest will be classified as non-current.

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## Notes to Financial Statements for the year ended 31 March 2023

### (iv) Revenue Recognition

Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership to the customers, which is generally on dispatch of goods and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are stated exclusive of sales tax & GST and net of trade discount and quantity discount.

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

Interest Income is recognized on time proportion basis.

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

### (v) Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at their reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

### (vi) Property, plant and equipment

- (i) Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.
- (ii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

## Notes to Financial Statements for the year ended 31 March 2023

- (iii) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- (iv) An Item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognized.
- (v) In line with the provisions of Schedule II to the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.
- (vi) Depreciation on property, plant and equipment is provided as per straight line method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

The property, plant and equipment acquired under finance lease are depreciated over the period of lease. Depreciation on stores and spares specific to an item or property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the stores and spares are depreciated over their estimated useful life based on the technical assessment.

- (vii) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.
- (viii) Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. These are stated at cost to date relating to items or project in progress, incurred during construction / preoperative period. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

### (vii) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets comprising of "Computer Software" are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Estimated useful life of software is assessed to be 10 years.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### (viii) Inventories

Inventories comprise all cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition.

## Notes to Financial Statements for the year ended 31 March 2023

The Inventories [Raw Materials, Traded Goods, Packaging Material, Stock in transit (RM) and Stock with Third Parties (RM)] are valued at lower of cost and net realizable value on First-In-First-Out basis (FIFO).

The Work-in-process and finished goods valued at the batch cost which comprises of cost of raw material, manufacturing expenses, labour charges and other direct expenses.

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

### (ix) Foreign currency Transactions

#### (i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### (ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### (iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in financial statements, are recognized as income or as expenses in the year in which they arise.

#### (iv) Forward Contracts

The premium or discount arising at the inception of forward exchange contracts is booked as expense or income immediately. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

Notes to financial statements for the year ended 31 March 2023

### (x) Employee benefits

All employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Retirement benefits in the form of Provident Fund, Employee State Insurance and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.



## Notes to Financial Statements for the year ended 31 March 2023

### Defined Contribution plan:

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund are due. There are no other obligations other than the contribution payable to the respective fund.

### Defined Benefit Plans:

The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The premium has been so adjusted as to cover the liability under the scheme in respect of all employees at the end of their future anticipated services with the company.

### (xi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as Lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

## Notes to Financial Statements for the year ended 31 March 2023

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### (xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (xiii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

#### Contingent liability is disclosed in the case of:

- Present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past event, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### (xiv) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## Notes to Financial Statements for the year ended 31 March 2023

### (xv) Financial instruments

#### (i) Financial assets:

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial asset not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial asset measured at amortised cost.

##### Subsequent measurement

For purposes of subsequent measurement financial assets are classified into two broad categories:

- Financial asset at fair value
- Financial asset at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income)

A financial asset that meet the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: the objective of the Company's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes)
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meet the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Debt Instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit or loss.

## Notes to Financial Statements for the year ended 31 March 2023

Equity Instruments: All equity instruments within scope of Ind AS 109 are measured at fair value. Equity instruments which are classified as held for trading are measured at FVTPL. For all other equity instruments, the company decides to measure the same either at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such selection on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments measured at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of profit or loss, even on sale of such instruments.

The Investments are measured at Fair Market Value. The diminution in the market value of investments is not considered unless such diminution is considered permanent and accordingly provision for diminution is made in books of accounts.

All other financial asset is measured at fair value through profit or loss.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - a) the Company has transferred substantially all the risks and rewards of the asset, or
  - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets:

In accordance with Ind-AS 109, the company applies Expected Credit Losses (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The company follows "Simplified Approach" for recognition of impairment loss on these financial assets. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

## Notes to Financial Statements for the year ended 31 March 2023

### (ii) Financial liabilities:

Initial recognition and measurement:

Financial Liabilities are classified at initial recognition as:

- (i) Financial liabilities at fair value through profit or loss,
- (ii) Loans and borrowings, payables, net of directly attributable transaction costs or
- (iii) Derivatives designed as hedging instruments in an effective hedge, as appropriate.

The company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

#### **Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in the Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### **Trade and other payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **Derivative financial instruments:**

The Company uses derivative financial instruments, such as foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair

## Notes to Financial Statements for the year ended 31 March 2023

value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### Loans and borrowings – subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The Effective Interest Rate (EIR) amortisation is included as finance costs in the statement of profit and loss.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### (xvi) Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purpose). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit and Loss in the period in which the property is derecognized.

### (xvii) Borrowing Costs

Borrowing costs are charged to Statement of Profit and Loss except to the extent attributable to acquisition / construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### (xviii) Impairment of Non-financial Assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or

## Notes to Financial Statements for the year ended 31 March 2023

cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

### Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 16 – Proceeds before intended use

The amendments clarify the accounting of the proceeds before intended use wherein the amounts received from selling items produced while the company is preparing the asset for its intended use needs to be deducted from the cost of property, plant and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

## Notes to Financial Statements for the year ended 31 March 2023

## 3. Property, Plant and Equipment

₹ In lakhs

Particulars	Leasehold Land	Freehold land	Factory Building	Administrative Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office equipment	Computers	Electrical Installation	Solar Power Project	Total	Capital work in progress	Grand total
Gross carrying amount														
As at April 01, 2021	-	3.75	1,053.96	295.93	2,260.60	0.49	168.59	7.46	0.14	135.76	-	3,926.68	3,337.90	7,264.58
Addition/ Deletion due to other reason (business acquisition/disposal etc)	16.14	26.65			195.90	1.93	54.87				886.07	1,181.56		1,181.56
As at March 31, 2022	16.14	3.75	1,080.61	295.93	2,456.50	2.42	223.46	7.46	0.14	135.76	886.07	5,108.24	3,337.90	8,446.14
Addition/ Deletion due to other reason (business acquisition/disposal etc)		554.61			531.35	12.10	51.92			16.18		1,166.16	3,116.89	4,283.05
As at March 31, 2023	16.14	3.75	1,635.22	295.93	2,987.85	14.52	275.38	7.46	0.14	151.94	886.07	6,274.40	6,454.79	12,729.19
Accumulated depreciation														
As at April 01, 2021	-	-	213.59	55.88	776.00	0.49	104.17	6.41	0.14	88.34	-	1,245.02	-	1,245.02
Depreciation charge for the year	0.11	43.17		11.17	188.59	0.01	19.71	0.99	-	12.05	19.19	294.99		294.99
As at March 31, 2022	0.11	-	256.76	67.05	964.59	0.50	123.88	7.40	0.14	100.39	19.19	1,540.01	-	1,540.01
Depreciation charge for the year		48.46		11.17	204.27	0.46	24.40	0.06	-	12.08	33.04	333.94		333.94
As at March 31, 2023	0.11	-	305.22	78.22	1,168.86	0.96	148.28	7.46	0.14	112.47	52.23	1,873.95	-	1,873.95
Net Carrying amounts														
As at March 31, 2022	16.03	3.75	823.85	228.88	1,491.91	1.92	99.58	0.06	-	35.37	866.88	3,568.23	3,337.90	6,906.13
As at March 31, 2023	16.03	3.75	1,330.00	217.71	1,818.99	13.56	127.10	-	-	39.47	833.84	4,400.45	6,454.79	10,855.24

## Notes:-

- (a) Property, plant and equipment are pledged/hypothecated as security for borrowing by the company. refer note no.11
- (b) There is contractual commitments for the acquisition of property, plant and equipment refer note.25
- (c) The amount of borrowing costs capitalised during the year ended March 31, 2023 was ₹ 46.77 Lakhs (March 31, 2022: ₹ 9.66 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.50% (March 31, 2022: 7.50%) which is the effective interest rate of the specific borrowing. No borrowing costs are capitalised on other items of property, plant and equipment under construction.
- (d) Capital work in progress as at March 31, 2023 includes assets under construction at Dahej SEZ, Bharuch.
- (e) Ageing of capital work-in-progress is as below:



## Notes to Financial Statements for the year ended 31 March 2023

As at March 31, 2023

Particulars	Amounts in capital work in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,116.89	3,060.49	102.59	174.82	6,454.79
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3,116.89</b>	<b>3,060.49</b>	<b>102.59</b>	<b>-</b>	<b>6,454.79</b>

As at March 31, 2022

Particulars	Amounts in capital work in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,060.49	102.59	174.82	-	3,337.90
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3,060.49</b>	<b>102.59</b>	<b>174.82</b>	<b>-</b>	<b>3,337.90</b>

(f) There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan at the end of current year and previous year.

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### 4 Right of use assets and leases liabilities

(i) Right of use assets: The Company lease asset primarily consist of :

- (a) Leasehold land represents land obtained on long term lease from various Government authorities having lease terms between 95 years
- (d) Leasehold building represents property taken on lease having lease terms between 36 to 60 months

(ii) The following is carrying value of right of use assets and movement thereof:

Particulars	Leasehold Land	Building	Total
<b>As at April 01, 2021</b>	<b>197.04</b>	<b>7.05</b>	<b>204.09</b>
Additions during the year	-	-	-
Disposal during the year	-	-	-
Foreign currency translation impact	-	-	-
<b>As at March 31, 2022</b>	<b>197.04</b>	<b>7.05</b>	<b>204.09</b>
Additions during the year	-	72.70	72.70
Disposal/adjustment during the year	-	-	-
Foreign currency translation impact	-	-	-
<b>As at March 31, 2023</b>	<b>197.04</b>	<b>79.75</b>	<b>276.79</b>
<b>Accumulated depreciation</b>			
<b>As at April 01, 2021</b>	4.25	4.92	9.17
Depreciation for the year	2.10	2.13	4.23
Deductions/ Adjustments (net)	-	-	-
<b>As at March 31, 2022</b>	<b>6.35</b>	<b>7.05</b>	<b>13.40</b>
Depreciation for the year	2.10	3.63	5.73
Disposal during the year	-	-	-
Foreign currency translation impact	-	-	-
<b>As at March 31, 2023</b>	<b>8.45</b>	<b>10.68</b>	<b>19.13</b>
<b>Carrying amounts (net)</b>			
<b>As at March 31, 2022</b>	<b>190.69</b>	<b>-</b>	<b>190.69</b>
<b>As at March 31, 2023</b>	<b>188.59</b>	<b>69.07</b>	<b>257.66</b>

(iii) The movement in lease liabilities is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	-	-
Addition during the year	72.70	-
Finance cost accrued during the year	1.76	-
Payment of lease liabilities	(4.50)	-
<b>Balance at the end</b>	<b>69.96</b>	<b>-</b>
Current maturities of lease liabilities	-	-
Non-current lease liabilities	69.96	-

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (iv) Amount recognised in the statement of Profit and loss during the year:

Particulars	As at 31 March 2023	As at 31 March 2022
Depreciation charge of right of use assets	5.73	4.23
Finance cost incurred during the year	1.76	-
<b>Total</b>	<b>7.49</b>	<b>4.23</b>

### (v) Maturity analysis of undiscounted lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Payable within one year	11.64	-
Payable between one to five years	58.32	-
<b>Total</b>	<b>69.96</b>	<b>-</b>

(vi) The Company does not face significant liquidity risk with regard to its lease liabilities as the current are sufficient to meet the obligation related to lease liabilities as and when they fall due

(vii) Non-cash investing activities during the year

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Acquisition of right of use assets	72.70	-

## 5 Financial Assets

### (A) Investment in Subsidiary

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(I) Unquoted equity investments Arjun Food Colorants Mfg Pvt Ltd</b>		
{82,750 equity shares (March 31, 2022 82,750 equity shares) of ₹1595.35/- each, fully paid up}	1,320.15	1,320.15
	<b>1,320.15</b>	<b>1,320.15</b>
<b>Total</b>	<b>1,320.15</b>	<b>1,320.15</b>
Aggregate value of unquoted equity investments valued at cost	1,320.15	1,320.15

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (B) Current investments

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>Quoted investments measured at fair value through profit and loss:</b>				
Ontrack System Limited {10,057 units (March 31, 2022: 10,057) of ₹ 1.47 per unit}	0.15	0.15	-	-
	<b>0.15</b>	<b>0.15</b>	<b>-</b>	<b>-</b>
Aggregate value of quoted investments measured at fair value through profit and loss	0.15	0.15	-	-
Aggregate market value of quoted investments measured at fair value through profit and loss	0.15	0.15	-	-
Aggregate amount of impairment in value of investments	(0.15)	(0.15)	-	-
<b>Aggregate amount of Quoted Investments - net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### (C) Trade receivables (valued at amortised cost)

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>(Unsecured)</b>				
Trade receivables from contract with customers - considered goods - billed	-	-	9,776.36	14,701.33
Trade receivables from contract with customers - considered good – related parties	-	-	300.42	311.41
Trade receivables from contract with customers - credit impaired	-	-	139.98	104.30
	-	-	<b>10,216.76</b>	<b>15,117.04</b>
less: Impairment allowance for trade receivable - credit impaired	-	-	(139.98)	(104.30)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,076.78</b>	<b>15,012.74</b>

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### Notes:

#### (a) Trade receivables Ageing Schedule

**As at March 31, 2023**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	-	9,207.17	409.16	57.38	34.51	368.56	10,076.78
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	139.98	139.98
<b>Total</b>	-	-	<b>9,207.17</b>	<b>409.16</b>	<b>57.38</b>	<b>34.51</b>	<b>508.54</b>	<b>10,216.76</b>
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-	(139.98)	(139.98)
<b>Net Trade receivables</b>	-	-	<b>9,207.17</b>	<b>409.16</b>	<b>57.38</b>	<b>34.51</b>	<b>368.56</b>	<b>10,076.78</b>

**As at March 31, 2022**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good			14,485.23	-	51.07	21.70	454.74	15,012.74
Disputed Trade receivables – credit impaired							104.30	104.30
<b>Total</b>	-	-	<b>14,485.23</b>	<b>-</b>	<b>51.07</b>	<b>21.70</b>	<b>559.04</b>	<b>15,117.04</b>
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-	(104.30)	(104.30)
<b>Net Trade receivables</b>	-	-	<b>14,485.23</b>	<b>-</b>	<b>51.07</b>	<b>21.70</b>	<b>454.74</b>	<b>15,012.74</b>

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

- (b) The movement in allowance for expected credit loss on credit impairment trade receivables is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Balance as at beginning of the year</b>	104.30	179.11
Addition during the year	35.68	33.46
Utilisation of provision during the year	-	(108.27)
<b>Balance as at the end of the year</b>	<b>139.98</b>	<b>104.30</b>

- (c) Trade receivables includes ₹ 300.42 Lakhs (March 31, 2022: ₹ 311.41 Lakhs ) due from Private company/ proprietorship firms in which director of the company is director/proprietor respectively. Apart from this there is no other trade or other receivable are due from directors or other officers of the parent company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director of parent company is a partner, a director or a member refer note 32E
- (d) Trade receivables are non-interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>(D) Cash and cash equivalents (valued at amortised cost)</b>				
Balances with banks				
In current / cash credit accounts	-	-	639.75	92.24
Deposits with original maturity of more than three months but less than twelve months {refer note (a)}			73.75	17.50
Cash on hand	-	-	14.62	8.83
	-	-	<b>728.12</b>	<b>118.57</b>

### Notes:

- (a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>(E) Other Bank balances (valued at amortised cost)</b>				
Unpaid dividend accounts			25.74	27.84
	-	-	<b>25.74</b>	<b>27.84</b>
<b>(F) Loans</b>				
Loan to employees	-	-	101.99	90.42
	-	-	<b>101.99</b>	<b>90.42</b>

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(G) Other financial assets (Unsecured, considered good unless otherwise stated)				
Derivatives financial instruments				
<b>Financial assets measured at amortised cost</b>				
Security deposits	-	-	153.44	89.46
Deposits with original maturity of more than twelve months	-	-	1,061.09	983.78
Interest accrued on bank deposits	-	-	2.47	2.57
Incentive receivable {refer note (i)}	-	-	160.90	212.67
Interest receivable on Subvention	-	-	-	51.85
Other advances	-	-	4.26	3.64
	-	-	<b>1,382.16</b>	<b>1,343.97</b>

### Notes

#### (i) Movement of government grant receivable

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	212.67	456.47
Accrual of grant related to income (credited to statement of profit and loss account) {refer note below}	378.89	257.24
Grant related to income realised	(430.66)	(501.04)
<b>Closing balance</b>	<b>160.90</b>	<b>212.67</b>

Note: The above grant relates to export incentive which is recognised in the statement of profit and loss refer note no.16

## 6 Inventories

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw material and components	1,762.82	3,076.51
Work-in-progress	1,320.90	1,484.51
Finished goods	833.62	810.25
Traded goods	2,135.90	1,895.11
	<b>6,053.24</b>	<b>7,266.38</b>

### Notes:

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

- (a) Inventory hypothecated as security for borrowing by the company refer note no.11
- (b) During the year ended March 31, 2023 ₹ 115.06 Lakhs (March 31, 2022: ₹ 96.74 Lakhs) was recognised as an expense for inventories carried at net realisable value
- (c) The above includes the goods in transits as under:

Raw Material	66.71	176.49
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### 7 Other assets

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>(Unsecured considered good, unless otherwise stated)</b>				
Capital advances				
<b>Advance other than capital advance</b>				
Advance for material and supplies considered good	-	-	1,200.77	1,577.44
<b>Others</b>				
Prepaid expenses	13.15	14.17	129.80	84.69
Balances with government authorities considered good	-	-	1,024.09	1,220.78
Refund Receivable of wealth tax AY 2013-14	-	-	1.95	1.95
	<b>13.15</b>	<b>14.17</b>	<b>2,356.61</b>	<b>2,884.86</b>

### 8 Current tax assets

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Current tax assets (net of advance tax and tax deducted at source)	-	-	-	40.33
	<b>-</b>	<b>-</b>	<b>-</b>	<b>40.33</b>

### 9 Share Capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
(i) <b>Authorised Equity share capital</b>				
Equity shares of ₹1/- each with voting rights	60,000,000	600.00	60,000,000	600.00
	<b>60,000,000</b>	<b>600.00</b>	<b>60,000,000</b>	<b>600.00</b>
(ii) <b>Issued, subscribed and fully paid up Equity share capital</b>				



## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars		As at 31 March 2023		As at 31 March 2022	
		Number	Amount	Number	Amount
a	Equity shares of ₹1/- each with voting rights	50,034,000	500.34	50,034,000	500.34
	<b>Subscribed and fully paid up Equity share capital</b>	<b>50,034,000</b>	<b>500.34</b>	<b>50,034,000</b>	<b>500.34</b>
b	Equity shares of ₹1/- each with voting rights	49,945,000	499.45	49,945,000	499.45
	<b>Subscribed and not fully paid up Equity share capital</b>	<b>49,945,000</b>	<b>499.45</b>	<b>49,945,000</b>	<b>499.45</b>
(iii)	Equity shares of ₹1/- each with voting rights	89,000	0.89	89,000	0.89
	<b>Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>	<b>89,000</b>	<b>0.89</b>	<b>89,000</b>	<b>0.89</b>
	Equity shares of ₹1/- each with voting rights				
	Balance at the beginning of the year	50,020,000	500.20	50,020,000	500.20
	<b>Balance at the end of the year</b>	<b>50,020,000</b>	<b>500.20</b>	<b>50,020,000</b>	<b>500.20</b>

(iv) Details of shareholders holding more than 5% shares in the Company:

Name of shareholders	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹1/- each with voting rights				
Bipin M. Manek	2,610,333	5.23%	2,610,333	5.23%
Pravina B. Manek	3,490,667	6.99%	3,490,667	6.99%
Bipin Manek Family Private Trust	11,500,000	23.03%	11,500,000	23.03%
Pravina Manek Family Private Trust	13,000,000	26.02%	13,000,000	26.02%

(v) Promoter's Holding

Details of shareholding of Promoters is as under:

Shares held by Promoters at the end of the year

Name of shareholders	As at 31 March 2023			As at 31 March 2022		
	No. of shares	% Total Shares	% change during the year	No. of shares	% Total Shares	% change during the year
Bipin M. Manek	2,610,333	5.23%	0.00%	2,610,333	5.23%	0.00%
Pravina B. Manek	3,490,667	6.99%	0.00%	3,490,667	6.99%	0.00%

Promoter Group

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Name of shareholders	As at 31 March 2023			As at 31 March 2022		
	No. of shares	% Total Shares	% change during the year	No. of shares	% Total Shares	% change during the year
Bipin M. Manek	2,610,333	5.23%	0.00%	2,610,333	5.23%	0.00%
Pravina B. Manek	3,490,667	6.99%	0.00%	3,490,667	6.99%	0.00%
Bipin Manek Family Private Trust	11,500,000	23.03%	0.00%	11,500,000	23.03%	0.00%
Pravina Manek Family Private Trust	13,000,000	26.02%	0.00%	13,000,000	26.02%	0.00%

### (vi) Terms/rights attached to equity shares

The Company has only one class of issued equity shares capital having par value of ₹1/- per share (31 March 2021 ₹ 1/-per share). Each shareholder is entitled to one vote per share held. . The Company declares and pays dividend in Indian Rupees The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential assets, in proportion to their shareholding. The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

### (vii) Shares issued for consideration other than cash

There are no equity shares issued as bonus shares , issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting period

### (viii) Dividend paid and proposed

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Dividend declared and paid during the year</b>		
Final dividend of ₹ 0.40 per share for the FY 2021-22 (₹ 0.20 per share for FY 2020-21)	199.78	99.89
Interim dividend of ₹ 0.40 per share for the FY 2022-23 (₹ 0.40 per share for FY 2021-22)	199.78	199.78
	<b>399.56</b>	<b>299.67</b>
<b>Proposed dividends on equity shares:</b>		
Final dividend for the year ended March 31, 2023 ₹ 0.40 per equity share of ₹ 1 each (March 31, 2022: ₹ 0.40 per equity share of ₹ 1 each) recommended by the board of directors subject to approval of shareholders in the ensuing annual general meeting.	199.78	199.78

### 10 Other equity:

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars		As at 31 March 2023	As at 31 March 2022
	General Reserve	2,446.92	2,446.92
	Retained earnings	22,192.32	18,803.13
	<b>Total other equity</b>	<b>24,639.24</b>	<b>21,250.05</b>
(i)	<b>General Reserve</b>		
	<b>Opening balance</b>	2,446.92	1,858.40
	Movement during the year	-	588.52
	<b>Closing balance</b>	<b>2,446.92</b>	<b>2,446.92</b>
(ii)	<b>Retained earnings</b>		
	<b>Opening balance</b>	18,803.13	13,806.15
	Net profit for the year	3,785.50	5,875.86
	Other comprehensive income / (loss) for the year	3.25	9.31
	Dividend paid during the year	(399.56)	(299.67)
	Transfer to General Reserve	-	(588.52)
	<b>Closing balance</b>	<b>22,192.32</b>	<b>18,803.13</b>

### Nature and purpose of other reserves

#### (iii) Retained earnings

Retained earnings are the profits that the Company has earned till date including gain or loss on measurement of defined benefits, plans as adjusted for distribution to owners, transfers to other reserve etc.

#### (iv) General Reserve

Under the erstwhile Companies Act 1956, General reserve was created through and annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act 2013., This reserve can utilise only in accordance with specified requirements of Companies Act 2013.

## 11 Financial liabilities

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (A) Borrowings (valued at amortised cost)

	Particulars	Long term borrowing		Short term borrowing	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(a)	<b>Term loans</b>				
	Term loans from bank (secured) {refer note (i) below}	557.31	790.47	-	-
	Term loans from others (secured) {refer note (ii) below}	32.06	73.70	-	-
(b)	<b>Loans repayable on demand {refer note (ii) below}</b>				
	Working capital demand loan/cash credit from banks (secured) {refer note (v) below}	-	-	4,497.39	7,352.66
(c)	<b>Current maturities of long term borrowings</b>				
	Current maturities of term loan (secured)	(120.97)	(88.57)	-	-
(d)	<b>Other</b>				
	From related parties	-	822.04	-	-
		<b>468.40</b>	<b>1,597.64</b>	<b>4,497.39</b>	<b>7,352.66</b>

#### Notes:

(i) The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from banks are as below:

Nature of security	Terms of repayment and rate of interest	As at March 31, 2023	As at March 31, 2022
Charge on -Plot no Z/61 and Z/62 Dahej -SEZ, Bharuch, Gujarat	60 Monthly Instalments, @ 7.5%	557.31	678.28
The carrying amounts of financial and non-financial assets mortgaged/ hypothecated as security for current and non current borrowings ( Loan from Standard Chartered bank is secured by personal assets of a director.)	180 Monthly Instalments, @ 10.75%	-	112.19
<b>Total</b>		<b>557.31</b>	<b>790.47</b>

(ii) The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from others are as below:

Nature of security	Terms of repayment and rate of interest	As at March 31, 2023	As at March 31, 2022
Term Loan taken against Keyman Insurance Policy in the Name of the Bipin M. Manek [Director] and Naresh Modi.	Repayment of loan on maturity of policy @ 10%	32.06	73.70
<b>Total</b>		<b>32.06</b>	<b>73.70</b>

(iii) The details and nature of securities provided in respect of secured working capital demand loans/

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**cash credit from bank are as below:**

Bank Name (facility) Nature of security	As at 31 March 2023	As at 31 March 2022
<b>Working capital loan from HDFC bank is secured as under:</b>	2,824.82	4,340.73
<b>a) 'Primary Security</b> *Charge in favour of HDFC Bank, Bank of Baroda by way of hypothecation of stocks, book debts and plant and machinery of the company.		
<b>b) Collateral Security</b> *Factory Land and Building situated at Roha and E/ 27 -28 & 29 Commerce Centre, Mumbai.		
<b>Working capital loan from Bank of Baroda is secured as under:</b>	1,672.57	3,011.93
<b>a) Primary Security</b> *Charge by way of hypothecation of fully insured raw material, work in progress and finished goods comprising of food colours and other material. *Charge on plant and machinery and manufacturing facility at Plot No.59B & 68, Roha, Mumbai.		
<b>b) Collateral Security</b> Factory Land and Building situated at Roha and E/ 27, E/28 and E/29, Commerce Centre, Mumbai.		
Term Deposits		
<b>Total</b>	<b>4,497.39</b>	<b>7,352.66</b>

- (iv) Term loan from bank and others contain certain debt covenants The Company has satisfied all these debt covenants prescribed in the terms of these loans.
- (v) The Company has not made any default in the repayment of loans to banks and other financial institutions including interest thereon.
- (vi) The term loans have not been used for the purpose for which they were obtained and funds raised for a short term basis have not been used for long term purposes.

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

- (vii) In pursuant to borrowing taken by the Company from banks on security of current assets, the group is required to submit the information periodically which includes the stock statement, book debts statement, revenue, trade receivable and trade payable etc. During the current year, in one of the submissions made, the company has submitted the following financial information to banks, from whom working capital demand loan has been taken, on quarterly basis and information is not reconciled with books as follows:

Quarter ending	Amount as per books of account	Amount as reported in the quarterly return / statement	Reason for material discrepancies	
<b>Inventory</b>				
Jun-30	7,920.08	7,858.54	The difference is occurred due to invoices received of Imports from CHA after submitting the Stock statement with the bank, hence this difference occurred.	
Sep-30	6,688.49	6,568.05		
Dec-31	6,459.56	6,459.59		
Mar-31	6,053.24	5,711.02		
<b>Revenue</b>				
Jun-30	3,769.93	3,769.93		
Sep-30	3,225.06	3,225.06		
Dec-31	2,746.94	2,746.94		
Mar-31	3,138.38	3,138.38		
<b>Trade Payables</b>				
Jun-30	1,183.20	1,305.39		
Sep-30	1,446.68	1,363.02		
Dec-31	1,328.20	1,328.33		
Mar-31	1,050.72	1,049.64		
<b>Trade Receivables</b>				
Jun-30	15,462.38	15,487.81		
Sep-30	13,660.75	13,462.22		
Dec-31	9,349.06	9,349.06		
Mar-31	9,983.77	9,984.89		

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>(B) Lease liabilities (valued at amortised cost)</b>				
Lease liabilities refer note no.4	69.96	-	-	-
	<b>69.96</b>	-	-	-
<b>(C) Trade payables (valued at amortised cost)</b>				
Total outstanding dues of micro enterprises and small enterprises	-	-	182.20	264.33
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	2,096.37	3,406.03
	-	-	<b>2,278.57</b>	<b>3,670.36</b>

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### Notes:

#### (i) Trade payables Ageing Schedule

**As at March 31, 2023**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	182.20	-	-	-	182.20
Undisputed dues of creditors other than micro enterprises and small enterprises	-	-	2,059.86	-	36.51	-	2,096.37
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,242.06</b>	<b>-</b>	<b>36.51</b>	<b>-</b>	<b>2,278.57</b>

**As at March 31, 2022**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	264.33	-	-	-	264.33
Undisputed dues of creditors other than micro enterprises and small enterprises	-	-	3,400.31	5.72	-	-	3,406.03
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,664.64</b>	<b>5.72</b>	<b>-</b>	<b>-</b>	<b>3,670.36</b>

- (ii) The trade payables are unsecured and non interest bearing and are usually on varying trade term.
- (iii) Trade Payables include due to related parties ₹ Nil (March 31, 2022 : ₹ 15.30 Lakhs) refer to note no.28
- (iii) For terms and conditions with related parties refer to note no.28
- (iv) The amounts falling in the category of more than 1 year are related to pending obligations on the part of the supplier as per agreed terms and conditions mentioned in respective contracts.

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>(D) Other financial liabilities</b>				
<b>Financial liabilities measured at amortised cost</b>				
Current maturities of long-term debt	-	-	120.97	88.57
Unpaid dividend	-	-	25.71	27.87
Outstanding expenses	-	-	36.81	51.26
Other liabilities	-	-	10.92	4.24
	-	-	<b>194.41</b>	<b>171.94</b>

### 12 Provisions

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>Provision for employee benefits</b>				
Provision for Gratuity refer note no.27	58.82	55.95	15.69	15.53
	<b>58.82</b>	<b>55.95</b>	<b>15.69</b>	<b>15.53</b>
<b>Balance as at beginning of the year</b>	55.95	57.49	15.53	14.81
Add: Provision made during the year	6.50	1.08	23.08	18.59
Less: Utilized during the year	(3.63)	(2.62)	(22.92)	(17.87)
<b>Balance as at the end of the year</b>	<b>58.82</b>	<b>55.95</b>	<b>15.69</b>	<b>15.53</b>
Non-current portion	58.82	55.95	-	-
Current portion	-	-	15.69	15.53

### 13 Income tax and deferred tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(a) Income tax expense in the statement of profit and loss comprises :</b>		
Current income tax charge	1,265.00	1,960.00
<b>Total current income tax</b>	<b>1,265.00</b>	<b>1,960.00</b>
<b>Deferred Tax charge / (credit)</b>		
Relating to origination and reversal of temporary differences	(55.05)	79.50
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,209.95</b>	<b>2,039.50</b>
<b>(b) Other Comprehensive Income</b>		
Tax expense related to items recognised in Other comprehensive income during the year:		
<b>Deferred tax on re-measurement loss on defined benefit plans</b>	<b>0.65</b>	<b>(1.65)</b>



## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Income tax on other item in other comprehensive income	-	-
Income tax related to items recognised in Other comprehensive income during the year	0.65	(1.65)
<b>(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :</b>		
Accounting Profit before tax	<b>4,995.45</b>	<b>7,915.36</b>
Applicable tax rate	25.17%	25.17%
<b>Computed Tax Expense</b>	<b>1,257.35</b>	<b>1,992.30</b>
Tax impact of items not deductible in calculating the taxable income	34.15	29.08
Tax impact of income not taxable in calculating the taxable income	-	-
Difference in tax rate of taxable items	-	-
Change in tax rates	(26.02)	(79.24)
Tax Impact of difference of tax rate of group companies	-	-
Others	(55.53)	97.36
<b>Income tax charged to Statement of Profit and Loss at effective rate of 25.17% (March 31, 2022: 25.17%)</b>	<b>1,209.95</b>	<b>2,039.50</b>

**(d) Deferred tax liabilities /assets comprises :**

Particulars	Balance Sheet	
	As at 31 March 2023	As at 31 March 2022
<b>Deferred tax liabilities (net)</b>		
Property, plant and equipment and intangible assets	259.28	308.94
Deferred Tax on OCI	0.01	0.66
	<b>259.29</b>	<b>309.60</b>
<b>Deferred tax assets (net)</b>		
Security Deposit	1.40	1.29
Provision for ECL	35.22	26.25
Defined benefit obligation	14.07	14.08
Provision for Bonus	-	3.91
Deffered Tax on Lease Liability	0.23	-
	<b>50.92</b>	<b>45.53</b>
<b>Net Deferred tax liabilities</b>	<b>208.37</b>	<b>264.07</b>

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (e) Net Deferred tax movement:

Particulars	As at 31 March 2023	As at 31 March 2022
Net deferred tax liabilities at the beginning of the year	264.07	182.92
Deferred tax charged/(credited) to profit and loss account during the year	(59.40)	80.94
Deferred tax charged/(credited) to other comprehensive income account during the year	-	2.73
<b>Deferred Tax Asset</b>		
Deferred tax charged/(credited) to profit and loss account during the year	3.70	(2.52)
Deferred tax charged/(credited) to other comprehensive income account during the year	-	-
<b>Net deferred tax liabilities at the end of the year</b>	<b>208.37</b>	<b>264.07</b>

(f) Effective tax rate has been calculated on profit before tax.

### 14 Other current liabilities

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Deferred government grant {refer note (i) below}				
Advance from customers	-	-	93.01	292.22
Statutory dues payable	-	-	38.13	45.63
Payable to contract creditors	-	-	66.15	-
	-	-	<b>197.29</b>	<b>337.85</b>

### 15 Current tax liability

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Current tax liabilities (net of advance tax and tax deducted at source)	-	-	42.49	-
	-	-	<b>42.49</b>	-

### 16 Revenue from operations

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contract with customers			
Sale of products			
Finished products		27,246.51	24,481.69
Traded products		12,373.59	28,201.10
	(A)	<b>39,620.10</b>	<b>52,682.79</b>

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Other operating revenues</b>			
Export incentive		378.89	257.24
Net gain on foreign currency transaction and translation		400.30	765.43
	(B)	<u>779.19</u>	<u>1,022.67</u>
<b>Total revenue from operations</b>	(A) + (B)	<u><b>40,399.29</b></u>	<u><b>53,705.46</b></u>

### Notes:

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
<b>(i) Timing of revenue recognition</b>			
Goods transferred at a point in time		39,620.10	52,682.79
Total revenue from contract with customers		<u>39,620.10</u>	<u>52,682.79</u>
Add: Other operating revenues		779.19	1,022.67
Total revenue from operations		<u><b>40,399.29</b></u>	<u><b>53,705.46</b></u>
<b>(ii) Revenue by location of customers</b>			
Within India		13,192.51	29,213.94
Outside India		26,427.59	23,468.86
		<u>39,620.10</u>	<u>52,682.80</u>
<b>(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>			
Revenue as per contracted price		39,620.10	52,682.79
Revenue from contract with customers		<u>39,620.10</u>	<u>52,682.79</u>
Add: Other operating revenues		779.19	1,022.67
Total revenue from operations		<u><b>40,399.29</b></u>	<u><b>53,705.46</b></u>

### (iv) Unsatisfied performance obligations:

Information about the Company performance obligations are summarised below:

**Sale of products:** Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

## 17 Other Income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deposit with banks	46.27	44.85
Proceeds on maturity of keymen policy	67.70	16.19
Lifting charges	2.66	2.53
Interest on FV of rent deposit	3.04	-
Interest on Late payment	1.32	-
Reversal of Provision for doubtful debts and advances	-	74.81
	<u>120.99</u>	<u>138.38</u>

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### 18 Cost of raw materials and components consumed

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials and components at the beginning of the year	3,076.51	1,490.34
Add: Purchases during the year	14,946.30	16,305.90
Less: Raw materials and components at the end of the year	(1,762.82)	(3,076.52)
	<b>16,259.99</b>	<b>14,719.72</b>

### 19 Purchases of traded goods

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	13,133.97	26,776.18
	<b>13,133.97</b>	<b>26,776.18</b>

### 20 Changes in inventories of finished goods, traded goods and work in progress

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Inventories at the end of the year:</b>		
Work-in-progress	1,320.90	1,484.51
Finished goods	833.62	810.25
Traded goods	2,135.90	1,895.11
	<b>4,290.42</b>	<b>4,189.87</b>
<b>Inventories at the beginning of the year:</b>		
Work-in-progress	1,484.51	764.60
Finished goods	810.25	934.85
Traded goods	1,895.11	803.50
	<b>4,189.87</b>	<b>2,502.95</b>
<b>Net (increase) / decrease in inventories</b>	<b>(100.55)</b>	<b>(1,686.92)</b>

### 21 Employee benefits expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	372.09	343.13
Contribution to provident and other funds	13.52	12.25
Net defined benefit plan expense (Gratuity, Pension and other defined benefit plan) Refer note no.27	9.11	9.05
Remuneration & commission to Directors	460.00	520.00
Leave compensation	1.78	3.33
Staff welfare expense	51.88	59.69
	<b>908.38</b>	<b>947.45</b>

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### 22 Finance costs

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on borrowings	205.95	259.29
Bank Processing Charges	157.46	131.82
	<b>363.41</b>	<b>391.11</b>

### 23 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment (refer note 3)	333.94	297.01
Depreciation on right-of-use assets (refer note 4)	2.10	-
	<b>336.04</b>	<b>297.01</b>

### 24 Other expenses

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>a) Manufacturing and operating expenses</b>		
Power and fuel	481.92	492.47
Consumption of stores and spare parts	243.62	223.23
Repairs and maintenance:		
Buildings	32.29	13.37
Plant and machinery	531.53	521.24
Others	193.81	227.63
Clearing and forwarding	97.05	137.11
Conveyance	0.96	1.34
Effluent treatment charges	-	0.35
Factory salaries and wages	63.44	49.33
Freight and octroi charges	231.12	305.18
Insurance charges	23.55	19.61
Loading and unloading charges	17.06	27.03
Professional and consultancy fees	9.93	2.93
Warehousing charges	80.56	60.28
Import charges	110.55	99.86
Miscellaneous manufacturing and operating expenses:	153.61	119.31
<b>b) Administrative expenses</b>		
Agency charges	29.48	37.20
Keyman insurance premium	20.09	23.02
Insurance charges-others	2.04	3.33
Printing and stationery	30.78	30.77
Legal and professional charges {refer note (i) below}	12.50	10.00

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Communication expenses	6.00	4.52
Electricity expenses	7.98	3.89
Rent	14.38	12.83
Rates & taxes	23.11	25.62
Professional and consultancy charges	73.18	123.15
Donation	3.76	2.45
Listing fees	6.78	6.15
Travelling charges	9.19	2.51
Commission	90.00	90.00
Director sitting fees	4.13	2.25
Depreciation Ind As 116	3.63	-
Interest on others	5.23	1.80
Interest on FV of rent deposit	-	2.31
Interest on Lease Liability - INDAS	1.76	-
Contribution towards corporate social responsibility expense (CSR)	116.15	91.00
Allowance for doubtful debts and advances	35.68	-
Miscellaneous administrative expenses	135.62	217.18
<b>c) Selling and distribution expenses</b>		
Advertisement and sales promotion expense	4.09	4.55
Business promotion	91.21	78.81
Clearing and forwarding(S)	17.12	16.96
Commission expenses	92.98	163.15
E. C. G. C. premium	-	8.42
Exhibition and trade fair expenses	82.21	-
Foreign travelling expenses	15.64	-
Insurance	2.82	5.34
ISI / FDA marketing fees	383.90	207.73
Freight and other distribution expense	854.14	827.87
Terminal handling charges	114.08	128.70
Packing and forwarding	54.95	47.53
Miscellaneous distribution and selling expenses	7.98	4.62
	<b>4,623.59</b>	<b>4,483.93</b>

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### Notes:

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
(i)	<b>Details of payments to auditors</b>		
	<b>As auditor:</b>		
	Audit fee (Including limited review fee)	12.50	10.00
	<b>In other capacities:</b>		
	Certification fee and others	3.54	
	<b>Total (included in legal and professional charges)</b>	<b>16.04</b>	<b>10.00</b>

## 25 Commitments and Contingencies

### (A) Contingent liabilities (to the extent not provided for)

Particulars		As at March 31, 2023	As at March 31, 2022
(a)	Disputed tax liabilities in respect of pending litigations before appellate authorities	-	15.52

### Notes:

#### (i) The various disputed tax litigations are as under:

Particulars	Disputed amount as at March 31, 2023	Disputed amount as at March 31, 2022
<b>Sales tax / VAT / Other indirect tax matters</b>		
Central Sales Tax (FY 2005 - 2006)	-	8.68
Central Sales Tax (FY 2013 - 2014)	-	3.59
Maharashtra VAT (FY 2013 - 2014)	-	0.37
Maharashtra VAT (FY 2012 - 2013)	-	2.88
<b>Total</b>	<b>-</b>	<b>15.52</b>

Note: Dues has been paid under Amnesty Scheme.

### (B) Capital and other commitments (net of advance)

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Estimated amount of contracts remaining to be executed on account of capital and other commitments (net of advance) and not provided for	877.28	219.89

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (C) Contingent Liability and Capital Commitments ( As certified by the Management)

The Company has trade receivables of ₹ 34,12,574 from Export debtors which is receivable in US \$ 39,522.40, as the same is outstanding more than 9 months. As per the Foreign Exchange Management Act 1999, the company need to apply for extension to Reserve Bank of India ("RBI") for receipt of foreign exchange from Export Debtors if same is not received within 9 months from the date of invoice. As the debt is receivable in US \$, the writing off of the debt also needs approval from RBI. However, this trade receivables are received in part earlier. The company is confident to receive the balance of ₹ 34,12,574 in US \$ 39,522.40 from export debtors in due course. The export debtors are regularly doing the business with the company. The delay in amount receivable from export debtors is due to commercial on mutually discussed with them by company.

### 26 Segment information

The Company operates in single business segment namely manufacturing and trading of food colors and chemicals. Hence, no separate disclosure as per "Ind AS-108" is required for the business segment.

The Company's operating divisions are managed from India. The principal geographical areas in which the Company operates are Asian Countries, European Countries, South Africa, Middle East Countries, United States and others.

For the purpose of geographical segment the sales are divided into two segments - within India and outside India. The accounting policies of the segments are the same

Geographical segment wise disclosure:

Particulars	Within India	Outside India	Total
<b>Revenue from operation by location of customers</b>			
Year Ended March 31, 2023	13,971.70	26,427.59	40,399.29
Year Ended March 31, 2022	30,236.61	23,468.86	53,705.46
<b>Total assets by geographical location</b>			
Year Ended March 31, 2023	26,702.54	6,468.30	33,170.84
Year Ended March 31, 2022	28,476.04	6,740.21	35,216.25
<b>Non-current operating assets by geographical location</b>			
Year Ended March 31, 2023	11,126.05	-	11,126.05
Year Ended March 31, 2022	7,110.99	-	7,110.99
<b>Capital expenditure - Property plant and equipments by geographical location</b>			
Year Ended March 31, 2023	12,729.19	-	12,729.19
Year Ended March 31, 2022	8,446.14	-	8,446.14

#### Notes:

- (i) Capital expenditure consists of additions of property, plant and equipment, Capital work in progress net of capitalisation from previous year.
- (ii) There are two customers having revenue exceeding 10% of total revenue of the Company.
- (iii) Non-current operation assets includes property, plant and equipment, right of use assets, capital work in progress under development and other non-current assets.



## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### 27 Disclosure of Defined benefit plans and defined contribution plan

#### (A) Defined benefit plan

The Group operates following defined benefit obligations:

##### (a) Defined benefit plan :

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-

##### (i) Net defined benefit asset/ (liability) recognised in the balance sheet

Particulars	Gratuity	
	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation	109.33	99.89
Fair value of plan assets	50.51	43.94
<b>Net liability recognized in consolidated balance sheet</b>	<b>58.82</b>	<b>55.95</b>

##### (ii) Net defined benefit expense (recognised in the statement of profit and loss for the year)

Particulars	Gratuity	
	As at 31 March 2023	As at 31 March 2022
Current service cost	5.26	5.31
Interest cost (net)	3.85	3.74
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>9.11</b>	<b>9.05</b>

##### (iii) The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Present value of obligation as at the beginning of the year	99.89	96.50
Current service cost	5.26	5.31
Interest cost	7.06	6.46
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions	(2.97)	(4.00)
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	0.10	(4.38)
<b>Closing defined benefit obligation</b>	<b>109.33</b>	<b>99.89</b>

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (iv) Reconciliation of opening and closing balances of fair value of plan assets:

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Fair value of plan assets at the beginning of the year	43.94	39.02
Employer contribution	3.63	2.36
Returns on plan assets	2.94	2.56
<b>Fair value of plan assets at the end of the year</b>	<b>50.51</b>	<b>43.94</b>

### (v) Re-measurements Gain/ (loss) recognised in other comprehensive income (OCI):

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:	2.65	10.87
Actuarial changes arising from changes in financial assumptions	(2.98)	(4.00)
Actuarial changes arising from changes in experience adjustments	0.10	(4.38)
Return on plan assets, excluding amount recognised in net interest expense	0.28	0.15
<b>Recognised in other comprehensive income</b>	<b>0.05</b>	<b>2.64</b>

### (vi) Principal actuarial used in recognition of Defined benefit obligation are as follows:

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.20%	7.20%
Future salary increase	7.00%	7.00%
Expected return on plan assets	NA	NA
Retirement age (in years)	58	58

### Mortality rate

Particulars	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition rates based on age (per annum):		
Up to 30 years	5%	5%
From 31 to 40 years	3%	3%
Above 41 years	2%	2%

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (vi) Maturity profile of defined benefit obligation:

Particulars	Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022
Expected benefits for year 1	7.46	3.65
Expected benefits for year 2	3.41	4.26
Expected benefits for year 3	3.53	3.22
Expected benefits for year 4	0.64	3.34
Expected benefits for year 5	12.13	6.15
Expected benefits for year 6	12.05	11.31
Expected benefits for year 7	3.61	10.95
Expected benefits for year 8	19.19	3.42
Expected benefits for year 9	3.46	17.25
Expected benefits for year 10 and above	165.56	157.52

(viii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(ix) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(x) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

(xi) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (B) Defined contribution plan

Following are the contribution to Defined Contribution Plan, recognised as expense for the year:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident and other funds	13.52	12.25
<b>Total</b>	<b>13.52</b>	<b>12.25</b>

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### 28 Related Party Disclosures

The related parties as per identified by management.

#### (A) Names of related parties and description of relationship:

##### (i) Related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:

Entity Name	Relationship
Arjun Food Colorants Manufacturing Private Limited	Wholly Owned Subsidiary
Chroma Food Ingredients Pvt Ltd	KMP is a Director
Vidhi Finechem Pvt Ltd	KMP is a Director
Vidhi Food Colours Dahej Pvt Ltd	KMP is a Director

Partnership firms	Relationship
Trident Colours & Chemicals	Enterprises in which relative of KMP is a Proprietor
Vibgyor Exports	Enterprises in which director is a Proprietor

##### (ii) Key management personnel

Name	Relationship
Bipin M. Manek	Key Mangement Personnel - Executive Director
Mihir B. Manek	Key Mangement Personnel - Executive Director
Vidhi H Parekh	Key Mangement Personnel - Executive Director
Pravina B. Manek	Key Mangement Personnel - Non Executive Director
Vijay K. Atre	Key Mangement Personnel - Non Executive Director (Resigned w.e.f 31.08.2022 )
Rahul Berde	Key Mangement Personnel - Independent Director
Niren Desai	Key Mangement Personnel - Independent Director
Pratulchandra Shah	Key Mangement Personnel - Independent Director
Ashit Doshi	Key Mangement Personnel - Independent Director
Jyoti Modi	Key Mangement Personnel - Independent Director
Priyanka Soni	Company Secretary (Resigned w.e.f 10.12.2022)
Vishakha Pandya	Company Secretary (w.e.f 10.02.2023 )

Relatives of key management personnel	Relationship
Mitesh Manek	Chief Financial Officer
Kripa M Manek	Spouse of CFO

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (B) Transactions with related parties

Particulars	Entities over which key management personnel and their relatives are able to exercise significant influence		Key management personnel and relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Sale of goods	146.44	220.92	-	-
Purchase of goods	66.12	230.38	-	-
Services received	-	-	11.70	10.00
Remuneration	-	-	157.26	158.57
Sitting Fees	-	-	4.13	2.25
Interest paid	-	-	20.32	80.39
Unsecured loan given	7.55	1.37	-	-
Unsecured loan received	-	-	-	2,115.00
Unsecured loan repayment	-	-	840.32	1,363.10
Payment of commission	-	-	340.00	400.00
Payment of Guarantee Commission	-	-	90.00	90.00
Reimbursement of Expense	-	-	0.50	1.20

### (C) Balances with related parties at the year end

Particulars	Entities over which key management personnel and their relatives are able to exercise significant influence		Key management personnel and relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Receivables	310.49	313.92	-	-
Payables	-	(15.30)	(62.94)	(207.19)

### (D) Transactions with related parties

#### (i) Transactions with related parties for the year ended March 31, 2023

Particulars	March 31, 2023	March 31, 2022
<b>Sale of goods</b>		
Vibgyor Exports (Net of GST)	58.57	161.98
Chroma Food Ingredients Pvt Ltd (Net of GST)	87.87	58.94
	<b>146.44</b>	<b>220.92</b>
<b>Purchase of goods</b>		
Vibgyor Exports (Net of GST)	66.12	221.21
Trident Colours and chemicals	-	8.40
Chroma Food Ingredients Pvt Ltd (Net of GST)	-	0.77
	<b>66.12</b>	<b>230.38</b>

**Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Services received</b>		
Kripa M Manek	11.70	10.00
	<b>11.70</b>	<b>10.00</b>
<b>Unsecured Loan Given</b>		
Arjun Food Colorants Manufacturing Private Ltd	7.55	1.37
	<b>7.55</b>	<b>1.37</b>

**(E) Balances with related parties****(i) Balances Outstanding as at March 31, 2023**

Particulars	March 31, 2023	March 31, 2022
<b>Payables</b>		
Pravina B. Manek	(34.56)	(16.25)
Bipin Manek	(1.41)	(143.32)
Mihir B. Manek	(24.75)	(45.44)
Mitesh D Manek	(0.31)	0.29
Priyanka Soni	-	(0.45)
Vishakha Pandya Shashikant	(0.60)	-
Rahul Berde	(0.11)	(0.11)
Jyoti Sunil Modi	-	(0.11)
Vijay K Atre	-	(0.60)
Vidhi H Parekh	(0.75)	(0.75)
Kripa M Manek	(0.45)	(0.45)
Vibgyor Exports	-	(15.30)
	<b>(62.94)</b>	<b>(222.49)</b>
<b>Receivables</b>		
Trident Colours & Chemicals	245.39	283.09
Chroma Food Ingredients Pvt Ltd	9.83	28.32
Vibgyor Exports	45.20	-
Arjun Food Colorants Manufacturing Private Ltd	10.07	2.52
	<b>310.49</b>	<b>313.93</b>

**Notes:**

- (a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

- (b) As at March 31, 2023, the Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (c) All the liabilities for post retirement benefits being 'Gratuity, compensated absence and pension benefit' are provided on actuarial basis for the Group as a whole, accordingly the amount pertaining to Key management personnel are not included above.

### (F) Key managerial personnel compensation

#### Remuneration to Chairman & Managing Director (CMD)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short Term Benefit		
Remuneration to Chairman & Managing Director (CMD)		
Bipin M. Manek	60.00	60.00
Mihir B. Manek	60.00	60.00
Commission	340.00	400.00
<b>Total</b>	<b>460.00</b>	<b>520.00</b>

#### Payment of Bank Guarantee Commission

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bipin M. Manek	45.00	45.00
Pravina B. Manek	45.00	45.00
<b>Total</b>	<b>90.00</b>	<b>90.00</b>

#### Remuneration to Key Managerial other than CMD

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short Term Benefit		
Vidhi H Parekh (Wholetime Director)	12.00	12.00
Vijay K Atre ( Non Executive Director)	2.50	6.00
Mitesh D Manek (Chief Financial Officer)	18.00	18.00
Vishakha Pandya Shashikant (Company secretary)	1.01	-
Priyanka Soni (Company secretary)	3.75	2.15
Awdhesh Kumar Pandey (Company secretary)	-	0.42
Others - Allowances		
Vijay K Atre ( Non Executive Director)	0.50	1.20
<b>Total</b>	<b>37.76</b>	<b>39.77</b>

**Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**Sitting Fees to Independent Directors**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sitting Fees		
Rahul Berde	0.80	0.50
Niren Desai	0.80	0.50
Prafulchandra Shah	0.80	0.50
Jyoti Sunil Modi	0.93	0.25
Ashit Kantilal Doshi	0.80	0.50
<b>Total</b>	<b>4.13</b>	<b>2.25</b>

**Loan Taken**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bipin M. Manek	-	205.00
Mihir B. Manek	-	1,515.00
Pravina B. Manek	-	395.00
<b>Total</b>	<b>-</b>	<b>2,115.00</b>

**Loan Paid**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bipin M. Manek	79.31	135.00
Mihir B. Manek	440.00	1,128.10
Pravina B. Manek	321.01	100.00
<b>Total</b>	<b>840.32</b>	<b>1,363.10</b>

**Interest on Loan taken**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bipin M. Manek	2.63	52.31
Mihir B. Manek	6.69	20.36
Pravina B. Manek	11.00	7.72
<b>Total</b>	<b>20.32</b>	<b>80.39</b>



## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### 29 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company financial instruments.

Category	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial instruments by category</b>				
<b>Financial assets measured at amortized cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	1,382.16	1,382.16	1,343.97	1,343.97
Trade receivables (current and non current)	10,076.78	10,076.78	15,012.74	15,012.74
Cash and cash equivalents	728.12	728.12	118.57	118.57
Other bank balances (current and non current)	25.74	25.74	27.84	27.84
<b>Total</b>	<b>12,212.80</b>	<b>12,212.80</b>	<b>16,503.12</b>	<b>16,503.12</b>
<b>Financial liabilities measured at amortized cost and for which fair values are disclosed</b>				
Borrowings (short term and long term)	4,965.79	4,965.79	8,950.30	8,950.30
Lease liabilities (current and non current)	69.96	69.96	-	-
Other financial liabilities (current and non current)	194.41	194.41	171.94	171.94
Trade payables (current and non current)	2,278.57	2,278.57	3,670.36	3,670.36
<b>Total</b>	<b>7,508.73</b>	<b>7,508.73</b>	<b>12,792.60</b>	<b>12,792.60</b>

Management of the Company has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value

- (i) The fair value of unquoted instruments, loans from banks other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- (ii) The fair values of the investment in mutual fund has been determined based on net assets value (NAV) available in open market.

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

- (iii) Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose.

### (iv) Fair value hierarchy

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. The mutual funds are valued using the net assets value (NAV) available in open market. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

- Recognized and measured at Fair value
- Measured at amortized cost and for which fair value is disclosed in financial statements

### Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023

Particulars	Carrying value As at March 31, 2023	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at amortized cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	1,382.16	-	-	1,382.16
		-	-	-
<b>Financial liabilities measured at amortized cost and for which fair values are disclosed</b>				
Borrowings (short term and long term)	4,965.79	-	-	4,965.79
Lease liabilities (current and non current)	69.96	-	-	69.96
Other financial liabilities (current and non current)	194.41	-	-	194.41

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2022

Particulars	Carrying value As at March 31, 2022	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at amortized cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	1,343.97	-	-	1,343.97
<b>Financial liabilities measured at amortized cost and for which fair values are disclosed</b>				
Borrowings (short term and long term)	8,950.30	-	-	8,950.30
Lease liabilities (current and non current)	-	-	-	-
Other financial liabilities (current and non current)	171.94	-	-	171.94

### 30 Financial risk management objectives and policies

The Company being the active supplier for the automobile industry is exposed to various market risk, credit risk and liquidity risk. The Company has global presence and has decentralised management structure. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. The Company has set up a risk management committee (RMC) which comprise of Company chief finance officer and three directors of parent company of which two are independent directors. RMC periodically reviews operating, financial and strategic risk in the business and their mitigating factors. RMC has formulated a risk management policy for the Individual Company company and Company as a whole, which outlines the risk management framework to help minimise the impact of uncertainty. The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risk associated with the business. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective. The Company's financial risk management is an integral part of how to plan and execute its business strategies. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks.

#### (a) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (i) Foreign currency risk

The Company is exposed to currency risk on account of transaction with foreign subsidiaries and other parties. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company exposure to foreign currency risk at the end of the reporting periods are as follows

#### Particulars of un-hedged foreign currency exposure

Currency	As at 31 March 2023			As at 31 March 2022		
	Foreign currency Amount	Exchange rate (in ₹)	Amount	Foreign currency Amount	Exchange rate (in ₹)	Amount
<b>Trade receivables</b>						
USD	\$7,176,789.82	82.22	590,053,411.12	\$8,243,477.10	75.81	624,914,093.00
EURO	€ 633,613.09	89.61	56,776,548.50	€ 580,052.91	84.66	49,107,221.00
<b>Trade payable, Capital creditors and other financial liabilities</b>						
USD	\$1,045,267.50	82.22	85,938,653.52	\$1,114,586.60	75.81	84,493,578.00
AED				176,028.51	20.67	3,639,231.00

#### Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in currency exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as given below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gain/ (loss) Impact on profit before tax and equity		Gain/ (loss) Impact on profit before tax and equity	
	Change +3%	Change -3%	Change +3%	Change -3%
<b>Trade receivables</b>				
USD	17,701,602.33	(17,701,602.33)	18,747,422.79	(18,747,422.79)
EURO	1,703,296.46	(1,703,296.46)	1,473,216.63	(1,473,216.63)
<b>Trade payable &amp; Capital creditors</b>				
USD	2,578,159.61	(2,578,159.61)	2,534,807.34	(2,534,807.34)
AED	-	-	109,176.93	(109,176.93)

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (ii) Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's main interest rate risk arises from long-term borrowings with variable rates. The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2023, after taking into account the effect of interest rate swaps, the Company has following fixed rate and variable rate borrowing:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings		
Fixed rate borrowings	4,965.79	8,950.30
<b>Total</b>	<b>4,965.79</b>	<b>8,950.30</b>

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Impact on profit before tax and equity	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Increase by 0.5%	(24.83)	(44.75)
Decrease by 0.5%	24.83	44.75

### (b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through the use of short term bank deposits, short term loans, and cash credit facility etc. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### Maturity profile of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2023	Less than 1 Years	1-5 Years	More than 5 Years	Total
Borrowings	4,497.39	468.40	-	4,965.79
Lease liabilities (undiscounted)	11.64	58.32	-	69.96
Trade payable	2,278.57	-	-	2,278.57
Other financial liabilities	194.41	-	-	194.41
<b>As at March 31, 2022</b>				
Borrowings	7,352.66	1,597.64	-	8,950.30
Lease liabilities (undiscounted)	-	-	-	-
Trade payable	3,670.36	-	-	3,670.36
Other financial liabilities	171.94	-	-	171.94

### (c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions and funds with mutual fund asset management companies (AMC). The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

#### (i) Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The Company uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

#### (ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Other financial assets (current and non-current)	1,382.16	1,343.97
Cash and cash equivalents	728.12	118.57
Other bank balances (current and non current)	25.74	27.84
Investments measured at fair value through profit and loss:	-	-
	<b>2,136.02</b>	<b>1,490.38</b>
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade Receivables	10,076.78	15,012.74
	<b>10,076.78</b>	<b>15,012.74</b>

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

Particulars	As at March 31, 2023	As at March 31, 2022
<b>The ageing analysis of trade receivables has been considered from the date the invoice falls due</b>		
<b>Particulars</b>		
<b>Trade Receivables</b>		
0 to 180 days due past due date	9,207.17	14,485.23
More than 180 days past due date	869.61	527.51
<b>Total Trade Receivables</b>	<b>10,076.78</b>	<b>15,012.74</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-</b>		
As at the beginning of year	104.30	179.11
Provision during the year	35.68	33.46
Reversal of provision during the year	-	(108.27)
<b>As at the end of year</b>	<b>139.98</b>	<b>104.30</b>

### 31 Capital management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the parent company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

### Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	March 31, 2023	March 31, 2022
Loan and borrowing *	4,965.79	8,950.30
Less : Cash and cash equivalent	(728.12)	(118.57)
<b>Net debts</b>	<b>4,237.67</b>	<b>8,831.73</b>
Equity / Net Worth	25,139.45	21,750.25
<b>Total Capital</b>	<b>25,139.45</b>	<b>21,750.25</b>
<b>Capital and Net debts</b>	<b>29,377.12</b>	<b>30,581.98</b>

### Gearing Ratio (Net Debt/Capital and Net Debt)

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

\* Borrowings does not includes Lease liabilities

## 32 Additional Regulatory Information

### Ratios

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance*	Remarks
Current Ratio (in times)	Total current assets	Total current liabilities	2.87	2.32	24%	
Debt-Equity ratio (in times)	Debt consists of borrowings	Total equity	0.02	0.07	-75%	*Note no 1
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	0.02	0.01	62%	*Note no 2
Inventory turnover ratio	Revenue from operations	Average Inventory	6.69	7.41	-10%	
Return on equity ratio (in %)	Profit for the year (after tax)	Average total equity	0.21	0.31	-31%	



## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance*	Remarks
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.02	3.59	12%	
Trade payables turnover ratio (in times)	Cost of material consumed and purchase of stock-in-trade + Manufacturing cost + Other expenses	Average trade payables	14.93	12.53	19%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.82	3.97	-29%	*Note no 3
Net profit ratio (in %)	Profit for the year (after tax)	Revenue from operations	0.12	0.11	13%	
Return on capital employed (in %)	Profit for the year (after tax)	Tangible net worth + Debt consists of borrowings + Deferred tax liabilities	0.21	0.28	-26%	*Note no 4
<b>Return on Investment</b>						
Quoted	Income generated from Investments	Time weighted average investments	-	-	0.00%	
Unquoted	Income generated from Investments	Time weighted average investments	-	-	0.00%	

### Notes:-

- During the year the Company has repaid borrowed Term loan, resulting in adverse debt equity ratio.
- During the year the Company has borrowed Term loan, resulting in adverse debt service coverage ratio.
- Decrease in revenue and working capital resulted in an adverse ratio
- Capital employed of the company is increase in much higher proportion than increase in profit of the company, resulted in adverse in ratio

### 33 Additional information required

- Details of Benami property: No proceedings have been initiated on or are pending against any of the group companies for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- Wilful defaulter: Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

## Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

- (iii) Compliance with approved scheme of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (iv) Utilisation of borrowed funds and share premium: The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (v) Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vi) Valuation of PP&E, intangible asset and investment property: The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (vii) Utilisation of borrowings availed from banks and financial institutions: The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

The accompanying notes form an integral part of the standalone financial statements.

### As per our report of even date

#### For Bhuta Shah & Co LLP Chartered Accountants

Firm Registration No. 101474W / W100100

#### Atul Gala

Partner

Membership No. 048650

#### For and on behalf of the board of directors of Vidhi Specialty Food Ingredients Limited

#### Bipin M. Manek

Chairman & Managing Director

DIN: 00416441

#### Mitesh D. Manek

Chief Financial Officer

PAN: ALDPM9178K

#### Mihir B. Manek

Joint Managing Director

DIN: 00650613

#### Vishaka Pandya

Company Secretary

Membership No. 59436

Place : Mumbai

Date : 26-05-2023

Place : Mumbai

Date : 26-05-2023

## Independent Auditor's Report

To the Members of  
**Vidhi Specialty Food Ingredients Limited**  
**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the consolidated financial statements of **Vidhi Specialty Food Ingredients Limited** (“the Holding Company”) and its subsidiaries (including step down subsidiaries) (the Holding Company and its subsidiaries together referred to as “the Group”) which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity, with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (“SA”)s specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“the ICAI”) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit matters**

Key audit matters (“KAM”) are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor’s Response
1	<p><b>Inventory Existence:</b></p> <p>The Company recognized inventory of ₹6,053.24 Lakhs as at 31 March 2023.</p> <p>Within each location, inventory is stored in packet, drums at factory and third-party locations.</p> <p>This is a key audit matter because of the</p> <ul style="list-style-type: none"> <li>• Significance of the inventory balance to the statement of financial position and</li> <li>• Complexity involved in determining inventory quantities on hand due to the number, conversion from Ltr. to Kgs., location and diversity of inventory storage locations, inventories lying with third parties etc.</li> </ul>	<p>We attended inventory counts at factory, which we selected based on financial significance and risk</p> <p>We performed the following procedures at each site:</p> <ul style="list-style-type: none"> <li>• Selected a sample of inventory items and compared the quantities we counted;</li> <li>• Observed a sample of managements inventory count procedures to assess compliance with Company Policy and</li> <li>• Made enquiries regarding obsolete inventory items and inspected the condition of items counted.</li> </ul> <p>We have also evaluated a selection of controls over inventory existence across the Company. Also obtained confirmation for inventories held with third parties.</p>
2	<p><b>Trade Receivables:</b></p> <p>Trade receivables comprise a significant portion of the current assets of the Company and serve as security for a majority of the Company short-term debt. As indicated in Note 5(C) to the financial statements. The receivables provision has made based on Expected Credit Loss method. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.</p>	<p>We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts receivable. We also considered payments received subsequent to year-end, insurance held for overseas trade receivables, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Company including:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness and reasonableness of the assumptions applied in the managements’ assessment of the receivables allowance;</li> <li>• Consideration of the creditworthiness of significant trade receivables over 90 days;</li> <li>• Consideration and concurrence of the agreed payment terms;</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
		<ul style="list-style-type: none"> <li>● Verification of receipts from trade receivables subsequent to year-end;</li> <li>● Inspection of credit insurance policies; and</li> <li>● Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the Company's trade receivables are fairly valued and adequately provided. We further considered whether the provisions were misstated and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the financial statements are appropriate.</li> </ul>

**Other information**

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the consolidated financial statements, and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates

that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its, has adequate internal financial controls system in place and the operating effectiveness of such controls
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. (A) As required by section 143(3) of the Act, based on our audit and on the consideration of reports of other auditors on separate financial statements of such subsidiary as were audited by other auditors, as noted in the "Other Matter" paragraph, we report to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated balance sheet, the Consolidated statement of profit and loss and the Consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidation financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and report of statutory auditor of its subsidiary company, none of the directors of group companies is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditor on separate financial statement of subsidiary, as noted in "Other Matter" paragraph:
- a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 25(A) to the consolidated financial statements.
  - b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.
  - d)
    - i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
    - ii. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies shall:
      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
    - iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) i and (d) ii above contain any material misstatement.
  - e) The dividend declared or paid during the year by the Holding Company incorporated in India is in compliance with Section 123 of the Act.
  - f) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Group only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.



C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and its subsidiary to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No. 101474W / W100100

**Sd/-**

**Atul Gala**

Partner

Membership No. 048650

Place: Mumbai

UDIN: 23048650BGTOGD9446

Date: 26 May,2023

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## **Annexure A to the Independent Auditor’s Report on the Consolidated Financial Statements**

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

**(Referred to in paragraph A(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Vidhi Specialty Food Ingredients Limited (“the Holding Company”) as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

### **Management’s and Board of Director’s Responsibilities for Internal Financial Control**

The Boards of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm Reg. No. 101474W / W100100

**Sd/-**

**Atul Gala**

Partner

Membership No. 048650

Place: Mumbai

UDIN: 23048650BGTOGD9446

Date: 26 May, 2023

## Consolidated Balance Sheet as at March 31, 2023

₹ In lakhs

Particulars	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>I Non-current assets</b>			
Property, plant and equipment	3	4,400.45	3,568.23
Right of use assets	4	384.27	319.74
Capital work in progress	3	6,845.33	3,723.57
Intangible assets under development	5	750.88	762.89
Other non-current assets	8	13.15	14.17
<b>Total non-current assets</b>		<b>12,394.08</b>	<b>8,388.60</b>
<b>II Current assets</b>			
Inventories	7	6,053.24	7,266.38
Financial assets	6		
(i) Trade receivables	6(C)	10,076.78	15,012.74
(ii) Cash and cash equivalents	6(D)	728.56	119.09
(iii) Bank balances other than (iii) above	6(E)	25.74	27.84
(iv) Loans	6(F)	91.93	87.90
(v) Other financial assets	6(G)	1,382.15	1,343.97
Current tax assets (net)	9	-	40.33
Other current assets	8	2,360.30	2,887.77
<b>Total current assets</b>		<b>20,718.70</b>	<b>26,786.02</b>
<b>Total assets</b>		<b>33,112.78</b>	<b>35,174.62</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
Equity share capital	10	500.20	500.20
Other equity	11	24,572.69	21,199.00
<b>Total equity attributable to owners of the Company</b>		<b>25,072.89</b>	<b>21,699.20</b>
<b>Total equity</b>		<b>25,072.89</b>	<b>21,699.20</b>
<b>Liabilities</b>			
<b>II Non-current liabilities</b>			
Financial liabilities	12		
(i) Borrowings	12(A)	470.48	1,599.70
(ii) Lease liabilities	12(B)	69.96	-
Provisions	13	58.82	55.95
Deferred tax liabilities (net)	14	208.37	264.07
<b>Total non-current liabilities</b>		<b>807.63</b>	<b>1,919.72</b>
<b>III Current liabilities</b>			
Financial liabilities	12		
(i) Borrowings	12(A)	4,497.39	7,352.66
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	12(C)	182.60	264.53
(b) total outstanding dues of creditors other than micro and small enterprises	12(C)	2,102.30	3,412.87
(iii) Other financial liabilities	12(D)	194.42	171.94
Other current liabilities	15	197.37	338.17
Provisions	13	15.69	15.53
Current tax liabilities	16	42.49	-
<b>Total current liabilities</b>		<b>7,232.26</b>	<b>11,555.70</b>
<b>Total Liabilities</b>		<b>8,039.89</b>	<b>13,475.42</b>
<b>Total Equity and Liabilities</b>		<b>33,112.78</b>	<b>35,174.62</b>

The accompanying notes form an integral part of the consolidated financial statements

**As per our report of even date attached**  
**For Bhuta Shah & Co LLP**  
**Chartered Accountants**  
Firm Registration No. 101474W / W100100

**Atul Gala**  
Partner  
Membership No. 048650

**For and on behalf of the board of directors of**  
**Vidhi Specialty Food Ingredients Limited**

**Bipin M. Manek**  
Chairman & Managing Director  
DIN: 00416441

**Mitesh D. Manek**  
Chief Financial Officer  
**PAN: ALDPM9178K**

**Mihir B. Manek**  
Joint Managing Director  
DIN: 00650613

**Vishaka Pandya**  
Company Secretary  
Membership No. 59436

Place : Mumbai  
Date : 26-05-2023

Place : Mumbai  
Date : 26-05-2023

**Consolidated Statement of Profit and Loss for the year ended March 31, 2023**

₹ In lakhs

Particulars		Notes	Year Ended 31 March 2023	Year Ended 31 March 2022
<b>I</b>	<b>Income</b>			
	Revenue from operations	17	40,399.29	53,705.46
	Other income	18	120.99	138.21
	<b>Total income</b>		<b>40,520.28</b>	<b>53,843.67</b>
<b>II</b>	<b>Expenses</b>			
	Cost of raw materials and components consumed	19	16,259.99	14,719.73
	Purchases of stock in trade	20	13,133.97	26,776.18
	Change in inventories of finished goods, stock in trade and work-in-progress	21	(100.55)	(1,686.92)
	Employee benefits expense	22	908.38	947.44
	Finance costs	23	364.04	391.10
	Depreciation and amortisation expense	24	350.48	311.46
	Other expenses	25	4,624.02	4,488.40
	<b>Total expenses</b>		<b>35,540.33</b>	<b>45,947.39</b>
<b>III</b>	<b>Profit before exceptional items and tax</b>		<b>4,979.95</b>	<b>7,896.28</b>
	Exceptional items		-	-
<b>IV</b>	<b>Profit before tax</b>		<b>4,979.95</b>	<b>7,896.28</b>
<b>V</b>	<b>Income tax expense</b>	14		
	Current tax		1,265.00	1,960.00
	Deferred tax charge/(credit)		(55.05)	79.50
	<b>Total tax expense</b>		<b>1,209.95</b>	<b>2,039.50</b>
<b>VI</b>	<b>Net profit for the year after taxes</b>		<b>3,770.00</b>	<b>5,856.78</b>
	Share of profit of associates and joint ventures (net)		-	-
<b>VII</b>	<b>Profit for the year</b>		<b>3,770.00</b>	<b>5,856.78</b>
<b>VIII</b>	<b>Other comprehensive income</b>			
(a)	<b>Items that will not be reclassified to profit or loss in subsequent periods</b>			
	(i) Remeasurements gains/(losses) on defined benefit plans		2.60	10.96
	(ii) Income tax effect on above		0.65	(1.65)
	<b>Other comprehensive income for the year, net of tax</b>		<b>3.25</b>	<b>9.31</b>
<b>IX</b>	<b>Total comprehensive income for the year, net of tax</b>		<b>3,773.25</b>	<b>5,866.09</b>
<b>X</b>	<b>Earnings per equity share [nominal value of share ₹ 1 (Previous year ₹ 1)]</b>			
	Basic earning per share(₹)		7.55	11.75
	Diluted earning per share(₹)		7.55	11.75

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For Bhuta Shah & Co LLP

Chartered Accountants

Firm Registration No. 101474W / W100100

Atul Gala

Partner

Membership No. 048650

For and on behalf of the board of directors of  
Vidhi Specialty Food Ingredients Limited

**Bipin M. Manek**

Chairman & Managing Director

DIN: 00416441

**Mitesh D. Manek**

Chief Financial Officer

PAN: ALDPM9178K

**Mihir B. Manek**

Joint Managing Director

DIN: 00650613

**Vishaka Pandya**

Company Secretary

Membership No. 59436

Place : Mumbai

Date : 26-05-2023

Place : Mumbai

Date : 26-05-2023

**Consolidated Cashflow statement for the financial year 31st March 2023**

₹ In lakhs

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>A</b>	<b>Cash flows from operating activities :</b>		
	Profit before tax	4,979.95	7,896.26
	<b>Adjustments to reconcile profit before tax to net cash flows</b>		
	Depreciation and amortisation expense	350.48	311.46
	Interest income on bank deposits and others	(46.27)	(44.85)
	Finance costs	364.04	391.11
	Provision for impairment of trade receivable and other assets provided for / (written back)	(2.60)	17.18
	Expected Credit loss	35.68	-
	Interest on MSME	0.62	(0.97)
	<b>Operating Profit before working capital changes</b>	<b>5,681.90</b>	<b>8,570.19</b>
	<b>Movement in working capital</b>		
	(Increase)/ Decrease in inventories	1,213.14	(3,273.09)
	(Increase)/ Decrease in trade receivables	4,900.27	(5,555.46)
	(Increase)/ Decrease in financial assets	(262.43)	(217.98)
	(Increase)/ Decrease in other non-current assets	1.02	12.83
	(Increase)/Decrease in Other current assets	740.04	(695.77)
	Increase/ (Decrease) in trade payables	(1,389.89)	928.99
	Increase/ (Decrease) in other financial liabilities	22.48	4.52
	Increase/ (Decrease) in other liabilities	(140.80)	219.85
	Increase/ (Decrease) in provisions	5.63	10.14
	<b>Cash generated from operations</b>	<b>10,771.36</b>	<b>4.22</b>
	Income tax paid (net of refund)	(1,179.85)	(2,149.89)
	<b>Net Cash flows from operating activities (A)</b>	<b>9,591.51</b>	<b>(2,145.67)</b>
<b>B</b>	<b>Cash flows from investing activities</b>		
	Purchase of property, plant and equipment and intangible assets	(4,283.05)	(4,069.76)
	Interest received on bank deposits	46.37	44.62
	<b>Net cash used in investing activities (B)</b>	<b>(4,236.68)</b>	<b>(4,025.14)</b>
<b>C</b>	<b>Cash flows from financing activities</b>		
	Proceeds/ (Repayment) of Long Term Borrowings (net)	(1,129.23)	1,414.46
	Proceeds from/ (repayment of) short term borrowings (net)	(2,855.27)	4,534.23
	Interest paid on borrowings	(363.41)	(391.11)
	Payment of dividend	(397.46)	(299.16)
	<b>Net cash used in financing activities (C)</b>	<b>(4,745.37)</b>	<b>5,258.43</b>
	<b>Net Increase/ (decrease) in cash and cash equivalents(A+B+C)</b>	<b>609.47</b>	<b>(912.39)</b>
	<b>Cash and cash equivalents as at beginning</b>		
	Effects of exchange rate changes on cash and cash equivalents	119.09	1,031.48
	<b>Cash and cash equivalents as at closing</b>	<b>728.56</b>	<b>119.09</b>

**Consolidated Cashflow statement for the financial year 31st March 2023****Note :**

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind As 7 Specified under section 133 of the companies Act, 2013.

**2 Components of cash and cash equivalents**

Particulars	₹ In lakhs	
	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Cash and cash equivalents</b>		
Balances with banks		
In current / cash credit accounts	640.19	92.76
Deposits with a original maturity of less than three months	-	-
Deposits with original maturity of more than three months but less than twelve months	73.75	17.50
Cash on hand	14.62	8.83
<b>Cash and cash equivalents at the end of the year</b>	<b>728.56</b>	<b>119.09</b>

The accompanying notes form an integral part of the consolidated financial statements

**As per our report of even date attached****For Bhuta Shah & Co LLP****Chartered Accountants**

Firm Registration No. 101474W / W100100

**Atul Gala**

Partner

Membership No. 048650

**For and on behalf of the board of directors of  
Vidhi Specialty Food Ingredients Limited****Bipin M. Manek**

Chairman & Managing Director

DIN: 00416441

**Mitesh D. Manek**

Chief Financial Officer

**PAN: ALDPM9178K**

**Mihir B. Manek**

Joint Managing Director

DIN: 00650613

**Vishaka Pandya**

Company Secretary

Membership No. 59436

Place : Mumbai

Date : 26-05-2023

Place : Mumbai

Date : 26-05-2023

**Consolidated Statement of changes in equity for the year ended March 31, 2023****(a) Equity share capital**

₹ In lakhs

Particulars	Nos.	Amount
<b>Balance as at April 01, 2021</b>	500.20	500.20
Issue of equity shares ₹1/- each		
<b>Balance as at March 31, 2022</b>	<b>500.20</b>	<b>500.20</b>
Issue of equity shares ₹ 1/- Each	500.20	500.20
<b>Balance as at March 31, 2023</b>	<b>500.20</b>	<b>500.20</b>

**(b) Other equity**

Particulars	Capital reserves	General reserves	Retained earnings	Total other equity
<b>As at April 01, 2021</b>	-	1,858.40	<b>13,766.43</b>	<b>15,624.83</b>
<b>Profit for the year</b>	-	-	<b>5,856.76</b>	<b>5,856.76</b>
<b>Other comprehensive income for the year</b>	-	-	<b>9.31</b>	<b>9.31</b>
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	-	<b>5,866.07</b>	<b>5,866.07</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividend paid during the year	-	-	<b>(299.67)</b>	<b>(299.67)</b>
Transfer to general reserves	-	586.61	<b>(586.61)</b>	-
(Capital Reserve (Business Combination))	7.77	-	-	7.77
<b>As at March 31, 2022</b>	<b>7.77</b>	<b>2,445.01</b>	<b>18,746.22</b>	<b>21,199.00</b>
Profit for the year	-	-	<b>3,770.00</b>	<b>3,770.00</b>
Other comprehensive income for the year	-	-	<b>3.25</b>	<b>3.25</b>
<b>Total Comprehensive income for the year</b>	-	-	<b>3,773.25</b>	<b>3,773.25</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividend paid during the year	-	-	<b>(399.56)</b>	<b>(399.56)</b>
<b>As at March 31, 2023</b>	<b>7.77</b>	<b>2,445.01</b>	<b>22,119.91</b>	<b>24,572.69</b>

The accompanying notes form an integral part of the consolidated financial statements

**As per our report of even date attached**  
**For Bhuta Shah & Co LLP**  
**Chartered Accountants**  
 Firm Registration No. 101474W / W100100

**Atul Gala**  
 Partner  
 Membership No. 048650

**For and on behalf of the board of directors of**  
**Vidhi Specialty Food Ingredients Limited**

**Bipin M. Manek**  
 Chairman & Managing Director  
 DIN: 00416441

**Mitesh D. Manek**  
 Chief Financial Officer  
**PAN: ALDPM9178K**

**Mihir B. Manek**  
 Joint Managing Director  
 DIN: 00650613

**Vishaka Pandya**  
 Company Secretary  
 Membership No. 59436

Place : Mumbai  
 Date : 26-05-2023

Place : Mumbai  
 Date : 26-05-2023



## Consolidate Notes to Financial Statements for the year ended 31 March 2023

### (1) Corporate Information:

The Company was incorporated on 19th January, 1994 and is engaged in the business of manufacturing and trading in synthetic food colors and trading in chemicals. The company was formerly known as "Vidhi Dyestuffs Manufacturing Limited" and w.e.f. 25th August, 2016, it is changed to "Vidhi Specialty Food Ingredients Limited".

The equity shares of the company are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

#### Authorization of financial statements

The consolidated financials statements were authorised for issue in accordance with a resolution of the Board of Directors passed on 26th May 2023.

### (2) Significant Accounting Policies:

#### (i) Basis of preparation

The Financial Statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements upto the year ended 31st March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Effective 1st April 2017, the company has adopted Ind AS and adoption was carried out in accordance with Ind AS 101 first time adoption of accounting standard, with 1st April, 2016 as the transition was carried out from Indian Accounting

Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### (ii) Use of Estimates

Preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision of accounting estimates is recognized prospectively in current and future periods.

#### (iii) Current / Non-Current classification

The normal operating cycle of the Company is 12 months. Assets and Liabilities which are expected to be realizable / payable within 12 months are to be classified as current and rest will be classified as non-current.

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## Consolidate Notes to Financial Statements for the year ended 31 March 2023

### (iv) Revenue Recognition

Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership to the customers, which is generally on dispatch of goods and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are stated exclusive of sales tax & GST and net of trade discount and quantity discount.

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

Interest Income is recognized on time proportion basis.

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

### (v) Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at their reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

### (vi) Property, plant and equipment

- (i) Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.
- (ii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

- (iii) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.
- (iv) An Item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognized.
- (v) In line with the provisions of Schedule II to the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.
- (vi) Depreciation on property, plant and equipment is provided as per straight line method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.  
  
The property, plant and equipment acquired under finance lease are depreciated over the period of lease. Depreciation on stores and spares specific to an item or property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the stores and spares are depreciated over their estimated useful life based on the technical assessment.
- (vii) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.
- (viii) Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. These are stated at cost to date relating to items or project in progress, incurred during construction / preoperative period. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

### (vii) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets comprising of "Computer Software" are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Estimated useful life of software is assessed to be 10 years.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### (viii) Inventories

Inventories comprise all cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition.

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

The Inventories [Raw Materials, Traded Goods, Packaging Material, Stock in transit (RM) and Stock with Third Parties (RM)] are valued at lower of cost and net realizable value on First-In-First-Out basis (FIFO).

The Work-in-process and finished goods valued at the batch cost which comprises of cost of raw material, manufacturing expenses, labour charges and other direct expenses.

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

### (ix) Foreign currency Transactions

#### (i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### (ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### (iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in financial statements, are recognized as income or as expenses in the year in which they arise.

#### (iv) Forward Contracts

The premium or discount arising at the inception of forward exchange contracts is booked as expense or income immediately. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

Notes to financial statements for the year ended 31 March 2023

### (x) Employee benefits

All employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Retirement benefits in the form of Provident Fund, Employee State Insurance and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

### Defined Contribution plan:

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund are due. There are no other obligations other than the contribution payable to the respective fund.

### Defined Benefit Plans:

The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The premium has been so adjusted as to cover the liability under the scheme in respect of all employees at the end of their future anticipated services with the company.

### (xi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as Lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### (xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### (xiii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent liability is disclosed in the case of:

- Present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past event, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

### (xiv) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

### (xv) Financial instruments

#### (i) Financial assets:

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial asset not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial asset measured at amortised cost.

##### Subsequent measurement

For purposes of subsequent measurement financial assets are classified into two broad categories:

- Financial asset at fair value
- Financial asset at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income)

A financial asset that meet the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: the objective of the Company's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes)
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meet the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Debt Instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit or loss.

Equity Instruments: All equity instruments within scope of Ind AS 109 are measured at fair value.

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

Equity instruments which are classified as held for trading are measured at FVTPL. For all other equity instruments, the company decides to measure the same either at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such selection on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments measured at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of profit or loss, even on sale of such instruments.

The Investments are measured at Fair Market Value. The diminution in the market value of investments is not considered unless such diminution is considered permanent and accordingly provision for diminution is made in books of accounts.

All other financial asset is measured at fair value through profit or loss.

### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - a) the Company has transferred substantially all the risks and rewards of the asset, or
  - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets:

In accordance with Ind-AS 109, the company applies Expected Credit Losses (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The company follows "Simplified Approach" for recognition of impairment loss on these financial assets. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.



## Consolidate Notes to Financial Statements for the year ended 31 March 2023

### (ii) Financial liabilities:

Initial recognition and measurement:

Financial Liabilities are classified at initial recognition as:

- (i) Financial liabilities at fair value through profit or loss,
- (ii) Loans and borrowings, payables, net of directly attributable transaction costs or
- (iii) Derivatives designed as hedging instruments in an effective hedge, as appropriate.

The company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

#### **Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in the Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### **Trade and other payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **Derivative financial instruments:**

The Company uses derivative financial instruments, such as foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### Loans and borrowings – subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The Effective Interest Rate (EIR) amortisation is included as finance costs in the statement of profit and loss.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### (xvi) Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purpose). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the Statement of Profit and Loss in the period in which the property is derecognized.

### (xvii) Borrowing Costs

Borrowing costs are charged to Statement of Profit and Loss except to the extent attributable to acquisition / construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### (xviii) Impairment of Non-financial Assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

### Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 16 – Proceeds before intended use

The amendments clarify the accounting of the proceeds before intended use wherein the amounts received from selling items produced while the company is preparing the asset for its intended use needs to be deducted from the cost of property, plant and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### Consolidate Notes to Financial Statements for the year ended 31 March 2023

#### 3. Property, Plant and Equipment

₹ In lakhs

Particulars	Leasehold Land	Freehold land	Factory Building	Administrative Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office equipment	Computers	Electrical Installation	Solar Power Project	Total	Capital work in progress	Grand total
Gross carrying amount														
As at April 01, 2021	-	3.75	1,053.96	295.93	2,260.60	0.49	168.59	7.46	0.14	135.76	-	3,926.68	3,723.57	7,650.25
Addition/ Deletion due to other reason (business acquisition/disposal etc)	16.14	-	26.65	-	195.90	1.93	54.87	-	-	-	886.07	1,181.56	-	1,181.56
As at March 31, 2022	16.14	3.75	1,080.61	295.93	2,456.50	2.42	223.46	7.46	0.14	135.76	886.07	5,108.24	3,723.57	8,831.81
Addition/ Deletion due to other reason (business acquisition/disposal etc)			554.61		531.35	12.10	51.92			16.18		1,166.16	3,121.76	4,287.92
As at March 31, 2023	16.14	3.75	1,635.22	295.93	2,987.85	14.52	275.38	7.46	0.14	151.94	886.07	6,274.40	6,845.33	13,119.73
Accumulated depreciation														
As at April 01, 2021	-	-	213.59	55.88	776.00	0.49	104.17	6.41	0.14	88.34	-	1,245.02	-	1,245.02
Depreciation charge for the year	0.11		43.17	11.17	188.59	0.01	19.71	0.99	-	12.05	19.19	294.99	-	294.99
As at March 31, 2022	0.11	-	256.76	67.05	964.59	0.50	123.88	7.40	0.14	100.39	19.19	1,540.01	-	1,540.01
Depreciation charge for the year			48.46	11.17	204.27	0.46	24.40	0.06	-	12.08	33.04	333.94	-	333.94
As at March 31, 2023	0.11	-	305.22	78.22	1,168.86	0.96	148.28	7.46	0.14	112.47	52.23	1,873.95	-	1,873.95
Net Carrying amounts														
As at March 31, 2022	16.03	3.75	823.85	228.88	1,491.91	1.92	99.58	0.06	-	35.37	866.88	3,568.23	3,723.57	7,291.80
As at March 31, 2023	16.03	3.75	1,330.00	217.71	1,818.99	13.56	127.10	-	-	39.47	833.84	4,400.45	6,845.33	11,245.78

#### Notes:-

- (a) Property, plant and equipment are pledged/hypothecated as security for borrowing by the group. Refer note.11
- (b) There is contractual commitments for the acquisition of property, plant and equipment refer note.25
- (c) The amount of borrowing costs capitalised during the year ended March 31, 2023 was ₹ 46.77 Lakhs (March 31, 2022: ₹9.66 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.50% (March 31, 2022: 7.50%) which is the effective interest rate of the specific borrowing. No borrowing costs are capitalised on other items of property, plant and equipment under construction.
- (d) Capital work in progress as at March 31, 2023 includes assets under construction at various Dahej SEZ, Bharuch

**Consolidate Notes to Financial Statements for the year ended 31 March 2023****(e) Ageing of capital work-in-progress is as below:****As at March 31, 2023**

Particulars	Amounts in capital work in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,121.76	3,060.49	102.59	560.49	6,845.33
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3,121.76</b>	<b>3,060.49</b>	<b>102.59</b>	<b>560.49</b>	<b>6,845.33</b>

**As at March 31, 2022**

Particulars	Amounts in capital work in progress for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,060.49	102.59	174.82	385.67	3,723.57
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>3,060.49</b>	<b>102.59</b>	<b>174.82</b>	<b>385.67</b>	<b>3,723.57</b>

**(f) There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan at the end of current year and previous year.**

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### 4 Right of use assets and leases liabilities

- (i) Right of use assets: The Group's lease asset primarily consist of :
- (a) Leasehold land represents land obtained on long term lease from various Government authorities having lease terms between 95 years
  - (d) Leasehold building represents property taken on lease having lease terms between 36 to 60 months
- (ii) The following is carrying value of right of use assets and movement thereof:

Particulars	Leasehold Land	Building	Total
<b>As at April 01, 2021</b>	<b>333.39</b>	<b>7.05</b>	<b>340.44</b>
Additions during the year	-	-	-
Disposal during the year	-	-	-
Foreign currency translation impact	-	-	-
<b>As at March 31, 2022</b>	<b>333.39</b>	<b>7.05</b>	<b>340.44</b>
Additions during the year	-	72.70	72.70
Disposal/adjustment during the year	-	-	-
Foreign currency translation impact	-	-	-
<b>As at March 31, 2023</b>	<b>333.39</b>	<b>79.75</b>	<b>413.15</b>
<b>Accumulated depreciation</b>			
<b>As at April 01, 2021</b>	9.12	4.92	14.04
Depreciation for the year	4.53	2.13	6.66
Deductions/ Adjustments (net)	-	-	-
<b>As at March 31, 2022</b>	<b>13.65</b>	<b>7.05</b>	<b>20.70</b>
Depreciation for the year	4.53	3.64	8.16
Disposal during the year	-	-	-
Foreign currency translation impact	-	-	-
<b>As at March 31, 2023</b>	<b>18.18</b>	<b>10.69</b>	<b>28.86</b>
<b>Carrying amounts (net)</b>			
<b>As at March 31, 2022</b>	<b>319.74</b>	-	<b>319.74</b>
<b>As at March 31, 2023</b>	<b>315.21</b>	<b>69.06</b>	<b>384.27</b>

- (iii) The movement in lease liabilities is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	-	-
Addition during the year	72.70	-
Finance cost accrued during the year	1.76	-
Payment of lease liabilities	(4.50)	-
<b>Balance at the end</b>	<b>69.96</b>	<b>-</b>
Current maturities of lease liabilities	-	-
Non-current lease liabilities	69.96	-

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**(iv) Amount recognised in the statement of Profit and loss during the year:**

Particulars	As at 31 March 2023	As at 31 March 2022
Depreciation charge of right of use assets	8.16	6.66
Finance cost incurred during the year	1.76	-
<b>Total</b>	<b>9.92</b>	<b>6.66</b>

**(v) Maturity analysis of undiscounted lease liabilities**

Particulars	As at 31 March 2023	As at 31 March 2022
Payable within one year	11.64	-
Payable between one to five years	58.32	-
<b>Total</b>	<b>69.96</b>	<b>-</b>

(vi) The Group does not face significant liquidity risk with regard to its lease liabilities as the current are sufficient to meet the obligation related to lease liabilities as and when they fall due

(vii) Non-cash investing activities during the year

Acquisition of right of use assets	72.70	-
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**5 Goodwill and Other Intangible assets**

Particulars	Intangible asset	Total intangible assets
<b>Gross carrying amount</b>		
<b>As at April 01, 2021</b>	798.92	798.92
Additions during the year	-	-
Disposals/adjustments	-	-
Addition/ Deletion due to other reason (business acquisition/disposal etc)	-	-
Foreign currency translation impact	-	-
<b>As at March 31, 2022</b>	798.92	798.92
Additions during the year	-	-
Disposals/adjustments	-	-
Addition/ Deletion due to other reason (business acquisition/disposal etc)	-	-
Foreign currency translation impact	-	-
<b>As at March 31, 2023</b>	<b>798.92</b>	<b>798.92</b>
<b>Accumulated amortisation</b>		
<b>As at April 01, 2021</b>	24.02	24.02
Amortisation for the year	12.01	12.01
Disposals/adjustments	-	-
Addition/ Deletion due to other reason (business acquisition/disposal etc)	-	-
Foreign currency translation impact	-	-

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	Intangible asset	Total intangible assets
<b>As at March 31, 2022</b>	<b>36.03</b>	<b>36.03</b>
Amortisation for the year	12.01	12.01
Addition/ Deletion due to other reason (business acquisition/disposal etc)	-	-
Disposals/adjustments	-	-
Foreign currency translation impact	-	-
<b>As at March 31, 2023</b>	<b>48.04</b>	<b>48.04</b>
<b>Net Carrying amount</b>		
<b>As at March 31, 2022</b>	<b>762.89</b>	<b>762.89</b>
<b>As at March 31, 2023</b>	<b>750.88</b>	<b>750.88</b>

**6 Financial Assets****(A) Investment in Subsidiary, associates and joint ventures**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>(I) Unquoted equity investments Arjun Food Colorants Mfg Pvt Ltd</b>		
{82,750 equity shares (March 31, 2022 82,750 equity shares) of ₹1595.35/- each, fully paid up}	-	-
	-	-
<b>Total</b>	-	-
Aggregate value of unquoted equity investments valued at cost	-	-

**(B) Current investments**

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>Quoted investments measured at fair value through profit and loss:</b>				
Ontrack System Limited {10,057 units (March 31, 2022: 10,057) of ₹ 1.47 per unit}	0.15	0.15	-	-
	<b>0.15</b>	<b>0.15</b>	-	-
Aggregate value of quoted investments measured at fair value through profit and loss	0.15	0.15	-	-
Aggregate market value of quoted investments measured at fair value through profit and loss	0.15	0.15	-	-
Aggregate amount of impairment in value of investments	(0.15)	(0.15)	-	-
<b>Aggregate amount of Quoted Investments - net</b>	-	-	-	-



**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**(C) Trade receivables (valued at amortised cost)**

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>(Unsecured)</b>				
Trade receivables from contract with customers - considered goods - billed	-	-	9,776.36	14,701.33
Trade receivables from contract with customers - considered good – related parties	-	-	300.42	311.41
Trade receivables from contract with customers - credit impaired	-	-	139.98	104.30
	-	-	<b>10,216.76</b>	<b>15,117.04</b>
less: Impairment allowance for trade receivable - credit impaired	-	-	(139.98)	(104.30)
<b>Total</b>	-	-	<b>10,076.78</b>	<b>15,012.74</b>

**Notes:****(a) Trade receivables Ageing Schedule****As at March 31, 2023**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	-	9,207.17	409.16	57.38	34.51	368.56	10,076.78
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	139.98	139.98
<b>Total</b>	-	-	<b>9,207.17</b>	<b>409.16</b>	<b>57.38</b>	<b>34.51</b>	<b>508.54</b>	<b>10,216.76</b>
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-	(139.98)	(139.98)
<b>Net Trade receivables</b>	-	-	<b>9,207.17</b>	<b>409.16</b>	<b>57.38</b>	<b>34.51</b>	<b>368.56</b>	<b>10,076.78</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**As at March 31, 2022**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	-	14,485.23	-	51.07	21.70	454.74	15,012.74
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	104.30	104.30
<b>Total</b>	-	-	<b>14,485.23</b>	-	<b>51.07</b>	<b>21.70</b>	<b>559.04</b>	<b>15,117.04</b>
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-	(104.30)	(104.30)
<b>Net Trade receivables</b>	-	-	<b>14,485.23</b>	-	<b>51.07</b>	<b>21.70</b>	<b>454.74</b>	<b>15,012.74</b>

**(b) The movement in allowance for expected credit loss on credit impairment trade receivables is as follows:**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Balance as at beginning of the year</b>	104.30	179.11
Addition during the year	35.68	33.46
Utilisation of provision during the year	-	(108.27)
<b>Balance as at the end of the year</b>	<b>139.98</b>	<b>104.30</b>

(c) Trade receivables includes ₹ 300.42 Lakhs (March 31, 2022: ₹ 311.41 Lakhs ) due from Private company/proprietorship firms in which director of the company is director/proprietor respectively. Apart from this there is no other trade or other receivable are due from directors or other officers of the parent company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director of parent company is a partner, a director or a member refer note 32E

(d) Trade receivables are non-interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>(D) Cash and cash equivalents (valued at amortised cost)</b>				
Balances with banks				
In current / cash credit accounts	-	-	640.19	92.76
Deposits with original maturity of more than three months but less than twelve months			73.75	17.50
Cash on hand	-	-	14.62	8.83
	-	-	<b>728.56</b>	<b>119.09</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**Notes:**

- (a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>(E) Other Bank balances (valued at amortised cost)</b>				
Unpaid dividend accounts			25.74	27.84
	-	-	<b>25.74</b>	<b>27.84</b>
<b>(F) Loans</b>				
Loan to employees			91.93	87.90
	-	-	<b>91.93</b>	<b>87.90</b>
<b>(G) Other financial assets (Unsecured, considered good unless otherwise stated)</b>				
Derivatives financial instruments				
<b>Financial assets measured at amortised cost</b>				
Security deposits			153.44	89.46
Deposits with original maturity of more than twelve months			1,061.08	983.78
Interest accrued on bank deposits			2.47	2.57
Incentive receivable {refer note (i)}			160.90	212.67
Interest receivable on Subvention			-	51.85
Others advances			4.26	3.64
	-	-	<b>1,382.15</b>	<b>1,343.97</b>

**Notes****(i) Movement of government grant receivable**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	212.67	456.47
Accrual of grant related to income (credited to statement of profit and loss account) {refer note below}	378.89	257.24
Grant related to income realised	(430.66)	(501.04)
<b>Closing balance</b>	<b>160.90</b>	<b>212.67</b>

Note: The above grant relates to export incentive which is recognised in the statement of profit and loss refer note no. 16

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### 7 Inventories

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw material and components	1,762.82	3,076.51
Work-in-progress	1,320.90	1,484.51
Finished goods	833.62	810.25
Traded goods	2,135.90	1,895.11
	<b>6,053.24</b>	<b>7,266.38</b>

#### Notes:

- (a) Inventory hypothecated as security for borrowing by the company refer note no.11
- (b) During the year ended March 31, 2023 ₹ 115.06 Lakhs (March 31, 2022: ₹ 96.74 Lakhs) was recognised as an expense for inventories carried at net realisable value
- (c) The above includes the goods in transits as under:

Raw material	66.71	176.49
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### 8 Other assets

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>(Unsecured considered good, unless otherwise stated)</b>				
Capital advances				
<b>Advance other than capital advance</b>				
Advance for material and supplies considered good	-	-	1,200.77	1,577.44
<b>Others</b>				
Prepaid expenses	13.15	14.17	129.80	84.69
Balances with government authorities credit impaired	-	-	1,027.78	1,223.69
Refund of wealth tax AY 12-13	-	-	1.95	1.95
	<b>13.15</b>	<b>14.17</b>	<b>2,360.30</b>	<b>2,887.77</b>

### 9 Current tax assets

Particulars	Non-Current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Current tax assets (net of advance tax and tax deducted at source)			-	40.33
	-	-	-	<b>40.33</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**10 Share Capital**

Particulars		As at 31 March 2023		As at 31 March 2022	
		Number	Amount	Number	Amount
(i)	<b>Issued, subscribed and fully paid up Equity share capital</b>				
	Equity shares of ₹1/- each with voting rights	60,000,000	600.00	60,000,000	600.00
		<b>60,000,000</b>	<b>600.00</b>	<b>60,000,000</b>	<b>600.00</b>
(ii)	<b>Issued, subscribed and fully paid up Equity share capital</b>				
	Equity shares of ₹1/- each with voting rights	50,034,000	500.34	50,034,000	500.34
		<b>50,034,000</b>	<b>500.34</b>	<b>50,034,000</b>	<b>500.34</b>
a	<b>Subscribed and fully paid up Equity share capital</b>				
	Equity shares of ₹1/- each with voting rights	49,945,000	499.45	49,945,000	499.45
		<b>49,945,000</b>	<b>499.45</b>	<b>49,945,000</b>	<b>499.45</b>
b	<b>Subscribed and not fully paid up Equity share capital</b>				
	Equity shares of ₹1/- each with voting rights	89,000	0.89	89,000	0.89
		<b>89,000</b>	<b>0.89</b>	<b>89,000</b>	<b>0.89</b>
(iii)	<b>Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>				
	<b>Equity shares of ₹1/- each with voting rights</b>				
	<b>Balance at the beginning of the year</b>	50,020,000	500.20	50,020,000	500.20
	<b>Balance at the end of the year</b>	<b>50,020,000</b>	<b>500.20</b>	<b>50,020,000</b>	<b>500.20</b>

(iv) Details of shareholders holding more than 5% shares in the Company:

Name of shareholders	As at 31 March 2023		As at 31 March 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹1/- each with voting rights				
Bipin M. Manek	2,610,333	5.23%	2,610,333	5.23%
Pravina B. Manek	3,490,667	6.99%	3,490,667	6.99%
Bipin Manek Family Private Trust	11,500,000	23.03%	11,500,000	23.03%
Pravina Manek Family Private Trust	13,000,000	26.03%	13,000,000	26.03%

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**(v) Promoter's Holding****Details of shareholding of Promoters is as under:****Shares held by Promoters at the end of the year**

Name of shareholders	As at 31 March 2023			As at 31 March 2022		
	No. of shares	% Total Shares	% change during the year	No. of shares	% Total Shares	% change during the year
Bipin M. Manek	2,610,333	5.23%	0.00%	2,610,333	5.23%	0.00%
Pravina B. Manek	3,490,667	6.99%	0.00%	3,490,667	6.99%	0.00%

**Promoter Group**

Name of shareholders	As at 31 March 2023			As at 31 March 2022		
	No. of shares	% Total Shares	% change during the year	No. of shares	% Total Shares	% change during the year
Bipin M. Manek	2,610,333	5.23%	0.00%	2,610,333	5.23%	0.00%
Pravina B. Manek	3,490,667	6.99%	0.00%	3,490,667	6.99%	0.00%
Bipin Manek Family Private Trust	11,500,000	23.03%	0.00%	11,500,000	23.03%	0.00%
Pravina Manek Family Private Trust	13,000,000	26.03%	0.00%	13,000,000	26.03%	0.00%

**(vi) Terms/rights attached to equity shares**

The Group has only one class of issued equity shares capital having par value of ₹1/- per share (31 March 2021 ₹ 1/-per share). Each shareholder is entitled to one vote per share held. . The Group declares and pays dividend in Indian Rupees The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential assets, in proportion to their shareholding. The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Group, as applicable.

**(vii) Shares issued for consideration other than cash**

There are no equity shares issued as bonus shares , issued for consideration other than cash and shares bought back during the period of 5 years immediately preceding the reporting period

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**(viii) Dividend paid and proposed**

Particulars	As at 31 March 2023	As at 31 March 2022
<b>Dividend declared and paid during the year</b>		
Final dividend of ₹ 0.40 per share for the FY 2021-22 (₹ 0.20 per share for FY 2020-21)	199.78	99.89
Interim dividend of ₹ 0.40 per share for the FY 2022-23 (₹ 0.40 per share for FY 2021-22)	199.78	199.78
	<b>399.56</b>	<b>299.67</b>
<b>Proposed dividends on equity shares:</b>		
Final dividend for the year ended March 31, 2023 ₹ 0.40 per equity share of ₹ 1 each (March 31, 2022: ₹ 0.40 per equity share of ₹ 1 each) recommended by the board of directors subject to approval of shareholders in the ensuing annual general meeting.	199.78	199.78

**11 (A) Other equity:**

Particulars	As at 31 March 2023	As at 31 March 2022
General Reserve	2,445.01	2,445.01
Retained earnings	22,119.91	18,746.22
<b>Total other equity</b>	<b>24,572.69</b>	<b>21,199.00</b>
<b>(i) Capital reserves</b>		
<b>Opening balance</b>	7.77	-
Movement during the year	-	7.77
<b>Closing balance</b>	<b>7.77</b>	<b>7.77</b>
<b>(ii) General Reserve</b>		
Opening balance	2,445.01	1,858.40
Movement during the year	-	586.61
<b>Closing balance</b>	<b>2,445.01</b>	<b>2,445.01</b>
<b>(iii) Retained earnings</b>		
<b>Opening balance</b>	18,746.22	13,766.43
Net profit for the year	3,770.00	5,856.76
Other comprehensive income / (loss) for the year	3.25	9.31
Dividend paid during the year	(399.56)	(299.67)
Transfer to General Reserve	-	(586.61)
<b>Closing balance</b>	<b>22,119.91</b>	<b>18,746.22</b>

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### Nature and purpose of other reserves

#### (iv) Retained earnings

Retained earnings are the profits that the Company has earned till date including gain or loss on measurement of defined benefits, plans as adjusted for distribution to owners, transfers to other reserve etc.

#### (v) General Reserve

Under the erstwhile Companies Act 1956, General reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act 2013., This reserve can be utilised only in accordance with specified requirements of Companies Act 2013.

## 12 Financial liabilities

### (A) Borrowings (valued at amortised cost)

	Particulars	Long term borrowing		Short term borrowing	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(a)	<b>Term loans</b>				
	Term loans from bank (secured) {refer note (i) below}	557.31	790.47	-	-
	Term loans from others (secured) {refer note (ii) below}	44.21	75.78	-	-
(b)	<b>Loans repayable on demand {refer note (ii) below}</b>				
	Working capital demand loan/cash credit from banks (secured) {refer note (v) below}	-	-	4,497.39	7,352.66
(c)	<b>Current maturities of long term borrowings</b>				
	Current maturities of term loan (secured)	(120.97)	(88.57)	-	-
(d)	<b>Other</b>				
	From related parties	-	822.04	-	-
		<b>480.55</b>	<b>1,599.70</b>	<b>4,497.39</b>	<b>7,352.66</b>

#### Notes:

(i) The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from banks are as below:

Nature of security	Terms of repayment and rate of interest	As at March 31, 2023	As at March 31, 2022
Charge on -Plot no Z/61 and Z/62 Dahej -SEZ, Bharuch, Gujarat	60 Monthly Instalments, @ 7.5%	557.31	678.28
The carrying amounts of financial and non-financial assets mortgaged/ hypothecated as security for current and non current borrowings ( Loan from Standard Chartered bank is secured by personal assets of a director.)	180 Monthly Instalments, @ 10.75%	-	112.19
<b>Total</b>		<b>557.31</b>	<b>790.47</b>



## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

- (ii) The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from others are as below:

Nature of security	Terms of repayment and rate of interest	As at March 31, 2023	As at March 31, 2022
Term Loan taken against Keyman Insurance Policy in the Name of the Bipin M. Manek [Director] and Naresh Modi.	Repayment of loan on maturity of policy @ 10%	44.21	75.78
<b>Total</b>		<b>44.21</b>	<b>75.78</b>

- (iii) The details and nature of securities provided in respect of secured working capital demand loans/ cash credit from bank are as below:

Bank Name (facility) Nature of security	As at 31 March 2023	As at 31 March 2022
<b>Working capital loan from HDFC bank is secured as under:</b>	2,824.82	4,340.73
<b>a) Primary Security</b> *Charge in favour of HDFC Bank, Vijaya Bank by way of hypothecation of stocks, book debts and plant and machinery of the company.		
<b>b) Collateral Security</b> *Factory Land and Building situated at Roha and E/ 27 -28 & 29 Commerce Centre, Mumbai.		
<b>Working capital loan from Bank of Baroda is secured as under:</b>	1,672.57	3,011.93
<b>a) Primary Security</b> *Charge by way of hypothecation of fully insured raw material, work in progress and finished goods comprising of food colours and other material. *Charge on plant and machinery and manufacturing facility at Plot No.59B & 68, Roha, Mumbai.		
<b>b) Collateral Security</b> Factory Land and Building situated at Roha and E/ 27, E/28 and E/29, Commerce Centre, Mumbai. Term Deposits		
<b>Total</b>	<b>4,497.39</b>	<b>7,352.66</b>

- (iv) Term loan from bank and others contain certain debt covenants The Company has satisfied all these debt covenants prescribed in the terms of these loans.
- (v) The Company has not made any default in the repayment of loans to banks and other financial institutions including interest thereon.
- (vi) The term loans have not been used for the purpose for which they were obtained and funds raised for a short term basis have not been used for long term purposes.
- (vii) In pursuant to borrowing taken by the group from banks on security of current assets, the group is required to submit the information periodically which includes the stock statement, book debts statement, revenue,

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

trade receivable and trade payable etc. During the current year, in one of the submissions made, few of company/group companies have submitted the following financial information to banks, from whom working capital demand loan has been taken, on quarterly basis and information is not reconciled with books as follows:

Quarter ending	Amount as per books of account	Amount as reported in the quarterly return / statement	Reason for material discrepancies
<b>Inventory</b>			
Jun-30	7,920.08	7,858.54	
Sep-30	6,688.49	6,568.05	
Dec-31	6,459.56	6,459.59	
Mar-31	6,053.24	5,711.02	
<b>Revenue</b>			
Jun-30	3,769.93	3,769.93	
Sep-30	3,225.06	3,225.06	
Dec-31	2,746.94	2,746.94	
Mar-31	3,138.38	3,138.38	
<b>Trade Payables</b>			
Jun-30	1,183.20	1,305.39	The difference is occurred due to invoices received of Imports from CHA after submitting the Stock statement with the bank, hence this difference occurred
Sep-30	1,446.68	1,363.02	
Dec-31	1,328.20	1,328.33	
Mar-31	1,050.72	1,049.64	
<b>Trade Receivables</b>			
Jun-30	15,462.38	15,487.81	
Sep-30	13,660.75	13,462.22	
Dec-31	9,349.06	9,349.06	
Mar-31	9,983.77	9,984.89	

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>(B) Lease liabilities (valued at amortised cost)</b>				
Lease liabilities refer note no.4	69.96	-	-	-
	<b>69.96</b>	-	-	-
<b>(C) Trade payables (valued at amortised cost)</b>				
Total outstanding dues of micro enterprises and small enterprises	-	-	182.60	264.53
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	2,102.30	3,412.87
	-	-	<b>2,284.90</b>	<b>3,677.40</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**Notes:****(i) Trade payables Ageing Schedule****As at March 31, 2023**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	182.40	0.20	-	-	182.60
Undisputed dues of creditors other than micro enterprises and small enterprises	-	-	2,065.60	-	36.70	-	2,102.30
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,248.00</b>	<b>0.20</b>	<b>36.70</b>	<b>-</b>	<b>2,284.90</b>

**As at March 31, 2022**

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	264.53	-	-	-	264.53
Undisputed dues of creditors other than micro enterprises and small enterprises	-	-	3,400.52	12.35	-	-	3,412.87
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,665.05</b>	<b>12.35</b>	<b>-</b>	<b>-</b>	<b>3,677.40</b>

- (ii) The trade payables are unsecured and non interest bearing and are usually on varying trade term.
- (iii) Trade Payables include due to related parties ₹ Nil (March 31, 2022 : ₹ 15.30 Lakhs) refer to note no.28
- (iii) For terms and conditions with related parties refer to note.28
- (iv) The amounts falling in the category of more than 1 year are related to pending obligations on the part of the supplier as per agreed terms and conditions mentioned in respective contracts.

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

	Particulars	Non-current		Current	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
(D)	<b>Other financial liabilities</b>				
	<b>Financial liabilities measured at amortised cost</b>				
	Current maturities of long-term debt	-	-	120.97	88.57
	Unpaid dividend	-	-	25.71	27.87
	Outstanding expenses	-	-	36.81	51.26
	Other liabilities	-	-	10.93	4.24
		-	-	<b>194.42</b>	<b>171.94</b>

**13 Provisions**

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
<b>Provision for employee benefits</b>				
Provision for Gratuity refer note.27	58.82	55.95	15.69	15.53
	<b>58.82</b>	<b>55.95</b>	<b>15.69</b>	<b>15.53</b>
<b>Balance as at beginning of the year</b>				
Add: Provision made during the year	55.94	57.48	15.53	14.81
Less: Utilized during the year	6.51	1.08	23.08	18.59
Balance as at the end of the year	(3.63)	(2.62)	(22.92)	(17.87)
	<b>58.82</b>	<b>55.94</b>	<b>15.69</b>	<b>15.53</b>
Non-current portion	58.82	55.95	-	-
Current portion	-	-	15.69	15.53

**14 Income tax and deferred tax**

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Particulars	As at 31 March 2023	As at 31 March 2022
(a) <b>Income tax expense in the statement of profit and loss comprises :</b>		
Current income tax charge	1,265.00	1,960.00
Adjustment in respect of current income tax of previous year		
<b>Total current income tax</b>	<b>1,265.00</b>	<b>1,960.00</b>
<b>Deferred Tax charge / (credit)</b>		
Relating to origination and reversal of temporary differences	(55.05)	79.50
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,209.95</b>	<b>2,039.50</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars		As at 31 March 2023	As at 31 March 2022
<b>(b)</b>	<b>Other Comprehensive Income</b>		
	<b>Tax expense related to items recognised in Other comprehensive income during the year:</b>		
	Deferred tax on re-measurement loss on defined benefit plans	0.65	(1.65)
	Income tax on other item in other comprehensive income	-	-
	<b>Income tax related to items recognised in Other comprehensive income during the year</b>	<b>0.65</b>	<b>(1.65)</b>
<b>(c)</b>	<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :</b>		
	Accounting Profit before tax	<b>4,979.95</b>	<b>7,896.28</b>
	Applicable tax rate	25.17%	25.17%
	<b>Computed Tax Expense</b>	<b>1,253.45</b>	<b>1,987.49</b>
	Tax impact of items not deductible in calculating the taxable income	34.15	29.08
	Tax impact of income not taxable in calculating the taxable income	-	-
	Difference in tax rate of taxable items	-	-
	Change in tax rates	(26.02)	(79.24)
	Tax Impact of difference of tax rate of group companies	-	-
	Others	(51.63)	102.32
	<b>Income tax charged to Statement of Profit and Loss at effective rate of 25.17% (March 31, 2022: 25.17%)</b>	<b>1,209.95</b>	<b>2,039.65</b>

**(d) Deferred tax liabilities /assets comprises :**

Particulars		Balance Sheet	
		As at 31 March 2023	As at 31 March 2022
<b>Deferred tax liabilities (net)</b>			
Property, plant and equipment and intangible assets		259.28	308.94
Deferred Tax on OCI		0.01	0.66
	(A)	<b>259.29</b>	<b>309.60</b>
<b>Deferred tax assets (net)</b>			
Security Deposit		1.40	1.29
Provision for ECL		35.22	26.25
Defined benefit obligation		14.07	14.08
Provision for Bonus		-	3.91
Deffered Tax on Lease Liability		0.23	-
	(B)	<b>50.92</b>	<b>45.53</b>
<b>Net Deferred tax liabilities</b>	<b>(A) - (B)</b>	<b>208.37</b>	<b>264.07</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**(e) Net Deferred tax movement:**

Particulars	As at 31 March 2023	As at 31 March 2022
Net deferred tax liabilities at the beginning of the year	264.07	182.92
Deferred tax charged/(credited) to profit and loss account during the year	(59.40)	80.94
Deferred tax charged/(credited) to other comprehensive income account during the year	-	2.73
<b>Deferred Tax Asset</b>		
Deferred tax charged/(credited) to profit and loss account during the year	3.70	(2.52)
Deferred tax charged/(credited) to other comprehensive income account during the year	-	-
<b>Net deferred tax liabilities at the end of the year</b>	<b>208.37</b>	<b>264.07</b>

(f) Effective tax rate has been calculated on profit before tax.

**15 Other current liabilities**

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Deferred government grant {refer note (i) below}				
Advance from customers	-	-	93.01	292.22
Statutory dues payable	-	-	38.21	45.95
Payable to contract creditors	-	-	66.15	-
	-	-	<b>197.37</b>	<b>338.17</b>

**16 Current tax liability**

Particulars	Non-current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Current tax liabilities (net of advance tax and tax deducted at source)			42.49	-
	-	-	<b>42.49</b>	-

**17 Revenue from operations**

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Revenue from contract with customers</b>			
Sale of products			
Finished products		27,246.51	24,481.69
Traded products		12,373.59	28,201.10
	(A)	<b>39,620.10</b>	<b>52,682.79</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
Other operating revenues			
Export incentive		378.89	257.24
Net gain on foreign currency transaction and translation		400.30	765.43
	(B)	<b>779.19</b>	<b>1,022.67</b>
<b>Total revenue from operations</b>	(A) + (B)	<b>40,399.29</b>	<b>53,705.46</b>

**Notes:**

Particulars		For the year ended 31 March 2023	For the year ended 31 March 2022
<b>(i) Timing of revenue recognition</b>			
Goods transferred at a point in time		39,620.10	52,682.79
Total revenue from contract with customers		<b>39,620.10</b>	<b>52,682.79</b>
Add: Other operating revenues		779.19	1,022.67
Total revenue from operations		<b>40,399.29</b>	<b>53,705.46</b>
<b>(ii) Revenue by location of customers</b>			
Within India		13,192.51	29,213.94
Outside India		26,427.59	23,468.86
		<b>39,620.10</b>	<b>52,682.80</b>
<b>(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>			
Revenue as per contracted price		39,620.10	52,682.79
Revenue from contract with customers		<b>39,620.10</b>	<b>52,682.79</b>
Add: Other operating revenues		779.19	1,022.67
Total revenue from operations		<b>40,399.29</b>	<b>53,705.46</b>

**(iv) Unsatisfied performance obligations:**

Information about the group's performance obligations are summarised below:

**Sale of products:** Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

**18 Other Income**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Deposit with banks	46.27	44.67
Proceeds on maturity of keymen policy	67.70	16.19
Lifting charges	2.66	-
Interest on FV of rent deposit	3.04	2.54
Interest on Late payment	1.32	-
Reversal of Provision for doubtful debts and advances		74.81
	<b>120.99</b>	<b>138.21</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**19 Cost of raw materials and components consumed**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials and components at the beginning of the year	3,076.51	1,490.34
Add: Purchases during the year	14,946.30	16,305.90
Less: Raw materials and components at the end of the year	(1,762.82)	(3,076.51)
	<b>16,259.99</b>	<b>14,719.73</b>

**20 Purchases of traded goods**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	13,133.97	26,776.18
	<b>13,133.97</b>	<b>26,776.18</b>

**21 Changes in inventories of finished goods, traded goods and work in progress**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Inventories at the end of the year:</b>		
Work-in-progress	1,320.90	1,484.51
Finished goods	833.62	810.25
Traded goods	2,135.90	1,895.11
	<b>4,290.42</b>	<b>4,189.87</b>
<b>Inventories at the beginning of the year:</b>		
Work-in-progress	1,484.51	764.60
Finished goods	810.25	934.85
Traded goods	1,895.11	803.50
	<b>4,189.87</b>	<b>2,502.95</b>
<b>Net (increase) / decrease in inventories</b>	<b>(100.55)</b>	<b>(1,686.92)</b>

**22 Employee benefits expense**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	372.09	343.13
Contribution to provident and other funds	13.52	12.24
Net defined benefit plan expense (Gratuity, Pension and other defined benefit plan) Refer note no.27	9.11	12.04
Remuneration & commission to Directors	460.00	520.00
Leave compensation	1.78	3.33
Staff welfare expense	51.88	56.70
	<b>908.38</b>	<b>947.44</b>



**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**23 Finance costs**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest on borrowings	206.58	259.28
Bank Processing Charges	157.46	131.82
	<b>364.04</b>	<b>391.10</b>

**24 Depreciation and amortisation expense**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment refer note.3	333.94	299.45
Amortisation on intangible assets refer note. 5	12.01	12.01
Depreciation on right-of-use assets refer note.4	2.10	-
Amortisation of lease assets	2.43	-
	<b>350.48</b>	<b>311.46</b>

**25 Other expenses**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>a) Manufacturing and operating expenses</b>		
Power and fuel	481.92	492.47
Consumption of stores and spare parts	243.62	223.23
Repairs and maintenance:		
Buildings	32.29	13.37
Plant and machinery	531.53	521.24
Others	193.81	227.63
Clearing and forwarding	97.05	137.11
Conveyance	0.96	1.34
Effluent treatment charges	-	0.35
Factory salaries and wages	63.44	49.33
Freight and octroi charges	231.12	305.18
Insurance charges	23.55	19.61
Loading and unloading charges	17.06	27.03
Professional and consultancy fees	9.93	2.93
Warehousing charges	80.56	60.28
Import charges	110.55	99.85
Miscellaneous manufacturing and operating expenses:	154.05	119.31

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

<b>Particulars</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
<b>b) Administrative expenses</b>		
Agency charges	29.48	37.20
Keyman insurance premium	20.09	23.02
Insurance charges-others	2.04	3.33
Printing and stationery	30.78	30.77
Legal and professional charges {refer note (i) below}	12.50	10.00
Communication expenses	6.00	4.52
Electricity expenses	7.98	3.89
Rent	14.38	12.83
Rates & taxes	23.11	25.62
Professional and consultancy charges	73.18	123.15
Donation	3.76	2.45
Listing fees	6.78	6.15
Travelling charges	9.19	2.51
Commission	90.00	90.00
Director sitting fees	4.13	2.25
Depreciation Ind As 116	3.63	-
Interest on others	5.23	1.80
Interest on FV of rent deposit	-	2.31
Interest on Lease Liability - INDAS	1.76	-
Contribution towards corporate social responsibility expense (CSR)	116.15	91.00
Allowance for doubtful debts and advances	35.68	-
Miscellaneous administrative expenses	135.61	221.67
<b>c) Selling and distribution expenses</b>		
Advertisement and sales promotion expense	4.09	4.55
Business promotion	91.21	78.80
Clearing and forwarding(S)	17.12	16.96
Commission expenses	92.98	163.15
E. C. G. C. premium	-	8.42
Exhibition and trade fair expenses	82.21	-
Foreign travelling expenses	15.64	-
Insurance	2.82	5.34
ISI / FDA marketing fees	383.90	207.73
Freight and other distribution expense	854.14	827.87
Terminal handling charges	114.08	128.70
Packing and forwarding	54.95	47.53
Miscellaneous distribution and selling expenses	7.98	4.62
	<b>4,624.02</b>	<b>4,488.40</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**Notes:****(i) Details of payments to auditors**

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>As auditor:</b>		
Audit fee ( Including limited review fee)	12.75	10.25
<b>In other capacities:</b>		
Certification fee and others	3.54	
<b>Total (included in legal and professional charges)</b>	<b>16.59</b>	<b>10.25</b>

**26 Commitments and Contingencies****(A) Contingent liabilities (to the extent not provided for)**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Disputed tax liabilities in respect of pending litigations before appellate authorities	-	15.52

**Notes:****(i) The various disputed tax litigations are as under:**

Particulars	Disputed amount as at March 31, 2023	Disputed amount as at March 31, 2022
<b>Sales tax / VAT / Other indirect tax matters</b>		
Central Sales Tax (FY 2005 - 2006)	-	8.68
Central Sales Tax (FY 2013 - 2014)	-	3.59
Maharashtra VAT (FY 2013 - 2014)	-	0.37
Maharashtra VAT (FY 2012 - 2013)	-	2.88
<b>Total</b>	<b>-</b>	<b>15.52</b>

**Note:** Dues has been paid under Amnesty Scheme.**(B) Capital and other commitments (net of advance)**

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Estimated amount of contracts remaining to be executed on account of capital and other commitments (net of advance) and not provided for	877.28	219.89

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (C) Contingent Liability and Capital Commitments ( As certified by the Management)

The Company has trade receivables of ₹ 34,12,574 from Export debtors which is receivable in US \$ 39,522.40, as the same is outstanding more than 9 months. As per the Foreign Exchange Management Act 1999, the company need to apply for extension to Reserve Bank of India ("RBI") for receipt of foreign exchange from Export Debtors if same is not received within 9 months from the date of invoice. As the debt is receivable in US \$, the writing off of the debt also needs approval from RBI. However, this trade receivables are received in part earlier. The company is confident to receive the balance of ₹ 34,12,574 in US \$ 39,522.40 from export debtors in due course. The export debtors are regularly doing the business with the company. The delay in amount receivable from export debtors is due to commercial on mutually discussed with them by company.

### 27 Segment information

The Group operates in single business segment namely manufacturing and trading of food colors and chemicals. Hence, no separate disclosure as per "Ind AS-108" is required for the business segment

The Group's operating divisions are managed from India. The principal geographical areas in which the Group operates are Asian Countries, European Countries, South Africa, Middle East Countries, United States and others.

For the purpose of geographical segment the sales are divided into two segments - within India and outside India. The accounting policies of the segments are the same

Geographical segment wise disclosure:

Particulars	Within India	Outside India	Total
<b>Revenue from operation by location of customers</b>			
Year Ended March 31, 2023	13,971.70	26,427.59	40,399.29
Year Ended March 31, 2022	30,236.61	23,468.86	53,705.46
<b>Total assets by geographical location</b>			
Year Ended March 31, 2023	26,644.48	6,468.30	33,170.84
Year Ended March 31, 2022	28,434.41	6,740.21	35,216.25
<b>Non-current operating assets by geographical location</b>			
Year Ended March 31, 2023	12,394.08	-	12,394.08
Year Ended March 31, 2022	8,388.60	-	8,388.60
<b>Capital expenditure - Property plant and equipments by geographical location</b>			
Year Ended March 31, 2023	13,119.73	-	13,119.73
Year Ended March 31, 2022	8,831.81	-	8,831.81

#### Notes:

- (i) Capital expenditure consists of additions of property, plant and equipment, Capital work in progress net of capitalisation from previous year.
- (ii) There are two customers having revenue exceeding 10% of total revenue of the Group.
- (iii) Non-current operation assets includes property, plant and equipment, right of use assets, capital work in progress under development and other non-current assets.

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**28 Disclosure of Defined benefit plans and defined contribution plan****(A) Defined benefit plan**

The Group operates following defined benefit obligations:

**(a) Defined benefit plan :**

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-

**(i) Net defined benefit asset/ (liability) recognised in the balance sheet**

Particulars	Pension Benefits	
	As at 31 March 2023	As at 31 March 2022
Present value of defined benefit obligation	109.33	99.89
Fair value of plan assets	50.51	43.94
<b>Net asset/(liability) recognized in consolidated balance sheet</b>	<b>58.82</b>	<b>55.95</b>

**(ii) Net defined benefit expense (recognised in the statement of profit and loss for the year)**

Particulars	Pension Benefits	
	As at 31 March 2023	As at 31 March 2022
Current service cost	5.26	5.31
Interest cost (net)	3.85	3.74
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>9.11</b>	<b>9.05</b>

**(iii) The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-**

Particulars	Pension Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022
Present value of obligation as at the beginning of the year	99.89	96.50
Current service cost	5.26	5.31
Interest cost	7.06	6.46
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions	(2.97)	(4.00)
Actuarial changes arising from changes in experience adjustments	0.10	(4.38)
<b>Closing defined benefit obligation</b>	<b>109.33</b>	<b>99.89</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**(iv) Reconciliation of opening and closing balances of fair value of plan assets:**

Particulars	Pension Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022
Fair value of plan assets at the beginning of the year	43.94	39.02
Employer contribution	3.63	2.36
Others	2.94	2.56
<b>Fair value of plan assets at the end of the year</b>	<b>50.51</b>	<b>43.94</b>

**(v) Re-measurements Gain/ (loss) recognised in other comprehensive income (OCI):**

Particulars	Pension Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:	2.65	10.87
Actuarial changes arising from changes in financial assumptions	(2.98)	(4.00)
Actuarial changes arising from changes in experience adjustments	0.10	(4.38)
Return on plan assets, excluding amount recognised in net interest expense	0.28	0.15
<b>Recognised in other comprehensive income</b>	<b>0.05</b>	<b>2.64</b>

**(vi) Principal actuarial used in recognition of Defined benefit obligation are as follows:**

Particulars	Pension Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.20%	7.20%
Future salary increase	7.00%	7.00%
Expected return on plan assets	NA	NA
Retirement age (in years)	58	58

**Mortality rate**

Particulars	100% of IALM (2012-14)	100% of IALM (2006-08)
Attrition rates based on age (per annum):		
Up to 30 years	5%	5%
From 31 to 44 years	3%	3%
Above 44 years	2%	2%

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**(vi) Maturity profile of defined benefit obligation:**

Particulars	Pension Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022
Expected benefits for year 1	7.46	3.65
Expected benefits for year 2	3.41	4.26
Expected benefits for year 3	3.53	3.22
Expected benefits for year 4	0.64	3.34
Expected benefits for year 5	12.13	6.15
Expected benefits for year 6	12.05	11.31
Expected benefits for year 7	3.61	10.95
Expected benefits for year 8	19.19	3.42
Expected benefits for year 9	3.46	17.25
Expected benefits for year 10 and above	165.56	157.52

(viii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(ix) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(x) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

(xi) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**(B) Defined contribution plan**

Following are the contribution to Defined Contribution Plan, recognised as expense for the year:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident and other funds	13.52	12.24
<b>Total</b>	<b>13.52</b>	<b>12.24</b>

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### 29 Related Party Disclosures

The related parties as per identified by management.

#### (A) Names of related parties and description of relationship:

##### (i) Related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:

Entity Name	Relationship
Arjun Food Colorants Manufacturing Private Limited	Wholly Owned Subsidiary
Chroma Food Ingredients Pvt Ltd	KMP is a Director
Vidhi Finechem Pvt Ltd	KMP is a Director
Vidhi Food Colours Dahej Pvt Ltd	KMP is a Director

Partnership firms	Relationship
Trident Colours & Chemicals	Enterprises in which relative of KMP is a Proprietor
Vibgyor Exports	Enterprises in which director is a Proprietor

##### (ii) Key management personnel

Name	Relationship
Bipin M. Manek	Key Mangement Personnel - Executive Director
Mihir B. Manek	Key Mangement Personnel - Executive Director
Vidhi H Parekh	Key Mangement Personnel - Executive Director
Pravina B. Manek	Key Mangement Personnel - Non Executive Director
Vijay K. Atre	Key Mangement Personnel - Non Executive Director (Resigned w.e.f 31.08.2022 )
Rahul Berde	Key Mangement Personnel - Independent Director
Niren Desai	Key Mangement Personnel - Independent Director
Pratulchandra Shah	Key Mangement Personnel - Independent Director
Ashit Doshi	Key Mangement Personnel - Independent Director
Jyoti Modi	Key Mangement Personnel - Independent Director
Priyanka Soni	Company Secretary (Resigned w.e.f 10.12.2022)
Vishakha Pandya	Company Secretary (w.e.f 10.02.2023 )

Relatives of key management personnel	Relationship
Mitesh Manek	Chief Financial Officer
Kripa M Manek	Spouse of CFO



**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**(B) Transactions with related parties**

Particulars	Entities over which key management personnel and their relatives are able to exercise significant influence		Key management personnel and relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Sale of goods	146.43	220.92	-	-
Purchase of goods	66.12	230.38	-	-
Services received	-	-	11.70	10.00
Remuneration	-	-	157.26	158.57
Sitting Fees	-	-	4.13	2.25
Interest paid	-	-	20.32	80.39
Unsecured loan given	7.55	1.37	-	-
Unsecured loan received	-	-	-	2,115.00
Unsecured loan repayment	-	-	840.32	1,363.10
Payment of commission	-	-	340.00	400.00
Payment of Bank Guarantee Commission	-	-	90.00	90.00
Reimbursement of Expense	-	-	0.50	1.20

**(C) Balances with related parties at the year end**

Particulars	Entities over which key management personnel and their relatives are able to exercise significant influence		Key management personnel and relatives	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Receivables	310.49	313.92	-	-
Payables	-	(15.30)	(62.94)	(207.19)

**(D) Transactions with related parties****(i) Transactions with related parties for the year ended March 31, 2023**

Particulars	March 31, 2023	March 31, 2022
<b>Sale of goods</b>		
Vibgyor Exports (Net of GST)	58.57	161.98
Chroma Food Ingredients Pvt Ltd (Net of GST)	87.87	58.94
	<b>146.44</b>	<b>220.92</b>
<b>Purchase of goods</b>		
Vibgyor Exports (Net of GST)	66.12	221.21
Trident Colours and chemicals	-	8.40
Chroma Food Ingredients Pvt Ltd (Net of GST)	-	0.77
	<b>66.12</b>	<b>230.38</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
<b>Services received</b>		
Kripa M Manek	11.70	10.00
	<b>11.70</b>	<b>10.00</b>

**(ii) Balances Outstanding as at March 31, 2023**

Related party	March 31, 2023	March 31, 2022
<b>Payables</b>		
Pravina B. Manek	(34.56)	(16.25)
Bipin Manek	(1.41)	(143.32)
Mihir B. Manek	(24.75)	(45.44)
Mitesh D Manek	(0.31)	0.29
Priyanka Soni	-	(0.45)
Vishakha Pandya Shashikant	(0.60)	-
Rahul Berde	(0.11)	(0.11)
Jyoti Sunil Modi	-	(0.11)
Vijay K Atre	-	(0.60)
Vidhi H Parekh	(0.75)	(0.75)
Kripa M Manek	(0.45)	(0.45)
Vibgyor Exports	-	(15.30)
	<b>(62.94)</b>	<b>(222.49)</b>
<b>Receivables</b>		
Trident Colours & Chemicals	245.39	283.09
Chroma Food Ingredients Pvt Ltd	9.83	28.32
Vibgyor Exports	45.20	-
	<b>300.42</b>	<b>311.41</b>

**Notes:**

- (a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

- (b) As at March 31, 2023, the Group has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.
- (c) All the liabilities for post retirement benefits being 'Gratuity, compensated absence and pension benefit' are provided on actuarial basis for the Group as a whole, accordingly the amount pertaining to Key management personnel are not included above.

**(F) Key managerial personnel compensation****Remuneration to Chairman & Managing Director (CMD)**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short Term Benefit		
Remuneration to Chairman & Managing Director (CMD)		
Bipin M. Manek	60.00	60.00
Mihir B. Manek	60.00	60.00
Commission	340.00	400.00
<b>Total</b>	<b>460.00</b>	<b>520.00</b>

**Payment of Bank Guarantee Commission**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bipin M. Manek	45.00	45.00
Pravina B. Manek	45.00	45.00
<b>Total</b>	<b>90.00</b>	<b>90.00</b>

**Remuneration to Key Managerial other than CMD**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short Term Benefit		
Vidhi H Parekh (Wholetime Director)	12.00	12.00
Vijay K Atre ( Non Executive Director)	2.50	6.00
Mitesh D Manek (Chief Financial Officer)	18.00	18.00
Vishakha Pandya Shashikant (Company secreatry)	1.01	-
Priyanka Soni (Company secreatry)	3.75	2.15
Awdhesh Kumar Pandey (Company secreatry)	-	0.42
Others - Allowances		
Vijay K Atre ( Non Executive Director)	0.50	1.20
<b>Total</b>	<b>37.76</b>	<b>39.77</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

**Sitting Fees to Independent Directors**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sitting Fees		
Rahul Berde	0.80	0.50
Niren Desai	0.80	0.50
Prafulchandra Shah	0.80	0.50
Jyoti Sunil Modi	0.93	0.25
Ashit Kantilal Doshi	0.80	0.50
<b>Total</b>	<b>4.13</b>	<b>2.25</b>

**Loan Taken**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bipin M. Manek	-	205.00
Mihir B. Manek	-	1,515.00
Pravina B. Manek	-	395.00
<b>Total</b>	<b>-</b>	<b>2,115.00</b>

**Loan Paid**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bipin M. Manek	79.31	135.00
Mihir B. Manek	440.00	1,128.10
Pravina B. Manek	321.01	100.00
<b>Total</b>	<b>840.32</b>	<b>1,363.10</b>

**Interest on Loan taken**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Bipin M. Manek	2.63	52.31
Mihir B. Manek	6.69	20.36
Pravina B. Manek	11.00	7.72
<b>Total</b>	<b>20.32</b>	<b>80.39</b>

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### 30 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments.

Category	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial instruments by category</b>				
<b>Financial assets measured at amortized cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	1,382.15	1,382.15	1,343.97	1,343.97
Trade receivables (current and non current)	10,076.78	10,076.78	15,012.74	15,012.74
Cash and cash equivalents	728.56	728.56	119.09	119.09
Other bank balances (current and non current)	25.74	25.74	27.84	27.84
<b>Total</b>	<b>12,213.23</b>	<b>12,213.23</b>	<b>16,503.64</b>	<b>16,503.64</b>
<b>Financial liabilities measured at amortized cost and for which fair values are disclosed</b>				
Borrowings (short term and long term)	4,977.94	4,977.94	8,952.36	8,952.36
Lease liabilities (current and non current)	69.96	69.96	-	-
Other financial liabilities (current and non current)	194.42	194.42	171.94	171.94
Trade payables (current and non current)	2,284.90	2,284.90	3,677.40	3,677.40
<b>Total</b>	<b>7,527.22</b>	<b>7,527.22</b>	<b>12,801.70</b>	<b>12,801.70</b>

Management of the group has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value

- (i) The fair value of unquoted instruments, loans from banks other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- (ii) The fair values of the investment in mutual fund has been determined based on net assets value (NAV) available in open market.

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

- (iii) Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose.

### (iv) Fair value hierarchy

**Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. The mutual funds are valued using the net assets value (NAV) available in open market. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

- Recognized and measured at Fair value
- Measured at amortized cost and for which fair value is disclosed in financial statements

### Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023

Particulars	Carrying value As at March 31, 2023	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at amortized cost and for which fair values are disclosed</b>				
Other financial assets (current and non current)	1,382.15	-	-	1,382.15
		-	-	-
<b>Financial liabilities measured at amortized cost and for which fair values are disclosed</b>				
Borrowings (short term and long term)	4,977.94	-	-	4,977.94
Lease liabilities (current and non current)	69.96	-	-	69.96
Other financial liabilities (current and non current)	194.42	-	-	194.42

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2022

Particulars	Carrying value As at March 31, 2022	Fair Value		
		Level 1	Level 2	Level 3
<b>Financial assets measured at amortized cost and for which fair values are disclosed</b>	1,343.97	-	-	1,343.97
Other financial assets (current and non current)				
<b>Financial liabilities measured at amortized cost and for which fair values are disclosed</b>	8,952.36	-	-	8,952.36
Borrowings (short term and long term)	-	-	-	-
Lease liabilities (current and non current)				
Other financial liabilities (current and non current)	171.94		-	171.94

### 31 Financial risk management objectives and policies

The Group being the active supplier for the automobile industry is exposed to various market risk, credit risk and liquidity risk. The Group has global presence and has decentralised management structure. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. The Group has set up a risk management committee (RMC) which comprise of group chief finance officer and three directors of parent company of which two are independent directors. RMC periodically reviews operating, financial and strategic risk in the business and their mitigating factors. RMC has formulated a risk management policy for the Individual group company and group as a whole, which outlines the risk management framework to help minimise the impact of uncertainty. The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risk associated with the business. This process provides assurance that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective. The Group's financial risk management is an integral part of how to plan and execute its business strategies. Below notes explain the sources of risks in which the Group is exposed to and how it manages the risks.

#### (a) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

#### (i) Foreign currency risk

The Group's is exposed to currency risk on account of transaction with foreign subsidiaries and other parties. The functional currency of the Group's is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

The Group's exposure to foreign currency risk at the end of the reporting periods are as follows

### Particulars of un-hedged foreign currency exposure

Currency	As at 31 March 2023			As at 31 March 2022		
	Foreign currency Amount	Exchange rate (in ₹)	Amount	Foreign currency Amount	Exchange rate (in ₹)	Amount
<b>Trade receivables</b>						
USD	\$7,176,789.82	82.22	590,053,411.12	\$8,243,477.10	75.81	624,914,093.00
EURO	€ 633,613.09	89.61	56,776,548.50	€ 580,052.91	84.66	49,107,221.00
<b>Trade payable, Capital creditors and other financial liabilities</b>						
USD	\$1,045,267.50	82.22	85,938,653.52	\$1,114,586.60	75.81	84,493,578.00
AED	-	-	-	176,028.51	20.67	3,639,231.00

### Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in currency exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as given below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Gain/ (loss) Impact on profit before tax and equity		Gain/ (loss) Impact on profit before tax and equity	
	Change +3%	Change -3%	Change +3%	Change -3%
<b>Trade receivables</b>				
USD	17,701,602.33	(17,701,602.33)	18,747,422.79	(18,747,422.79)
EURO	1,703,296.46	(1,703,296.46)	1,473,216.63	(1,473,216.63)
<b>Trade payable &amp; Capital creditors</b>				
USD	2,578,159.61	(2,578,159.61)	2,534,807.34	(2,534,807.34)
AED	-	-	109,176.93	(109,176.93)

### (ii) Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2022, after taking into account the effect of interest rate swaps, the Group has following fixed rate and variable rate borrowing:



**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings		
Fixed rate borrowings	4,977.94	8,952.36
<b>Total</b>	<b>4,977.94</b>	<b>8,952.36</b>

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Impact on profit before tax and equity	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Increase by 0.5%	(24.89)	(44.76)
Decrease by 0.5%	24.89	44.76

**(b) Liquidity Risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through the use of short term bank deposits, short term loans, and cash credit facility etc. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low.

**Maturity profile of financial liabilities**

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2023	Less than 1 Years	1-5 Years	More than 5 Years	Total
Borrowings	4,497.39	470.48	-	4,967.87
Lease liabilities (undiscounted)	11.64	58.32	-	69.96
Trade payable	2,284.90	-	-	2,284.90
Other financial liabilities	194.42	-	-	194.42
<b>As at March 31, 2022</b>				
Borrowings	7,352.66	1,599.70	-	8,952.36
Lease liabilities (undiscounted)	-	-	-	-
Trade payable	3,677.40	-	-	3,677.40
Other financial liabilities	171.94	-	-	171.94

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### (c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Group and arises principally from the Group's receivables from customers and deposits with banking institutions and funds with mutual fund asset management companies (AMC). The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

#### (i) Trade Receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The group uses an allowance matrix to measure the expected credit losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

#### (ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts. The Group's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

	As at March 31, 2023	As at March 31, 2022
<b>Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)</b>		
Other financial assets (current and non-current)	1,382.15	1,343.97
Cash and cash equivalents	728.56	119.09
Other bank balances (current and non current)	25.74	27.84
Investments measured at fair value through profit and loss:	-	-
	<b>2,136.45</b>	<b>1,490.90</b>
<b>Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)</b>		
Trade Receivables	10,076.78	15,012.74
	<b>10,076.78</b>	<b>15,012.74</b>

**Consolidate Notes to Financial Statements for the year ended 31 March 2023**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

	As at March 31, 2023	As at March 31, 2022
<b>The ageing analysis of trade receivables has been considered from the date the invoice falls due</b>		
<b>Particulars</b>		
<b>Trade Receivables</b>		
0 to 180 days due past due date	9,207.17	14,485.23
More than 180 days past due date	869.61	527.51
<b>Total Trade Receivables</b>	<b>10,076.78</b>	<b>15,012.74</b>

	As at March 31, 2023	As at March 31, 2022
<b>The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-</b>		
As at the beginning of year	104.30	179.11
Provision during the year	35.68	33.46
Reversal of provision during the year	-	(108.27)
<b>As at the end of year</b>	<b>139.98</b>	<b>104.30</b>

**32 Capital management**

For the purposes of Group's capital management, Capital includes equity attributable to the equity holders of the parent company and all other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022. The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

**Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

Particulars	March 31, 2023	March 31, 2022
Loan and borrowing *	4,977.94	8,952.36
Less : Cash and cash equivalent	(728.56)	(119.09)
<b>Net debts</b>	<b>4,249.38</b>	<b>8,833.27</b>
Equity / Net Worth	25,072.89	21,699.20
<b>Total Capital</b>	<b>25,072.89</b>	<b>21,699.20</b>
<b>Capital and Net debts</b>	<b>29,322.27</b>	<b>30,532.47</b>

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### Gearing Ratio (Net Debt/Capital and Net Debt)

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

\* Borrowings does not includes Lease liabilities

### 33 Additional Regulatory Information

#### Ratios

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance*	Remarks
Current Ratio (in times)	Total current assets	Total current liabilities	2.86	2.32	24%	
Debt-Equity ratio (in times)	Debt consists of borrowings	Total equity	0.02	0.07	-75%	*Note no 1
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	0.02	0.01	62%	*Note no 2
Inventory turnover ratio	Revenue from operations	Average Inventory	6.08	9.56	-36%	
Return on equity ratio (in %)	Profit for the year (after tax)	Average total equity	0.21	0.31	-31%	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.23	4.40	-27%	
Trade payables turnover ratio (in times)	Cost of material consumed and purchase of stock-in-trade + Manufacturing cost + Other expenses	Average trade payables	11.41	14.35	-20%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.82	3.97	-29%	*Note no 3
Net profit ratio (in %)	Profit for the year (after tax)	Revenue from operations	0.12	0.11	13%	
Return on capital employed (in %)	Profit for the year (after tax)	Tangible net worth + Debt consists of borrowings + Deferred tax liabilities	0.21	0.28	-26%	*Note no 4
<b>Return on Investement</b>						
Quoted	Income generated from Investements	Time weighted average investements	-	-	0.00%	
Unquoted	Income generated from Investements	Time weighted average investements	-	-	0.00%	

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

### Notes:-

1. During the year the Company has repaid borrowed Term loan, resulting in adverse debt equity ratio.
2. During the year the Company has borrowed Term loan, resulting in adverse debt service coverage ratio.
3. Decrease in revenue and working capital resulted in an adverse ratio
4. Capital employed of the company is increase in much higher proportion than increase in profit of the company, resulted in adverse in ratio

### 35 Group information

The consolidated financial statements of the group includes following subsidiaries, associates and joint ventures-

Details of subsidiary companies are as follows:

Name of Company	Country of Incorporation	Ownership interest held by Group		Non Controlling Interest		Reporting date used for consolidation
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
<b>Subsidiaries</b>						
Arjun Food Colorants Manufacturing Pvt Ltd	07/09/1995	100.00%	100.00%			22-04-2019

### 34 Additional information required

- Details of Benami property: No proceedings** have been initiated on or are pending against any of the group companies for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- Wilful defaulter:** Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- Compliance with approved scheme of arrangements:** The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- Utilisation of borrowed funds and share premium:** The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

## Consolidate Notes to Financial Statements for the year ended 31 March 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries”
- (v) **Details of crypto currency or virtual currency:** The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- (vi) **Valuation of PP&E, intangible asset and investment property:** The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (vii) **Utilisation of borrowings availed from banks and financial institutions:** The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

The accompanying notes form an integral part of the consolidated financial statements.

**As per our report of even date attached**  
**For Bhuta Shah & Co LLP**  
**Chartered Accountants**  
 Firm Registration No. 101474W / W100100

**Atul Gala**  
 Partner  
 Membership No. 048650

Place : Mumbai  
 Date : 26-05-2023

**For and on behalf of the board of directors of**  
**Vidhi Specialty Food Ingredients Limited**

**Bipin M. Manek**  
 Chairman & Managing Director  
 DIN: 00416441

**Mitesh D. Manek**  
 Chief Financial Officer  
**PAN: ALDPM9178K**

Place : Mumbai  
 Date : 26-05-2023

**Mihir B. Manek**  
 Joint Managing Director  
 DIN: 00650613

**Vishaka Pandya**  
 Company Secretary  
 Membership No. 59436



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