

# VIDHI SPECIALTY FOOD INGREDIENTS LIMITED

(Formerly known as Vidhi Dyestuffs Mfg. Ltd.)

Regd Off.: E/27, Commerce Centre, 78, Tardeo Road, Mumbai 400034, India  
Tel : + 91 22 6140 6666 / 2351 4349 / 2352 2864 / 6347 Fax : + 91 22 2352 1980

Corporate Office : E/28/29, Commerce Centre, 78, Tardeo Road, Mumbai 400034, India

Date: September 27, 2016

Tel : + 91 2351 4349 / 2352 2865 / 6347

To,

|                                                                                                                                                                                       |                                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Manager,<br>Department of Corporate Services (DCS-Listing)<br>BSE Limited<br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai- 400001<br>Scrip Code: 531717                    | The Manager,<br>Listing Compliance<br>National Stock Exchange of India Ltd.<br>Exchange Plaza, C-1, Block G,<br>Bandra Kurla Complex,<br>Bandra (E)<br>Mumbai - 400 051<br>Symbol: VIDHIDYE |
| Ahmedabad Stock Exchange Limited<br>A-2, Kamdhenu Complex, Opposite Sahajanand<br>College, 120 Feet Ring Rd, Panjara Pol,<br>Ambawadi, Ahmedabad, Gujarat 380015<br>Scrip Code: 65175 |                                                                                                                                                                                             |

Dear Sir,

Ref.: Company Code: BSE - 531717, ASE - 65175, NSE Symbol: VIDHIDYE

Sub: Annual Report for the financial year 2015-16

In pursuance of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report of the Company for the financial year 2015-16 duly approved and adopted by the Members as per the provisions of the Companies Act, 2013.

Kindly take the same on your records & oblige. In the event of any query, kindly feel free to call Kalika Dabholkar on 9969330798.

Thanking You.

For Vidhi Specialty Food Ingredients Limited

(Formerly known as Vidhi Dyestuffs Manufacturing Limited)

Bipin M. Mane

(DIN: 00416441)

Chairman & Managing Director

Date: September 27, 2016

Place: Mumbai

Factory: 59/B & 68, M.I.D.C. Dhatav, Roha Dist :Raigad, Maharashtra 402116, India

CIN : L24110MH1994PLC076156 E-mail : vdm1@vsnl.com Web : [www.vidhispecialty.com](http://www.vidhispecialty.com)



**23**

<sup>rd</sup>

**ANNUAL REPORT 2015 - 2016**



**VIDHI**

DYESTUFFS MFG. LTD.



**COLOURS**

You Can Trust For  
Your Food



## VIDHI DYESTUFFS MFG. LTD.

CIN : L24110MH1994PLC076156

### 23<sup>rd</sup> Annual Report - 2015 - 16

#### BOARD OF DIRECTORS

- Mr. Bipin Manek (DIN: 00416441)  
*Chairman & Managing Director*
- Mr. Mihir Manek (DIN: 00650613)  
*Joint Managing Director*
- Mrs. Pravina Manek (DIN: 00416533)  
*Non-Executive Director*
- Mr. Vijay Atre (DIN: 00416853)  
*Non-Executive Director*
- Mr. Prafulchandra Shah (DIN: 00417022)  
*Independent Director*
- Mr. Chetan Bavishi (DIN: 01978410)  
*Independent Director*
- Mr. Niren Desai (DIN: 01978382)  
*Independent Director*
- Mr. Rahul Berde (DIN: 06981981)  
*Independent Director*
- Mr. Anil Kumar Dhar (DIN: 01524239)  
*Independent Director*

#### CHIEF FINANCIAL OFFICER

Mr. Mitesh Manek

#### COMPANY SECRETARY

Ms. Kalika Dabholkar  
*Compliance Officer*

#### STATUTORY AUDITORS

M/s. Bhuta Shah & Company, LLP  
*Chartered Accountants*

#### SECRETARIAL AUDITORS

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

#### INTERNAL AUDITORS

A. R. Ruwala & Co.  
*Chartered Accountants*

#### BANKERS

HDFC Bank  
Vijaya Bank

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

Sharex Dynamic (India) Private Limited.  
Unit -1, Luthra Industrial Premises,  
Andheri Kurla Road, Safed Pool,  
Andheri (East) Mumbai - 400072.  
Tel: 022-2851 5606 / 5644  
Fax : 022-28512885

#### REGISTERED OFFICE:

Vidhi Dyestuffs Manufacturing Limited  
CIN: L24110MH1994PLC076156  
E/27, Commerce Centre,  
78, Tardeo Road, Mumbai - 400034  
Tel: + 91 22 6140 6666 Fax: + 91 22 2352 1980  
E-mail: info@vidhifoods.com  
Website: www.vidhifoodcolour.com

#### CORPORATE OFFICE:

Vidhi Dyestuffs Manufacturing 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

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**VIDHI**  
DYESTUFFS MFG. LTD.

## Global Leader In World Class Synthetic Food Colours

Vidhi Dyestuffs Mfg. Ltd., is a leading manufacturer of Superior Synthetic Food Grade Colours. "VDML" provides customers superior colour solutions in applications for various industries such as Food & Beverage, Confectionary, Pharmaceuticals, Feeds, Cosmetics, Confectionary, Dairy etc. Our colours are being distributed and consumed in over 80 countries across 6 continents.

Our manufacturing facilities are spread over an area of 176,000 square feet, located in Dhatav Village of Raigad District in the state of Maharashtra - India. Today VDML is an ISO 9001:2008, 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. VDML, is steadfastly working towards adoptions of standards like CEDEX and GFSI compliance.

Various products containing the colours are consumed by every human being right from the time they wake up in the morning in the form of coloured tooth paste and after shave lotion till they sleep at night, when they are hale and hearty in confectionary, beverages, jams, jellies etc to medicines when they fall sick.

Even the daily food you feed to your pet dog or cat or any such animal uses the same colours to make the food more appealing to these lovely creatures.



## A Truly Global Foot Print



95.74% of all colours manufactured by VDML are exported globally.

|             |             |                    |              |       |
|-------------|-------------|--------------------|--------------|-------|
| Australia   | Argentina   | Cyprus             | Egypt        | Iran  |
| Bangladesh  | Bolivia     | Czech Republic     | Georgia      | Syria |
| China       | Brazil      | France             | Kenya        | UAE   |
| Indonesia   | Canada      | Germany            | South Africa |       |
| Malaysia    | Chile       | Hungary            |              |       |
| Pakistan    | Colombia    | Italy              |              |       |
| Philippines | El Salvador | Malta              |              |       |
| Sri Lanka   | Guatemala   | Morocco            |              |       |
| Thailand    | Mexico      | Republic of Poland |              |       |
| Vietnam     | Paraguay    | Russia             |              |       |
|             | Peru        | Spain              |              |       |
|             | Uruguay     | The Netherlands    |              |       |
|             | USA         | Turkey             |              |       |
|             |             | UK                 |              |       |

## A Comprehensive Range

### **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)**

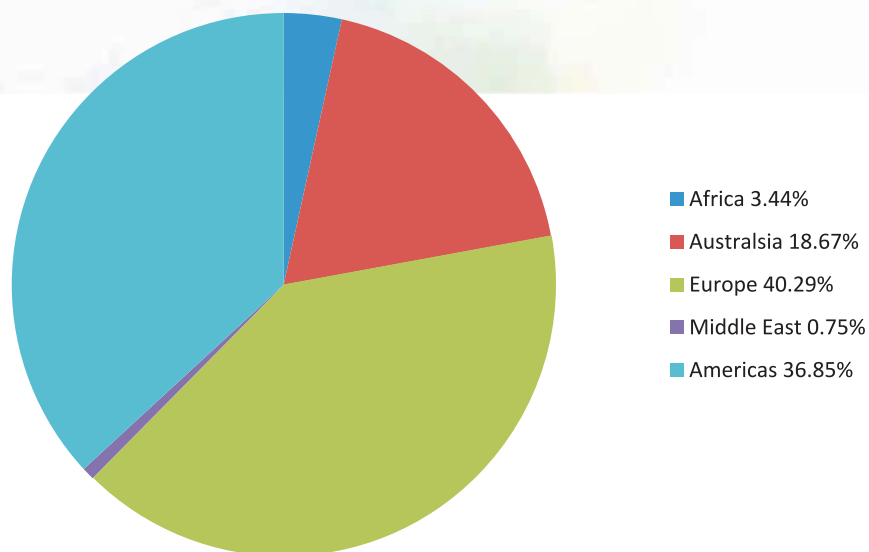
To achieve custom blended shades.

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

Natural colour formulations tailor made to suit any product applications.

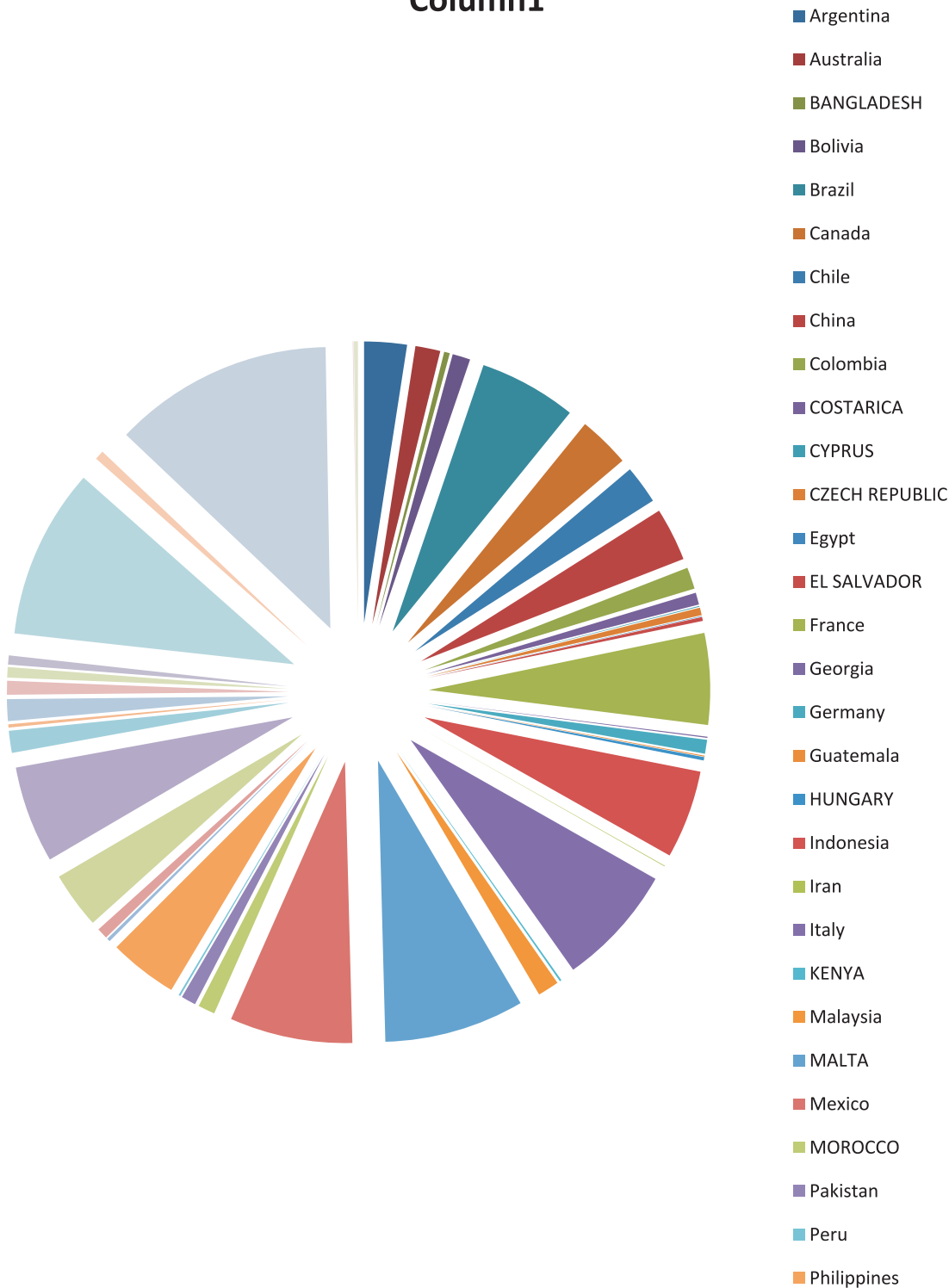


## Continent Wise Break Up In Sales



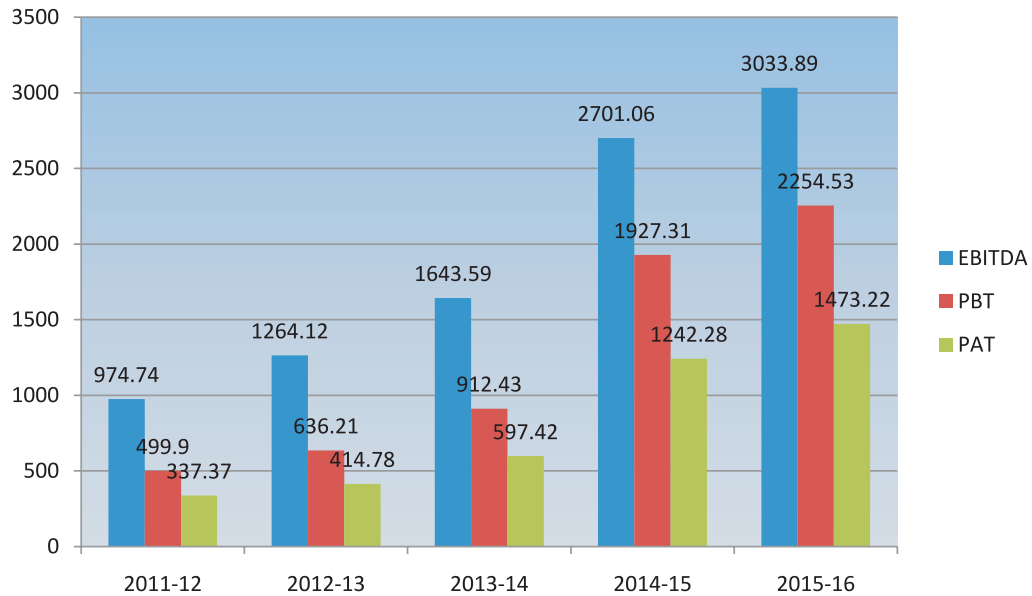
# Country Wise Break Up In Sales

Column1



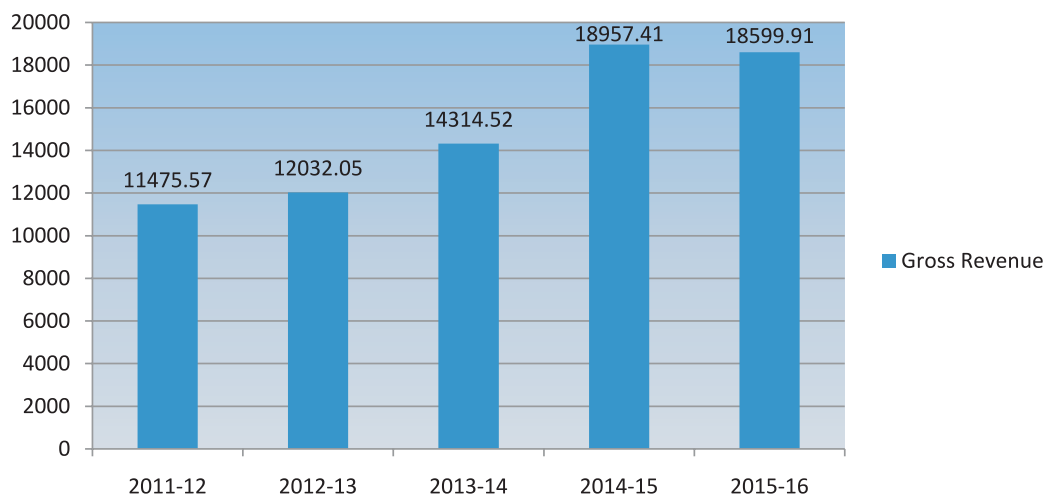
## Key Comparative Figures

Rs. In Lakhs



Rs. In Lakhs

## Gross Revenue



## NOTICE OF THE TWENTY-THIRD ANNUAL GENERAL MEETING

To,  
The Members  
**Vidhi Dyestuffs Manufacturing Limited**

Notice is hereby given that the Twenty Third **Annual General Meeting** of the Members of **Vidhi Dyestuffs Manufacturing Limited** will be held on Saturday, September 24, 2016 at 3.30 P.M. at The Victoria Memorial School for Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400 034 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016 including the Audited Balance Sheet as at March 31, 2016, the 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 Directors' and the Auditor's thereon.
2. To confirm the 1<sup>st</sup> Interim Dividend, 2<sup>nd</sup> Interim Dividend and 3<sup>rd</sup> Interim Dividend declared in the financial year 2015-16.
3. To declare Final Dividend on equity shares for the financial year 2015-16.
4. To appoint a Director in place of Mrs. Pravina B. Manek (DIN: **00416533**), who retires by rotation and being eligible, offers herself for re-appointment.
5. To ratify the appointment of Auditors and fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and based on the recommendation of the Audit Committee and the Board of Directors and pursuant to the resolution passed by the Members of the Company at the Twenty First Annual General Meeting held on September 27, 2014, the appointment of M/s. Bhuta Shah & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No.101474W/W100100), as the Statutory Auditors of the Company be and is hereby ratified to hold office from the conclusion of the Twenty First Annual General Meeting till the conclusion of the third consecutive Annual General Meeting of the Company to be held in the year 2017 (with the meeting wherein such appointment has been made being counted as the first meeting), at a remuneration as may be recommended by the Audit Committee and fixed by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of Audit.

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

### **SPECIAL BUSINESS:**

6. To consider revision in terms of remuneration of Mr. Bipin M. Manek (DIN: **00416441**), Managing Director of the Company and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in partial modification of the resolution passed in the meeting of the Board of Directors held on August 14, 2012 and by the members at the 19<sup>th</sup> Annual General Meeting of the Company held on September 29, 2012 for the re-appointment of Mr. Bipin M. Manek (DIN: **00416441**) as the Managing Director of the Company and pursuant to the provisions of Sections 196, 197, 198 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V to the Act and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the 'Act') and the Rules made there under, as amended from time to time, Articles of Association of the Company and subject to the approval of Central Government or any other Government authority/agency/board, if and to the extent applicable and required and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which shall include duly authorized Nomination and Remuneration Committee thereof for the time being in force exercising the powers conferred upon it by the Board) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the approval of the Members be and is hereby granted to the revision in the remuneration payable to Mr. Bipin M. Manek (DIN: **00416441**), as detailed in the explanatory statement forming part of this notice and Supplementary Agreement as placed

before the meeting with effect from December 1, 2015 for his remaining tenure as Managing Director of the Company i.e. till October 31, 2017.

**RESOLVED FURTHER THAT** except above, the original terms and conditions of re-appointment of Mr. Bipin M. Manek (DIN: **00416441**) as Managing Director of the Company will remain unchanged.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

7. To consider revision in terms of remuneration of Mr. Mihir B. Manek (DIN: **00650613**), Joint Managing Director of the Company and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in partial modification of the resolution passed in the meeting of the Board of Directors held on July 6, 2015 and approved by the members at the 22<sup>nd</sup> Annual General Meeting of the Company held on September 16, 2015 for the re-appointment of Mr. Mihir B. Manek (DIN: **00650613**) as the Joint Managing Director of the Company and pursuant to Sections 196, 197, 198 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V of the Act and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under, as amended from time to time, Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if and to the extent applicable and required and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions and the like, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which shall include duly authorized Nomination and Remuneration Committee thereof for the time being in force exercising the powers conferred upon it by the Board) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the approval of the Members be and is hereby granted to the revision in the remuneration payable to Mr. Mihir B. Manek (DIN: **00650613**), as detailed in the statement forming part of this notice and Supplementary Agreement placed before the meeting with effect from December 1, 2015 for his remaining tenure as Joint Managing Director of the Company i.e. till July 14, 2020.

**RESOLVED FURTHER THAT** except above, the original terms and conditions of re-appointment of Mr. Mihir B. Manek (DIN: **00650613**) as Joint Managing Director of the Company will remain unchanged.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

8. To consider Determination of fees for delivery of any document through a particular mode of delivery to a Member and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed there under, (including any statutory modifications or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to charge from a Member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode if any request has been made by such Member for delivery of such document to him through such mode of service, provided that such request along with the requisite fees has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

**RESOLVED FURTHER THAT** the Board of Directors and/or Key Managerial Personnel of the Company be and are hereby authorized to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

9. To consider payment of professional fees to Mr. Anil Kumar Dhar (DIN: **01524239**), Non-Executive, Independent Director and if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the proviso to Section 197(4) and all other applicable provisions, if any, of the Companies Act, 2013 and relevant rules prescribed there under, (including any statutory modifications or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the provisions of Articles of Association of the Company and as recommended by the Nomination and Remuneration Committee and Audit Committee and approved by Board of Directors, the approval of the Members be and is hereby accorded for payment of professional fees of ₹ 27,800/- per month to Mr. Anil Kumar Dhar (DIN: **01524239**), Non-Executive, Independent Director effective from October 1, 2015 till his tenure as an Independent Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors and/or Key Managerial Personnel of the Company be and are hereby authorized to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, desirable and expedient to give effect to this resolution.”

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

**Date:** August 12, 2016  
**Place:** Mumbai

**Sd/-  
Bipin M. Manek**  
Chairman & Managing Director  
(DIN: 00416441)

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

**Registered Office:**

E/27, Commerce Centre,  
78, Tardeo Road, Mumbai – 400034  
CIN: L24110MH1994PLC076156  
[www.vidhifoodcolour.com](http://www.vidhifoodcolour.com)

**NOTES:**

1. 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. The instrument appointing the Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 (forty eight) hours before the commencement of the Meeting. A proxy form for the Annual General Meeting (AGM) is enclosed.  
  
A person can act as a proxy on behalf of the Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Member. Proxies submitted on behalf of limited companies, societies, etc. must be supported by valid and effective resolution/ authority, as applicable.
2. The Company's Registrar & Share Transfer Agents are Sharex Dynamic (India) Private Limited ('R & TA'), Unit: Unit-1, Luthra Industrial Premises, 1<sup>st</sup> Floor, 44-E, M vasanti Marg, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai - 400072. Phone: 022-28545 606/2851 5644; Fax: 2854 2885.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 17, 2016 to Saturday, September 24, 2016, 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 for the financial year 2015-16, if declared at the AGM.
4. The Dividend, if declared at the AGM, would be paid/ dispatched on/ after September 25, 2016 and 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 Saturday, September 17, 2016 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 Saturday, September 17, 2016, after giving effect to valid share transfers in physical forms lodged with the Company/ R & TA, in respect of the shares held in physical mode.

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

- (i) to their Depository Participants (DPs) in respect of their shareholdings in electronic (demat) form, and
- (ii) to the Company's Registrar & Share Transfer Agents namely, M/s. Sharex Dynamic (India) Private Limited in respect shareholdings in physical form.

Any query related to dividend should be directed to R & TA.

5. Members are requested to:
  - (i) Send all share transfer lodgements (Physical mode) / correspondence to the R & TA upto the date of book closure.
  - (ii) Quote Registered Folio Number or DP ID/ Client ID in all the correspondence.
6. 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 Registrar and Share Transfer Agent namely, M/s. Sharex Dynamic (India) Private Limited well in advance of the above 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). It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 16, 2015 (Date of last Annual General Meeting) on the website of the Company: [www.vidhifoodcolour.com](http://www.vidhifoodcolour.com) and also on the website of the Ministry of Corporate Affairs.
7. Due dates of transferring unclaimed and unpaid dividends declared by the Company for the financial year 2008-09 and thereafter to IEPF:

| Financial Year                             | Date of declaration of dividend | Last date for claiming unpaid/unclaimed dividend |
|--------------------------------------------|---------------------------------|--------------------------------------------------|
| 2012-13 (1 <sup>st</sup> Interim Dividend) | November 12, 2012               | January 15, 2020                                 |
| 2013-14 (1 <sup>st</sup> Interim Dividend) | November 12, 2013               | January 15, 2021                                 |
| 2013-14 (2 <sup>nd</sup> Interim Dividend) | February 12, 2014               | April 19, 2021                                   |
| 2014-15 (1 <sup>st</sup> Interim Dividend) | November 14, 2014               | January 17, 2022                                 |
| 2015-16 (1 <sup>st</sup> Interim Dividend) | August 12, 2015                 | October 16, 2022                                 |
| 2015-16 (Final Dividend)                   | September 16, 2015              | November 19, 2022                                |
| 2015-16 (2 <sup>nd</sup> Interim Dividend) | November 14, 2015               | January 17, 2023                                 |
| 2015-16 (3 <sup>rd</sup> Interim Dividend) | February 09, 2016               | April 15, 2023                                   |

8. Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the Company has transferred all unclaimed Dividend declared till the financial year ended March 31, 2009 to the Investor Education and Protection Fund set up by the Government of India as per provisions of erstwhile Section 205C of the Companies Act, 1956. No claims shall lie against the Fund or the Company in respect to the amounts which were transferred to the IEPF in accordance with the Companies Act, 1956. During the financial year 2015-16 no amount was due to be transferred to IEPF.
9. The relevant Statement pursuant to Section 102 of the Companies Act, 2013 ('the Act'), setting out the material facts relating to the special business as set out in the Notice is annexed hereto.
10. Mrs. Pravina B. Manek (DIN: **00416533**), Director retires by rotation at the Annual General Meeting and being eligible, offers herself for re-appointment. Also, the remuneration of Mr. Bipin M. Manek (DIN: **00416441**), Managing Director and Mr. Mihir B. Manek (DIN: **00650613**) is proposed to be increased. As required under the Secretarial Standard - 2 and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], the details of the Directors seeking re-appointment and revision in terms of remuneration of the Managing Director & Joint Managing Director, *inter alia*, age, qualifications, experience, details of remuneration last drawn by such person and the remuneration proposed to be drawn, relationship with other directors and Key Managerial Personnel of the Company, the number of Meetings of the Board attended during the year and other directorships, membership/chairmanship of the committees of other Boards, etc. are annexed to the Notice and form part of the Explanatory Statement. The Directors have furnished the relevant consents, declarations, etc. for their appointment/re-appointment. None of the Directors are related with other directors or key managerial personnel (*inter-se*) except Mr. Bipin M. Manek (DIN: **00416441**), Mrs. Pravina B. Manek (DIN: **00416533**) and Mr. Mihir B. Manek (DIN: **00650613**) are relatives within the definition of the Relatives under the Companies Act, 2013.
11. As per Sections 101, 136 and all other applicable provisions of the Act, read with the Rules made under the Act, Companies can serve/send various reports, documents, communications, including but not limited to Annual Report comprising of the Report of the Board of Directors, Auditors' Report, Financial Statements, Notice of General Meeting, etc. (hereinafter referred to as 'the Documents') to its members through electronic mode at their e-mail addresses.

The Company believes in green initiative and is concerned about the environment. The Company has e-mailed the Documents in electronic mode at your e-mail address obtained from the depositories/available with R & TA unless a

Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the relevant documents are being sent by the permitted mode.

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

- (i) to their depository participants in respect of their shareholdings in electronic (dematerialized) form;
- (ii) to R & TA, in respect of their shareholdings in physical form, quoting their folio numbers.

Members are entitled to have, free of cost, a copy of the Documents upon placing a specific requisition addressed to R & TA.

12. Annual Report including *inter alia* the Report of the Board of Directors, Auditors' Report, Financial Statements, Notice of this AGM, Attendance Slip, Proxy Form, etc. is being sent by electronic mode to all Members whose e-mail addresses are registered with the Company/ R & TA/ depositories unless a Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the relevant documents are being sent by the permitted mode. The same are also available on the Company's website at: [www.vidhifoodcolour.com](http://www.vidhifoodcolour.com)
13. In case a person has become the Member of the Company after the dispatch of the AGM Notice but on or before the cut-off date i.e. Saturday, September 17, 2016, he may write to 'R & TA' at Sharex Dynamic (India) Private Limited ('R & TA') at Unit-1, Luthra Industrial Premises, 1<sup>st</sup> Floor, 44-E, M vasanti Marg, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai - 400072 on the email ID: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com) requesting for the User ID and Password.
14. 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, a person to whom his/ her shares in the Company shall vest, in the event of his/ her death. Nomination form can be obtained from the R & TA. The duly filled in nomination form shall be sent to M/s. Sharex Dynamic (India) Private Limited at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.
15. Members/Proxies/Authorized Representatives should bring their copy of the Annual Report and Attendance Slip sent herein for attending the Meeting. Proxy/Authorized Representatives of Members should state on the Attendance Slip as 'Proxy' or 'Authorized Representative', as the case may be. Further, those who hold shares in demat form are requested to write their Client Id and DP Id and those who hold shares in physical forms are requested to write their folio number on the attendance slip for easy identification at the meeting.
16. Corporate Members intending to send their representatives to attend the Meeting are requested to send to the Company a certified copy of the relevant board resolution authorizing their representatives to attend and vote at the Meeting on their behalf.
17. In case of joint holders, the vote of only such joint holder who is higher in the order of names, whether in person or proxy, shall be accepted to the exclusion of the votes of other joint holders.
18. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/ R&TA along with the relevant Share Certificates for consolidation of such Folios in one Folio.
19. Members desiring any information pertaining to the financial statements are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the AGM.
20. Statutory registers and all other documents relevant to the business as stated in the Notice convening the AGM are open for inspection by the Members at the Registered Office and Corporate Office of the Company upto and including the date of the ensuing Annual General Meeting of the Company during business hours on any working day of the Company without payment of fee and will also be available at the AGM.
21. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market and Members holding shares in electronic form are requested to submit their PAN to their Depositories Participant(s). Members holding shares in physical form shall submit their PAN details to R & TA, if not already submitted.
22. **Voting through Electronic Means:**
  - a) Pursuant to Section 108 of the Act read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and all other relevant rule made under the Act and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations], the Company is pleased to provide the facility to the Members to exercise their right to vote on the

resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through such voting. **The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday, September 17, 2016 are entitled to vote on the Resolutions set forth in this Notice. The cut-off date for the purpose of remote e-voting and voting at the AGM is Saturday, September 17, 2016. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.** The Members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The Company has appointed Sharex Dynamic (India) Private Limited ('R & TA') for facilitating remote e-voting.

- b) 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 Saturday, September 17, 2016. Members are eligible to cast vote only if they are holding shares as Saturday, September 17, 2016.
- c) **The remote e-voting period will commence at 9.00 a.m. (IST) on Wednesday, September 21, 2016 and will end at 5.00 p.m. (IST) on Friday, September 23, 2016.** 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.**
- d) Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again. The Members may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.
- e) The facility for voting, either through electronic voting system or ballot/polling paper, shall also be made available at the AGM and the Members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.
- f) A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:
  - i. The voting period begins on **Wednesday, September 21, 2016 at (9:00 a.m. IST)** and ends on **Friday, September 23, 2016 at (05:00 p.m. IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, September 17, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - iii. Click on Shareholders.
  - iv. Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - v. Next enter the Image Verification as displayed and Click on Login.
  - vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - vii. If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PAN</b>                                                 | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul> |
| <b>DOB</b>                                                 | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Dividend Bank Details</b> | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</li> </ul> |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN of **Vidhi Dyestuffs Manufacturing Limited** to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix. **Note for Non – Individual Shareholders and Custodians**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xxi. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, (CDSL) Central Depository Services (India) Limited, 16<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800200553

## VIDHI DYESTUFFS MANUFACTURING LIMITED

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23. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on **the cut-off date i.e. September 17, 2016.**
22. Mr. Hemanshu Kapadia (FCS: **3477** and CP: **2285**), Proprietor of M/s. Hemanshu Kapadia & Associates, Practising Company Secretaries, failing him, Mr. Vipin Mehta (FCS: **8587** and CP: **9869**), Partner of M/s. VPP & Associates, Practising Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
24. The Scrutinizers shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, within a period not exceeding forty eight (48) hours from the conclusion of the meeting a Consolidated Scrutinizer's Report of the total votes cast in favor 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.
25. 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. [www.vidhifoodcolour.com](http://www.vidhifoodcolour.com) and on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com). The Company shall also simultaneously forward the results to BSE, NSE and ASE where the shares of the Company are listed.
26. Map of the venue of the AGM is given after the notice and forms part of the notice.
27. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the 23<sup>rd</sup> AGM i.e. September 24, 2016.

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

**Date:** August 12, 2016  
**Place:** Mumbai

**Sd/-  
Bipin M. Manek**  
Chairman & Managing Director  
(DIN: 00416441)

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

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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 23<sup>RD</sup> ANNUAL GENERAL MEETING OF THE COMPANY**

**Item no. 6:**

The Members of the Company at the 19<sup>th</sup> Annual General Meeting of the Company held on September 29, 2012 had approved the re-appointment of Mr. Bipin M. Manek (DIN: **00416441**) as the Managing Director of the Company and the terms of remuneration payable to him with effect from November 1, 2012 for a period of five years i.e. till October 31, 2017, not liable to retire by rotation.

The Members had inter alia approved, total remuneration of ₹ 1,25,000/- per month and applicable perquisites and commission of 2% of the Net Profit with the authority to the Board to fix the remuneration from time to time.

The monthly basic salary of Mr. Bipin M. Manek (DIN: **00416441**) with effect from November 1, 2012 is ₹ 1,25,000/- p.m. Taking into consideration his contribution in the growth of the Company and industry norms and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in its Meeting held on November 14, 2015 approved the revision of the salary payable to Mr. Bipin M. Manek (DIN: **00416441**) from the existing ₹ 1,25,000/- per month to ₹ 2,50,000/- per month for his remaining tenure as Managing Director of the Company i.e. till October 31, 2017. The Company has entered into a Supplementary Agreement with Mr. Bipin M. Manek (DIN: **00416441**) which set out the revised terms and conditions governing appointment and functioning of Mr. Bipin Manek (DIN: **00416441**) as Managing Director of the Company which will substitute the terms and conditions related to remuneration as mentioned in the Managing Director Agreement dated October 3, 2012.

The extract of the terms and conditions as set out in the supplementary agreement are given below:

**Remuneration**

- a) **Salary:** ₹ 2,50,000/- per month.
- b) **Commission:** 5% p.a. of the Net Profit calculated u/s 198 read with section 197 of the Companies Act, 2013 less the total salary paid during the financial year.
- c) The Company shall reimburse from time to time all expenses that he may be required to incur in the course of performance of duties as Managing Director of the Company.

**Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary shall be treated as Minimum Remuneration under the provisions of Section II, III and IV of Part II of Schedule V of the Companies Act, 2013.

In addition to the above, the Managing Director shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration:

- d) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,
- e) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- f) Encashment of leave at the end of the tenure.

All other terms and conditions relating to his appointment and remuneration as approved earlier by the Members remain unchanged.

It is proposed to seek the Members approval for revision in remuneration payable to Mr. Bipin M. Manek (DIN: **00416441**), Managing Director. Details of remuneration paid to Mr. Bipin M. Manek (DIN: **00416441**) during the Financial Year 2015-16 have been disclosed in the annexure to the Directors' Report and in the Report on Corporate Governance.

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

Pursuant to Section 102 (1) of the Companies Act, 2013 it is informed that Mr. Bipin M. Manek (DIN: **00416441**), Managing Director, himself, and Mr. Mihir B. Manek (DIN: **00650613**), Joint Managing Director, and Mrs. Pravina B. Manek (DIN: **00416533**), Non-executive Director, being son and spouse, respectively, are concerned or interested in the Resolution at Item No. 6 of the accompanying notice relating to change in terms of re-appointment of Managing Director.

As on March 31, 2016, Mr. Bipin M. Manek (DIN: **00416441**) was holding 1,41,10,333 equity shares of the Company constituting 28.25% of total voting power and Mrs. Pravina B. Manek (DIN: **00416533**) was holding 1,79,90,667 equity shares of the Company constituting 36.02% of total voting power. None of the Directors, key Managerial Personnel of the Company or their relatives, other than those mentioned above, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Accordingly, the Board recommends the ordinary resolution in relation to change in terms and conditions of the re-appointment of Mr. Bipin M. Manek (DIN: **00416441**) as set forth in Item No. 6 of the notice for the approval of the Members.

**Item no. 7:**

The Members of the Company at the 22<sup>nd</sup> Annual General Meeting of the Company held on September 16, 2015 had approved the re-appointment of Mr. Mihir B. Manek (DIN: **00650613**) as the Joint Managing Director of the Company and the terms of remuneration payable to him with effect from July 15, 2015 for a period of five years i.e. till July 14, 2020 liable to retire by rotation.

The Members had inter alia approved, total remuneration of ₹ 1,25,000/- per month and applicable perquisites and commission of 2% of the Net Profit with the authority to the Board (which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to fix the salary from time to time.

The monthly basic salary of Mr. Mihir B. Manek (DIN: **00650613**) with effect from July 15, 2015 is ₹1,25,000/-. Taking into consideration his contribution in the growth of the Company and industry norms and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in its Meeting held on November 14, 2015 has approved revision in the salary payable to Mr. Mihir B. Manek (DIN: **00650613**) from the existing ₹1,25,000/- per month to ₹2,50,000/- per month for his remaining tenure as Joint Managing Director of the Company i.e. July 14, 2020.

## VIDHI DYESTUFFS MANUFACTURING LIMITED

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The Company has entered into a Supplementary Agreement with Mr. Mihir B. Manek (DIN: **00650613**) which set out the revised terms and conditions governing re-appointment and functioning of Mr. Mihir B. Manek (DIN: **00650613**) as Joint Managing Director of the Company which will substitute the terms and conditions related to remuneration as mentioned in the Joint Managing Director Agreement dated July 6, 2015 to the extent mentioned in this agreement and all other terms & conditions of original agreement mentioned therein shall remain the same.

The extract of the terms and conditions as set out in the supplementary agreement are given below:

### **Remuneration**

- a) **Salary:** ₹ 2,50,000/- per month.
- b) **Commission:** 5% p.a. of the Net Profit calculated u/s 198 read with section 197 of the Companies Act, 2013 less the total salary paid during the financial year.
- c) The Company shall reimburse from time to time all expenses that he may be required to incur in the course of performance of duties as Joint Managing Director of the Company.

### **Minimum Remuneration**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary shall be treated as Minimum Remuneration under the provisions of Section II, III and IV of Part II of Schedule V of the Companies Act, 2013.

In addition to the above, the Joint Managing Director shall also be entitled to the following perquisites, which shall not be included in the computation of the ceiling on remuneration:

- d) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961,
- e) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service and
- f) Encashment of leave at the end of the tenure.

All other terms and conditions relating to his re-appointment as Joint Managing Director and remuneration as approved earlier by the Members remain unchanged.

It is proposed to seek the Members approval for revision in remuneration payable to Mr. Mihir B. Manek (DIN: **00650613**), Joint Managing Director. Details of remuneration paid to Mr. Mihir B. Manek (DIN: **00650613**) during the Financial Year 2015-16 have been disclosed in the annexure to the Directors' Report and in the Report on Corporate Governance.

Brief resume of Mr. Mihir B. Manek (DIN: **00650613**), nature of his expertise in specific functional areas, names of Companies in which he hold directorships and memberships/ chairmanships of Board Committees, shareholding as stipulated under the Listing Regulations and Secretarial Standard - 2 are provided in the notice convening this meeting.

Pursuant to Section 102 (1) of the Companies Act, 2013 it is informed that Mr. Mihir B. Manek (DIN: **00650613**), Joint Managing Director, himself, and Mr. Bipin M. Manek (DIN: **00416441**), Managing Director, and Mrs. Pravina B. Manek (DIN: **00416533**), being parents are concerned or interested in the Resolution at Item No. 7 of the accompanying notice relating to change in terms of re-appointment of Joint Managing Director.

As on March 31, 2016, Mr. Bipin M. Manek (DIN: **00416441**) was holding 1,41,10,333 equity shares of the Company constituting 28.25% of total voting power and Mrs. Pravina B. Manek (DIN: **00416533**) was holding 1,79,90,667 equity shares of the Company constituting 36.02% of total voting power. None of the Directors, key Managerial Personnel of the Company or their relatives, other than those mentioned above, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

Accordingly, the Board recommends the ordinary resolution in relation to change in terms and conditions of the re-appointment of Mr. Mihir B. Manek (DIN: **00650613**) as set forth in Item No. 7 of the notice for the approval of the Members.

### **Item No. 8:**

Pursuant to the provisions of Section 20 of the Companies Act, 2013 a document may be served on any Member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a Member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting.

Therefore, to enable the Members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly recommend the Ordinary Resolution at Item No. 8 of the notice, for the approval of the Members of the Company.

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

**Item No. 9:**

Proviso to Section 197(4) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits payment of professional fees to Non-Executive, Independent Directors of a Company which also required approval of the shareholders. Mr. Anil Kumar Dhar (DIN: **01524239**) was appointed as an Independent Director at the 22<sup>nd</sup> Annual General Meeting held on Wednesday, September 16, 2015 for a period of five years commencing from September 16, 2015 till September 15, 2020. He is 1977 batch Indian Revenue Services (IRS) and having more than over 36 years experience in the field of indirect taxation and foreign trade laws.

Considering the rich experience of Mr. Anil Kumar Dhar (DIN: **01524239**) and expertise in professional services provided by him, it is decided that, a certain amount should be paid to him by way of professional fees in order to reward his expertise. Accordingly, on the recommendations of the Nomination and Remuneration Committee & Audit Committee and approval by the Board of Directors of the Company it is decided to pay him ₹ 27,800/- per month effective from October 1, 2015 till his tenure as Independent Director of the Company.

Details of professional fees paid to Mr. Anil Kumar Dhar (DIN: **01524239**) during the Financial Year 2015-16 is provided in the Directors Report and the Report on Corporate Governance.

Accordingly, approval of the Members is sought by way of a Special Resolution under the applicable provisions of the Companies Act, 2013 and Listing Regulation for payment of professional fees to Mr. Anil Kumar Dhar (DIN: **01524239**), Non Executive Director of the Company, for a period of five financial years commencing from October 1, 2015 as set out in the Resolution at Item No. 9 of the Notice.

None of the Directors, Key Managerial Personnel or their respective relatives, except Mr. Anil Kumar Dhar (DIN: **01524239**), being resolution is for payment of professional fees to him, are concerned or interested in the Resolution mentioned at Item No. 9 of the notice.

The Board recommends the resolution set forth in Item No. 9 for the approval of the Members.

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

**Date:** August 12, 2016

**Place:** Mumbai

**Sd/-**

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

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

**Registered Office:**

E/27, Commerce Centre,  
78, Tardeo Road, Mumbai – 400034  
CIN: L24110MH1994PLC076156  
[www.vidhifoodcolour.com](http://www.vidhifoodcolour.com)

**Annexure to Item Nos. 4, 6, 7 and 9 of the Notice**

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

None of the Directors are *inter - se* related with other directors or key managerial personnel except Mr. Bipin M. Manek (DIN: **00416441**), Mrs. Pravina B. Manek (DIN: **00416533**) and Mr. Mihir B. Manek (DIN: **00650613**) who are relatives as defined under Section 2(77) of the Companies Act, 2013.

| <b>Name of the Director</b>                          | <b>Mrs. Pravina B. Manek</b>                                                                                                                         | <b>Mr. Bipin M. Manek</b>                                                                                                                                                                                  |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIN                                                  | 00416533                                                                                                                                             | 00416441                                                                                                                                                                                                   |
| Date of Birth and Age                                | February 29, 1956<br>(60 Years)                                                                                                                      | June 7, 1956<br>(60 Years)                                                                                                                                                                                 |
| Qualifications                                       | B.A.                                                                                                                                                 | B. Com                                                                                                                                                                                                     |
| Nationality                                          | Indian                                                                                                                                               | Indian                                                                                                                                                                                                     |
| Terms and conditions of appointment / re-appointment | Appointed as Promoter Non-executive Director whose term of office is liable to retire by rotation                                                    | Appointed as Managing Director w.e.f. November 1, 2012 whose term of office is not liable to retire by rotation. However, in this AGM only revision in terms and conditions of remuneration is considered. |
| Details of remuneration sought to be paid            | Nil                                                                                                                                                  | ₹ 2,50,000/- per month and 5% of Net Profit of the Company                                                                                                                                                 |
| Details of remuneration last drawn                   | Nil                                                                                                                                                  | ₹ 1,25,000/- per month and 2% of Net Profit of the Company i.e. 41.65 Lakhs                                                                                                                                |
| Date of first appointment on the Board               | January 19, 1994                                                                                                                                     | January 19, 1994                                                                                                                                                                                           |
| Shareholding in the Company                          | 1,79,90,667 Equity Shares                                                                                                                            | 1,41,10,333 Equity Shares                                                                                                                                                                                  |
| Number of board meetings attended during the year    | 8                                                                                                                                                    | 8                                                                                                                                                                                                          |
| List of Directorships held in other Companies        | Nil                                                                                                                                                  | Arjun Food Colorants Manufacturing Private Limited                                                                                                                                                         |
| Committee membership                                 | Nomination & Remuneration Committee (Member)<br>Stakeholders Relationship Committee (Chairperson)                                                    | Nil                                                                                                                                                                                                        |
| Relationship with Directors, Managers or other KMPs  | Wife of Mr. Bipin M. Manek (DIN: <b>00416441</b> ), Managing Director and mother of Mr. Mihir Manek (DIN: <b>00650613</b> ), Joint Managing Director | Husband of Mrs. Pravina Manek (DIN: <b>00416533</b> ) Non-executive Director and father of Mr. Mihir Manek (DIN: <b>00650613</b> ), Joint Managing Director                                                |
| Nature of Expertise or experience                    | 15 years of vast experience and expertise in the business of food color                                                                              | Rich experience of over 30 years in the field of Imports & Exports in food color industries and management of business.                                                                                    |

| <b>Name of the Director</b>                          | <b>Mr. Mihir B. Manek</b>                                                                                                                                                                                 | <b>Mr. Anil Kumar Dhar</b>                                      |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| DIN                                                  | 00650613                                                                                                                                                                                                  | 01524239                                                        |
| Date of Birth and Age                                | March 8, 1982<br>(34 Years)                                                                                                                                                                               | September 10, 1952<br>(64 Years)                                |
| Qualifications                                       | B.Sc (Industrial Chemistry)                                                                                                                                                                               | 1977 batch Indian Revenue Services (IRS)                        |
| Nationality                                          | Indian                                                                                                                                                                                                    | Indian                                                          |
| Terms and conditions of appointment / re-appointment | Appointed as Joint Managing Director w.e.f. July 15, 2015 whose term of office is liable to retire by rotation. However, in this AGM only revision in terms and conditions of remuneration is considered. | Appointed as an Independent Director w.e.f. September 16, 2015. |
| Details of remuneration sought to be paid            | ₹ 2,50,000/- per month and 5% of Net Profit of the Company                                                                                                                                                | ₹ 27,800/- per month (Professional fees)                        |
| Details of remuneration last drawn                   | ₹ 1,25,000/- per month and 2% of Net Profit of the Company i.e. 41.65 Lakhs                                                                                                                               | Nil                                                             |
| Date of first appointment on the Board               | July 31, 2006                                                                                                                                                                                             | September 16, 2015                                              |
| Shareholding in the Company                          | Nil                                                                                                                                                                                                       | Nil                                                             |

## VIDHI DYESTUFFS MANUFACTURING LIMITED

|                                                     |                                                                                                                                            |                                                                       |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Number of board meetings attended during the year   | 8                                                                                                                                          | 3<br>(3 Board Meetings were held after his appointment)               |
| List of Directorships held in other Companies       | Arjun Food Colorants Manufacturing Private Limited                                                                                         | Chandan Steel Limited                                                 |
| Committee membership                                | Audit Committee (Member)                                                                                                                   | Nil                                                                   |
| Relationship with Directors, Managers or other KMPs | Son of Mr. Bipin M. Manek (DIN: <b>00416441</b> ), Managing Director and Mrs. Pravina Manek (DIN: <b>00416533</b> ) Non-executive Director | Being Independent Director, no relation with the Directors or KMPs    |
| Nature of Expertise or experience                   | 10 years of experience in the business of procurement of imported raw materials and distribution of various chemicals                      | Over 36 years of experience in Indirect Taxation & Foreign Trade Laws |

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

**Date:** August 12, 2016  
**Place:** Mumbai

**Sd/-  
Bipin M. Manek  
Chairman & Managing Director  
(DIN: 00416441)**

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

**Registered Office:**

E/27, Commerce Centre,  
78, Tardeo Road, Mumbai – 400034  
CIN: L24110MH1994PLC076156  
[www.vidhifoodcolour.com](http://www.vidhifoodcolour.com)

**ROUTE MAP TO THE VENUE OF 23<sup>RD</sup> ANNUAL GENERAL MEETING OF VIDHI DYESTUFFS MANUFACTURING LIMITED:**

**Venue:** The Victoria Memorial School for Blind, opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400 034



## BOARD OF DIRECTORS' REPORT

To,  
The Members,  
**Vidhi Dyestuffs Manufacturing Limited**

Your Directors hereby present the **Twenty-Third Annual Report** together with the Audited Financial Statement of Vidhi Dyestuffs Manufacturing Limited ['the Company'/'Vidhi'] for the financial year ended March 31, 2016.

#### 1. Financial summary or highlights:

The financial highlights of the Company are as follows:

(₹ In Lakhs)

| Particulars                                              | Current Year |                 | Previous Year |                 |
|----------------------------------------------------------|--------------|-----------------|---------------|-----------------|
|                                                          | 2015-16      |                 | 2014-15       |                 |
| Total Income                                             |              | 18,599.92       |               | 18,957.41       |
| Total Expenditure (excluding Depreciation)               |              | 16,129.32       |               | 16,818.22       |
| <b>Profit for the year before providing Depreciation</b> |              | <b>2,470.60</b> |               | <b>2,139.19</b> |
| Less: Depreciation                                       |              | 216.06          |               | 162.98          |
| Less: Exceptional Items                                  |              | Nil             |               | 48.90           |
| <b>Profit before Tax</b>                                 |              | <b>2,254.53</b> |               | <b>1,927.31</b> |
| <b>Less: Provision for Taxation</b>                      |              |                 |               |                 |
| Current Year                                             | 690.00       |                 | 680.00        |                 |
| Earlier Year                                             | 12.33        |                 | 2.05          |                 |
| Deferred Tax                                             | 78.98        | 781.31          | 2.98          | 685.03          |
| <b>Profit After Tax</b>                                  |              | <b>1,473.22</b> |               | <b>1,242.29</b> |
| Add: Profit brought forward from Previous Year           |              | 3,644.66        |               | 2,880.22        |
| Total Profit in Balance Sheet                            |              | 5,117.88        |               | 4,122.51        |
| <b>APPROPRIATION:</b>                                    |              |                 |               |                 |
| Interim Dividend                                         |              | 299.67          |               | 124.86          |
| Proposed Final Dividend                                  |              | 99.89           |               | 124.86          |
| Transfer to General Reserve                              |              | 209.43          |               | 175.73          |
| Dividend Distribution Tax                                |              | 84.14           |               | 51.64           |
| Provision for Wealth Tax                                 |              | Nil             |               | 0.76            |
| <b>Balance Profit carried to Balance Sheet</b>           |              | <b>4,424.74</b> |               | <b>3,644.66</b> |

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

Your Company retained its position as one of the eminent food color manufacturing Company in the manufacturing of food colors and preservative Industry. Total income of the Company decreased by 1.88% from ₹18,957.41 Lakhs during the previous year to ₹ 18,599.92 Lakhs during the year under review. However, the profit after tax was increased by 18.59% i.e. ₹1,473.22 Lakhs.

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 2776.43 M. Tons of Food colors against 2275.20 M. Tons in the previous year. Your Directors assure to keep the growth momentum in coming years and strive for bright future for your Company.

The Board of Directors are pleased to inform the members that the equity shares of the Company have been admitted for trading on the National Stock Exchange of India Limited (NSE) with effect from March 2, 2016.

During the year under review, the Company proposed to change its name from 'Vidhi Dyestuffs Manufacturing Limited' to 'Vidhi Specialty Food Ingredients Limited' in order to showcase its business activities more effectively and efficiently. Being a Listed Company, it required in-principal approval from the Stock Exchanges where the shares of the Company are listed in pursuance of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ['Listing Regulations']. Accordingly, the same was received by the Company. In view of the same, the Company has also obtained the approval of the Members by way of passing Special Resolution on June 9, 2016 through Postal Ballot and made an application to the Central Government (powers conferred to Registrar of Companies, Mumbai). The approval of the Central

Government (powers conferred to Registrar of Companies, Mumbai) is awaited. After receipt of Central Government approval, application to the Stock Exchanges where the shares of the Company are listed will be made for final approval in terms of Listing Regulations.

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

The Company is engaged in the business of manufacturing and trading in synthetic food colors 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 for the financial year 2015-16 of ₹0.20 /- (Twenty paise only) per equity share of ₹1/- each fully paid up (i.e. 20%) for the financial year ended March 31, 2016, aggregating to ₹ 99.89 Lakhs (excluding Dividend Distribution Tax to be paid by the Company). The dividend payment is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) and be paid to the shareholders whose names appear in the Register of Members/Beneficial Holders as on Record Date/Book Closure fixed for the said purpose.

The Company has also declared its first interim dividend of ₹ 0.20/- (Twenty paise only) per equity share of ₹ 1/- each fully paid up (i.e. 20%) for the financial year 2016-17.

The Company's strong cash generation and positive growth momentum led the Board of your Company to distribute profit to its Members and accordingly the Board of Directors had declared interim dividend during the financial year 2015-16 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 | 12.08.2015            | 20% per share    | ₹ 0.20/- per share | ₹ 99.89 Lakhs  |
| 2 <sup>nd</sup> Interim Dividend | 14.11.2015            | 20% per share    | ₹ 0.20/- per share | ₹ 99.89 Lakhs  |
| 3 <sup>rd</sup> Interim Dividend | 09.02.2016            | 20% per share    | ₹ 0.20/- per share | ₹ 99.89 Lakhs  |

\* excluding Dividend Distribution Tax to be paid by the Company

### 5. Reserves:

The Board, during the year under review has transferred ₹ 209.43 Lakhs in General Reserves.

### 6. Directors and Key Managerial Personnel:

In accordance with the provisions of the Companies Act, 2013 read with the applicable rules thereto, (including any statutory modification(s) or re-enactment thereof for the time being in force) ['the Act'] and Articles of Association of the Company, Mrs. Pravina B. Manek (DIN: **00416533**) retires by rotation at the ensuing AGM and being eligible, offers herself for re-appointment.

The Members of the Company have accorded their approval for the re- appointment of Mr. Mihir B. Manek (DIN: **00650613**) as Joint Managing Director of the Company for a further period of five years commencing from July 15, 2015 till July 14, 2020 at the Twenty Second AGM of the Company held on Wednesday, September 16, 2015. Also, Mr. Anil Kumar Dhar (DIN: **01524239**) was appointed as an Independent Director for a period of five consecutive years commencing from September 16, 2015 and the appointment of Mr. Rahul Berde (DIN: **06981981**) as an Independent Director was regularized at the AGM held on Wednesday, September 16, 2015.

During the year under review, on the basis of the approval and recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company in their meeting held on November 14, 2015 has, subject to the approval of the Members unanimously approved the increase in remuneration payable to Mr. Bipin M. Manek (DIN: **00416441**), Managing Director and Mr. Mihir B. Manek (DIN: **00650613**), Joint Managing Director of the Company pursuant to the provisions of Section 196, 197, 198, Schedule V of the Companies Act, 2013 and Articles of Association of the Company w.e.f. December 1, 2015 as per the Supplementary Agreement entered into by the Company with the above mentioned Directors for their remaining tenure. Extract of the terms & conditions of increase in their remuneration and all other relevant details have been furnished in the Notice convening this AGM.

The Company has received the declarations from all the Independent Directors of the Company pursuant to the provisions of Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['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, rules made thereunder, 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 / her role, function, duties and responsibilities. The format of the letter of appointment is available on our website at <http://www.vidhifoodcolour.com/financials.php?m=52>

Brief resume of the Director proposed to be re-appointed and the Directors whose remuneration is proposed to be increased, relevant information as stipulated under the Listing Regulations and Secretarial Standards – 2 have been furnished in annexure to the Notice convening the ensuing AGM.

During the year, Mr. Anuj Gandhi was appointed as Company Secretary, KMP and Compliance Officer of the Company w.e.f. June 1, 2015. Subsequently, he tendered his resignation from the said position w.e.f. February 1, 2016. Thereafter, on the basis of recommendation of the Nomination & Remuneration Committee, the Board of Directors in their Meeting held on February 9, 2016 appointed Ms. Kalika Dabholkar (ACS: 38704) as the Company Secretary, KMP and Compliance Officer of the Company with immediate effect.

The Board of Directors, in their meeting held on February 9, 2016 on the recommendation of the Nomination & Remuneration Committee, appointed Mr. Mitesh D. Manek (PAN: ALDPM9178K) as the Chief Financial Officer of the Company w.e.f. February 9, 2016.

Mr. Bipin M. Manek (DIN: **00416441**), Mrs. Pravina B. Manek (DIN: **00416533**) and Mr. Mihir B. Manek (DIN: **00650613**), Directors of the Company are related with each other (*inter-se*).

Details of the number of meetings of the Board of Directors and Committees and attendance at the meetings have been furnished in the *Report on Corporate Governance*.

**7. 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:**

There were no other material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which this financial statements relate and the date of this Report.

**8. Board Evaluation:**

Listing Regulations mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual Directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the *Report on Corporate Governance*. The Board approved the evaluation results as collated by the Nomination and Remuneration Committee.

**9. Familiarization Program for Independent Directors:**

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 new Independent Directors inducted into the Board attended an orientation program. The details of training and familiarization program are available on our website at [http://www.vidhifoodcolour.com/financial/code\\_policies/familiarisation\\_programme\\_for\\_independent\\_director.pdf](http://www.vidhifoodcolour.com/financial/code_policies/familiarisation_programme_for_independent_director.pdf)

**10. Policy on 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 the Nomination & Remuneration Policy and appended as *Annexure A to this report*.

**11. Number of meetings of the Board of Directors:**

The Board of Directors met Eight (8) times during the Financial Year under review. The intervening gap between any two meetings was not more than 120 days as prescribed under the Companies Act, 2013. Details of date of Board meetings are provided separately in *Report on Corporate Governance*.

**12. Details of Committees of the Board:**

At present, the Board has following four (4) Committees:

- Audit Committee,
- Nomination and Remuneration Committee,
- Stakeholders' Relationship Committee, and
- Corporate Social Responsibility Committee.

The Composition of various Committees and compliances, are in line with the applicable provisions of the Companies Act, 2013 read with the Rules and Listing Regulations. Details of terms of reference of the Committees, Committees' Membership and attendance at meetings of the Committees, except CSR Committee, are provided in the *Report on Corporate Governance*.

**13. CSR Committee:**

The constitution, composition, quorum requirements, terms of reference, role, powers, rights, obligations of 'Corporate Social Responsibility Committee ['CSR Committee'] are in conformity with the provisions of Section 135 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee comprises of the following Directors as on March 31, 2016:

| Name                                      | Designation | Non-Executive/Independent  |
|-------------------------------------------|-------------|----------------------------|
| Mr. Prafulchandra A. Shah (DIN: 00417022) | Chairperson | Non-Executive, Independent |
| Mr. Chetan P. Bavishi (DIN: 01978410)     | Member      | Non-Executive, Independent |
| Mr. Nirenbbhai D. Desai (DIN 01978382)    | Member      | Non-Executive, Independent |
| Mr. Rahul Berde (DIN: 06981981)           | Member      | Non-Executive, Independent |

During the financial year under review, the Committee met twice, i.e. on May 30, 2015 and February 9, 2016.

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

- 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 Companies Act, 2013
- approve 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
- carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/regulatory authorities

**CSR Policy development and implementation:**

The CSR Policy is available on the Company's website at [http://www.vidhifoodcolour.com/financial/code\\_policies/csr\\_policy.pdf](http://www.vidhifoodcolour.com/financial/code_policies/csr_policy.pdf)

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

**14. Vigil Mechanism:**

The Company has a Vigil Mechanism cum Whistle Blower Policy ('Vigil Mechanism') in place. The Vigil Mechanism is a system for providing a tool to the employees of the Company to report violation of personnel policies of the Company, unethical behavior, suspected or actual fraud, violation of code of conduct. The Company is also committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization, for whistle blowing in good faith.

## VIDHI DYESTUFFS MANUFACTURING LIMITED

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 chairperson of the Audit Committee in appropriate or exceptional cases.

Vigil Mechanism is available on the Company's website at:

[http://www.vidhifoodcolour.com/financial/code\\_policies/vigil\\_mechanism.pdf](http://www.vidhifoodcolour.com/financial/code_policies/vigil_mechanism.pdf)

### 15. Audit Report:

#### a) Statutory Audit Report

The Audit Report does not contain any qualification, reservation or adverse remark therefore; there are no further explanations to be provided for in this Report.

#### b) Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 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 2015-16 and issue Secretarial Audit Report. Secretarial Audit Report issued by M/s. Hemanshu Kapadia & Associates for the financial year 2015-16 in Form MR-3 forms part of this report and annexed hereto as *Annexure-C*

The observations of the Auditors and the reply of the Management for the same are as under:

| Sr. No. | Secretarial Auditors' Observation                                                                                                                                                                                                                 | Reply of the Management                                                                                                                                                                                                                                                                                                                                                                           |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | The Company has not provided the proof of delivery of Annual Report related to year 2014-15.                                                                                                                                                      | The Company has dispatched the annual report through the e-mail to the shareholders whose e-mail id's were registered with NSDL/CDSL and as made available by R&TA and through courier for the shareholders whose e-mail id's were not available. The acknowledgement of receipt of courier was not available with the Company. However, the annual report was duly received by the shareholders. |
| 2       | There was one case in which duplicate share certificate was issued in 63 days.                                                                                                                                                                    | There was an administrative delay in processing the issue of duplicate share certificate in one case. The Board took note of the same and the necessary steps have been initiated to avoid such delay in future.                                                                                                                                                                                  |
| 3       | The Company did not file e-Form CHG-1 for modification of charge for HDFC Bank having charge ID 10204274.                                                                                                                                         | The Company is awaiting the letter of confirmation from HDFC Bank for part satisfaction of the credit facility availed from them. On receipt of the same the said form will be filed.                                                                                                                                                                                                             |
| 4       | The Company has not filed resolution passed for appointment of internal auditors in e-form MGT-14 within the stipulated time.                                                                                                                     | Inadvertently, the Company has missed the filing of the said resolution in e-form MGT-14 and the same being filed.                                                                                                                                                                                                                                                                                |
| 5       | The Company has transferred the amount of unclaimed/unpaid dividend for dividend declared in the financial year 2015-16 in the respective unpaid and unclaimed dividend accounts with delay of few days.                                          | The Company has duly transferred the requisite dividend amount in the separate accounts within time however, due to administrative reason the account name could not be changed within stipulated time.                                                                                                                                                                                           |
| 6       | In case of two shareholders the dividend was paid @25% instead of 20% for 2 <sup>nd</sup> Interim Dividend declared by the Board in their meeting held on November 14, 2015. However, the excess amount was subsequently returned to the Company. | Due to technical error the dividend was paid in excess. However, the excess amount transferred was received back once the error was detected.                                                                                                                                                                                                                                                     |
| 7       | There was a minor delay of 2-5 days in case of payment of 1 <sup>st</sup> & 2 <sup>nd</sup> Interim dividend.                                                                                                                                     | The Company has transferred the required amount in separate amount within 5 days. However due to administrative reason the dividend warrant/ NEFT were made to the shareholders with minor delay of 2-5 days. The Management has taken necessary steps to avoid such situation in future.                                                                                                         |
| 8       | The Company did not file Cost Audit Report for the Financial Year 2014-15.                                                                                                                                                                        | As per the Companies (Cost Records and Audit) Rules, 2014, as amended by the Companies (Cost Records and Audit) Amendment Rules, 2014 on December 31, 2014, the Company was not required to appoint Cost Auditor. Hence, the Company has not obtained the Cost Audit Report for the year 2014-15 from the Cost Auditors.                                                                          |

**16. Auditors:****a) Statutory Auditors:**

At the Annual General Meeting held on September 27, 2014, M/s. Bhuta Shah & Co. Chartered Accountants (Firm Registration No. 101474W) (Now known as M/s. Bhuta Shah & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. 101474W/W100100)), was appointed as Statutory Auditors of the Company for three consecutive financial years i.e. till the financial year 2016-17 who shall hold office till the conclusion of Annual General Meeting to be held for the financial year 2016-17.

In terms of the first proviso to Section 139(1) of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the ratification of appointment of M/s. Bhuta Shah & Co. LLP as Statutory Auditors of the Company for the financial year 2016-17 is recommended to the Members in the ensuing Annual General Meeting for their approval.

M/s. Bhuta Shah & Co., LLP have furnished a certificate in terms of the Companies (Audit and Auditors) Rules, 2014 and confirmed their eligibility in terms of Section 141 and all other applicable provisions of the Act, read with the applicable rules thereto.

**b) Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Hemanshu Kapadia & Associates, Practising Company Secretary (FCS: **3477** and CP: **2285**), to undertake the Secretarial Audit of the Company for the financial year 2015-16 and issue Secretarial Audit Report. The Secretarial Audit Report for the financial year ended March 31, 2016 is appended as *Annexure C* to this Report.

Further, M/s. Hemanshu Kapadia & Associates was also appointed to undertake the Secretarial Audit of the Company for the financial year 2016-17 and issue Secretarial Audit Report as required under the Companies Act, 2013.

**c) Internal Auditors:**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014 and on the basis of recommendation of Audit Committee, the Board of Directors in their meeting held on November 14, 2015 appointed M/s. A. R. Ruwala & Co., Chartered Accountants, (FRN: 108913W) as the Internal Auditors of the Company for the period ended March 31, 2016.

**17. Conservation of energy, Technology absorption and Foreign exchange earnings and Outgo:**

The information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Account) Rules, 2014 with respect to conservation of energy, technology absorption & foreign exchange earnings and outgo are given in *Annexure D* to this report.

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

Disclosures pertaining to remuneration and other details as required under Section 197 of the Act read with Rule 5(1) and (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended as *Annexure E* to this Report.

The Company doesn't have any employee falling within the purview of Section 197 of the Companies Act, 2013, read with Rule 5(2) (i) to (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time hence, no such details are provided.

**19. Extract of Annual Return:**

In accordance with Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT – 9 is attached as *Annexure F* to this Report.

**20. 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;
- any Sweat Equity Shares.

The equity shares of the Company are listed and admitted to dealings on BSE Limited (BSE), Ahmedabad Stock Exchange Limited (ASE) and National Stock Exchange of India Limited (NSE) (w.e.f. March 2, 2016). Annual Listing Fee has been paid to each exchange. As required under the Listing Regulations, the Company has executed the Uniform Listing

Agreement with BSE, ASE and NSE.

**21. 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 this Report.

**22. 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 this Report along with the Certificate on Corporate Governance received pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges for the period from April 1, 2015 to November 30, 2015 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from December 1, 2015 up to March 31, 2016 from the Practicing Chartered Accountant and the Statutory Auditors, M/s. Bhuta Shah & Co. LLP.

**23. Directors' Responsibility Statement:**

As stipulated under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors hereby state and confirm that:

- a) in the preparation of the annual accounts for the financial year ended on March 31, 2016, 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, 2016 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, 2016; 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, 2016.

**24. Particulars of Contracts and arrangements with related parties :**

During the financial year under review, the Company has not entered into any contract / arrangement / transaction 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. Accordingly, the disclosure of Related Party Transactions to be provided under section 134(3)(h) of the Companies Act, 2013, in Form AOC – 2 is not applicable.

The Company's Policy on Materiality of related party transactions and dealing with related party transactions is available on the Company's website at: [http://www.vidhifoodcolour.com/financial/code\\_policies/policy\\_on\\_related\\_party\\_transactions.pdf](http://www.vidhifoodcolour.com/financial/code_policies/policy_on_related_party_transactions.pdf)

**25. Particulars of loans given, investment made, guarantees given and securities provided:**

The Company has not given any loan, except loan to employees, or given guarantee or provided securities as covered under Section 186 of the Companies Act, 2013. Further, the Company has not made any fresh investment falling within the meaning of Section 186 of the Act however, there were certain investments which were made in earlier years.

Please refer to the Note no. 11 to the financial statements for details of investments made by the Company.

**26. Risk Management:**

The Company is exposed to inherent uncertainties owing to the sectors 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 Audit 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.

## 27. Internal Financial Controls with reference to the Financial Statement:

The Company has in place adequate internal financial controls with reference to financial statements.

The Company has devised appropriate systems and framework for adequate internal financial controls with reference to financial statements commensurate with the size, scale and complexity of its operations including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audit framework, risk management framework and whistle blower mechanism.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements. In case weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls. It has prepared Standard Operating Practices (SOP) for each of its processes.

During the year under review, controls were tested and no reportable material weakness in design and operation were observed.

## 28. 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 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. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

No complaints pertaining to sexual harassment were received during the Financial Year 2015-16.

## 29. Other Disclosures/Reporting:

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

- Details relating to deposits covered under Chapter V of the Act.
- The Company does not have any Subsidiaries and/or Joint Venture and/or Associate Company.
- Details of payment of remuneration or commission to Managing Director or Joint Managing Director of the Company from any of its subsidiaries as the Company does not have any Subsidiaries/Joint Venture/Associate Company.
- 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 Companies Act, 2013).
- No 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.

## 30. Acknowledgements:

Your Directors express their deep gratitude for the co-operation and support extended to the Company by its Members, customers, suppliers, bankers and various government agencies. Your Directors also place on record the commitment and involvement of the employees at all levels and looks forward to their continued co-operation.

**For and on behalf of Board of Directors of  
Vidhi Dyestuffs Manufacturing Limited,**

**Sd/-**

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

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

**Date:** August 12, 2016  
**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 Listing Regulations, 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), 2015 as amended from time to time.
3. **Board** means Board of Directors of the Company.
4. **Directors** mean Directors of the Company.
5. **Key Managerial Personnel** means
  - i. Chief Executive Officer or the Managing Director or the Manager;
  - ii. Whole-time director;
  - iii. Chief Financial Officer;
  - iv. Company Secretary; and
  - v. such other officer as may be prescribed.
6. **Senior Management** means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

### III. ROLE OF COMMITTEE

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

The Committee shall:

- i. Periodically reviewing 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. Devising a policy on diversity of the Board of Directors;
- xiii. Aligning key executive and board remuneration with the longer term interests of the Company and its shareholders;
- xiv. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board;
- xv. to carry out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities;
- xvi. 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 operate. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
- d. The Company shall not appoint or continue the employment of any person as Managing Director and/or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- e. A whole-time KMP of the Company shall not hold office in more than one Company except in its Subsidiary Company at the same time. However, a whole-time KMP can be appointed as a Director in any Company with the permission of the Board of Directors of the Company.

### ii. Term / Tenure

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

The Company shall appoint or re-appoint any person as its, Managing Director and CEO 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 serves 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, 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 Lac 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 of 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 time 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 Board of Directors of  
Vidhi Dyestuffs Manufacturing Limited,**

**Sd/-**

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

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

**Date:** August 12, 2016

**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) Rules, 2014]

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

The Company has considered CSR as an integral part of its operation. The Company is doing CSR activities since long even before it was made mandatory. The Company has been a socially responsible corporate and considered expenditure on CSR as investment in Company which build Company's reputation.

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

[http://www.vidhifoodcolour.com/financial/code\\_policies/csr\\_policy.pdf](http://www.vidhifoodcolour.com/financial/code_policies/csr_policy.pdf)

**2. The Composition of the CSR Committee:**

Mr. Prafulchandra A. Shah (DIN: 00417022) - Chairman

Mr. Chetan P. Bavishi (DIN: 01978410) - Member

Mr. Nirenbbhai D. Desai (DIN: 01978382) - Member

Mr. Rahul Berde (DIN: 06981981) - Member

**3. Average net profit of the Company for last three financial years: ₹ 1306.60 Lakhs**

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 26.13 Lakhs**

**5. Details of CSR spent during the financial year:**

a) Total amount to be spent for the financial year under review: Nil

b) Amount unspent, if any: Nil

c) Manner in which the amount spent during the financial year under review:

| 1      | 2                                  | 3                                                                                              | 4                                                                                                                         | 5                                               | 6                                                                                                    | 7                                                | 8                                                     |
|--------|------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------|
| S. No. | CSR project or activity identified | Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013) | Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead | Cumulative Expenditure upto the reporting period | Amount spent: Direct or through Implementing agency * |
| 1      |                                    |                                                                                                | No amount was spent on CSR activities during the year 2015-16                                                             |                                                 |                                                                                                      |                                                  |                                                       |
| 2      |                                    |                                                                                                |                                                                                                                           |                                                 |                                                                                                      |                                                  |                                                       |
|        | TOTAL                              |                                                                                                |                                                                                                                           |                                                 |                                                                                                      |                                                  |                                                       |

\*Details of implementing agency.

**6. Reasons for not spending the prescribed amount:**

The Company is in expansion mode and required funds for its working capital as well as expansion hence, the Board has decided not to make any expenditure for CSR activity for the financial year 2015-16. The Company understands its social responsibility and will in future make expenditure for CSR activities as and when it found appropriate.

**7. Responsibility statement of the CSR Committee:**

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

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

Mr. Prafulchandra A. Shah  
(DIN: 00417022)  
Chairman CSR Committee

**Date:** August 12, 2016

**Place:** Mumbai

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial year ended 31<sup>st</sup> March 2016

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Vidhi Dyestuffs Manufacturing 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 Dyestuffs Manufacturing 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, 2016 (“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, 2016, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder (including the applicable provisions of the Companies Act, 1956 in force during the Audit period);
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company);**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit period as the Company has not issued any new securities);**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not Applicable to the Company during the Audit period);**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit period as the Company has not issued any Debt instruments/ Securities);**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit period as delisting of securities did not take place);**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit period as the Company has not Bought back its securities);**

vi. And 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 Industry:

- Food Safety & Standards Act, 2006;
- Food Safety and Standards (Laboratory and Sampling Analysis) Regulation, 2011
- Food Safety and Standards (Packaging and Labelling) Regulation, 2011
- 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
- (ii) The Listing Agreement entered into by the Company with BSE Limited, Ahmedabad Stock Exchange and \*National Stock Exchange of India Limited for the period April 1, 2015 to November 30, 2015 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period December 1, 2015 to March 31, 2016.

\*The Company has been listed on National Stock Exchange of India Limited with effect from March 2, 2016.

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

1. *The Company has not provided the proof of delivery of Annual Report related to year 2014-15.*
2. *There was one case in which duplicate share certificate was issued in 63 days.*
3. *The Company did not file e-Form CHG-1 for modification of charge for HDFC Bank having charge ID 10204274.*
4. *The Company did not file resolution passed for appointment of Internal Auditors in e-form MGT-14.*
5. *The Company has transferred the amount of unclaimed/unpaid dividend for dividend declared in the financial year 2015-16 in the respective unpaid and unclaimed dividend accounts with delay of few days.*
6. *In case of two shareholders the dividend was paid @25% instead of 20% for 2<sup>nd</sup> Interim Dividend declared by the Board in their meeting held on November 14, 2015. However, the excess amount was subsequently returned to the Company.*
7. *There was a minor delay of 2-5 days in case of payment of 1<sup>st</sup> & 2<sup>nd</sup> Interim dividend.*
8. *The Company did not file Cost Audit Report for the Financial Year 2014-15.*

**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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance 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 duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. However, 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.
- (iv) Foreign technical collaborations.

For **Hemanshu Kapadia & Associates**  
Practising Company Secretaries

Sd/-

**Hemanshu Kapadia**  
Proprietor  
C.P. No.: 2285  
Membership No.: 3477

**Date:** August 12, 2016

**Place:** Mumbai

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

To,  
The Members,  
**Vidhi Dyestuffs Manufacturing 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. Where ever 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 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

**Sd/-**

**Date:** August 12, 2016  
**Place:** Mumbai

**Hemanshu Kapadia**  
**Proprietor**  
**C.P. No.: 2285**  
Membership No.: 3477

**Annexure D****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:**

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 on 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.

Your Company has taken several sustainable steps voluntarily to contribute towards better environment. It selected the following steps:

- Conservation of natural resources like oil and fuel,
- Use of natural Lightning and natural ventilation,
- Use of energy efficient electric equipment,
- Educating employees and workers for energy conservation,
- Regular maintenance of Machines and equipments,

**2. The steps taken by the Company for utilising Alternate Sources of Energy:**

The Company has switched from Furnace Oil to Coal as an alternative Source of Energy for its manufacturing activities.

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

The Company has focused on investing in modern technology for improving the specific energy consumption. 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:**

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 preceding to the reporting year.

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

The Company did not incur any expenditure during the year for Research and Development work.

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

Company's products are distributed over 80 countries across 6 continents. The Company continues taking steps 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 out flow during the year was as follows:

| Amount in ₹ Lakhs        |                        |                        |
|--------------------------|------------------------|------------------------|
| Particulars              | Financial year 2015-16 | Financial year 2014-15 |
| Foreign Exchange inflow  | 10,192.88              | 11,396.00              |
| Foreign Exchange outflow | 8,234.76               | 11,216.74              |

For and on behalf of Board of Directors of  
Vidhi Dyestuffs Manufacturing Limited,

Sd/-

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

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

**Date:** August 12, 2016  
**Place:** Mumbai

**DETAILS OF REMUNERATION**

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

The percentage increase in remuneration of each Director during the Financial Year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. No. | Name of Director/ KMP and Designation                                   | Remuneration of Director/ KMP for the financial year 2015-16 (in ₹) | % Increase in Remuneration in the Financial Year 2015-16 | Ratio of remuneration of each Director/ to median remuneration of employees |
|---------|-------------------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------|
| 1.      | Mr. Bipin M. Manek<br>(DIN: 00416441)<br>Chairman and Managing Director | 94,55,677                                                           | 66.92%                                                   | 48.2:1                                                                      |
| 2.      | Mr. Mihir B. Manek<br>(DIN: 00650613)<br>Joint Managing Director        | 94,55,677                                                           | 66.92%                                                   | 48.2:1                                                                      |
| 3.      | Mrs. Pravina B. Manek*<br>(DIN: 00416533)<br>Non-Executive Director     | Nil                                                                 | Nil                                                      | Nil                                                                         |
| 4.      | Mr. Vijay K. Atre<br>(DIN: 00416853)<br>Non-Executive Director          | 3,00,000                                                            | 0.00                                                     | 1.53:1                                                                      |
| 5.      | Mr. Prafulchandra A. Shah@<br>(DIN: 00417022)<br>Independent Director   | 37,500                                                              | 74.42%                                                   | 0.19:1                                                                      |
| 6.      | Mr. Chetan P. Bavishi@<br>(DIN: 01978410)<br>Independent Director       | 37,500                                                              | 74.42%                                                   | 0.19:1                                                                      |
| 7.      | Mr. Niren D. Desai@<br>(DIN: 01978382)<br>Independent Director          | 37,500                                                              | 74.42%                                                   | 0.19:1                                                                      |
| 8.      | Mr. Rahul Berde@<br>(DIN: 06981981)<br>Independent Director             | 37,500                                                              | 74.42%                                                   | 0.19:1                                                                      |
| 9.      | Mr. Anil Kumar Dhar^<br>(DIN: 01524239)<br>Independent Director         | Nil                                                                 | N.A.                                                     | N.A.                                                                        |
| 9.      | Mr. Anuj Gandhi^<br>Company Secretary & Compliance Officer              | 1,60,000                                                            | N.A.                                                     | N.A.                                                                        |
| 10.     | Mr. Mitesh D. Manek#<br>Chief Financial Officer                         | 3,00,000                                                            | N.A.                                                     | N.A.                                                                        |
| 11.     | Ms. Kalika Dabholkar^<br>Company Secretary & Compliance Officer         | 50,000                                                              | N.A.                                                     | N.A.                                                                        |

\*Mrs. Pravina B. Manek (DIN 00416533) does not draw any remuneration from the Company

@The remuneration of Independent Directors covers sitting fees

^Appointed as Company Secretary and Compliance Officer w.e.f. June 1, 2015 and ceased to as such w.e.f. February 1, 2016

#appointed as Chief Financial Officer w.e.f. February 9, 2016 and remuneration mentioned above was for remuneration drawn by him in capacity of CFO.

\$appointed as Company Secretary & Compliance Officer w.e.f. February 9, 2016.

^appointed as Independent Director w.e.f. September 16, 2015 and not drawing any kind of remuneration.

**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 ₹1,95,970/- 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 6.94% in the median remuneration of employees.

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

There were 54 (Including KMPs) permanent employees on the rolls of the Company as on March 31, 2016.

**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 last Financial Year i.e. 2015-16 was 27.54% whereas the percentile increase in the managerial remuneration for the Financial Year 2015-16 was 41.11%.

**Justification:** Increase in remuneration of the Chairman & Managing Director and Joint Managing Director is decided based on Company's performance, their individual performance, inflation, prevailing industry trends and benchmarks and their contribution in Company's growth. While deciding the remuneration of other Directors, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of Committees, etc. was taken into consideration.

**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.

**For and on behalf of Board of Directors of  
Vidhi Dyestuffs Manufacturing Limited,**

**Sd/-**

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

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

**Date:** August 12, 2016

**Place:** Mumbai

**VIDHI DYESTUFFS MANUFACTURING LIMITED**
**Details pertaining to remuneration as required under Section 197(12) read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The details of top ten employees of the Company:

|                                                                                  |                                                                                                         |                                                 |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| <b>Name</b>                                                                      | <b>Bipin M Manek</b>                                                                                    | <b>Mihir B Manek</b>                            |
| <b>Designation</b>                                                               | Chairman & Managing Director                                                                            | Joint Managing Director                         |
| <b>Remuneration paid</b>                                                         | ₹ 94,56,000                                                                                             | ₹ 94,56,000                                     |
| <b>Nature of employment</b>                                                      | Executive Director                                                                                      | Executive Director                              |
| <b>Qualifications and Experience</b>                                             | B.Com                                                                                                   | B.Sc in Industrial Chemistry                    |
| <b>Date of commencement of employment</b>                                        | 19.01.1994                                                                                              | 01.08.2006                                      |
| <b>Age</b>                                                                       | 60 years                                                                                                | 34 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:<br>1,41,10,333 Equity Shares<br>Holding of the spouse:<br>1,79,90,667 Equity Shares | Nil                                             |
| <b>Whether relative of Director or employee</b>                                  | Related to Mr. Mihir Manek & Mrs. Pravina Manek                                                         | Related to Mr. Bipin Manek & Mrs. Pravina Manek |

|                                                                                  |                                                |                             |
|----------------------------------------------------------------------------------|------------------------------------------------|-----------------------------|
| <b>Name</b>                                                                      | <b>Mitesh D Manek</b>                          | <b>Jaysingh K Burundkar</b> |
| <b>Designation</b>                                                               | Chief Financial Officer                        | Maintenance Manager         |
| <b>Remuneration paid</b>                                                         | ₹ 11,70,000                                    | ₹ 4,82,640                  |
| <b>Nature of employment</b>                                                      | Key Managerial Personnel                       | Permanent                   |
| <b>Qualifications and Experience</b>                                             | M.Com                                          | B.E.                        |
| <b>Date of commencement of employment</b>                                        | 01.04.2002                                     | 01.04.2014                  |
| <b>Age</b>                                                                       | 39 years                                       | 43 years                    |
| <b>Previous Employment</b>                                                       | He was not employed before joining the Company | Roha Dyechem Pvt Ltd        |
| <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                 |

|                                                                                  |                                                |                         |
|----------------------------------------------------------------------------------|------------------------------------------------|-------------------------|
| <b>Name</b>                                                                      | <b>Parag Y Surve</b>                           | <b>Milind R Patil</b>   |
| <b>Designation</b>                                                               | Works Manager                                  | Quality Control Manager |
| <b>Remuneration paid</b>                                                         | ₹ 4,32,804                                     | ₹ 4,31,640              |
| <b>Nature of employment</b>                                                      | Permanent                                      | Permanent               |
| <b>Qualifications and Experience</b>                                             | M.Sc                                           | M.Sc                    |
| <b>Date of commencement of employment</b>                                        | 01.07.1996                                     | 01.04.1996              |
| <b>Age</b>                                                                       | 45 years                                       | 45 years                |
| <b>Previous Employment</b>                                                       | He was not employed before joining the Company | Roha Dyechem Pvt Ltd    |
| <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             |

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

|                                                                                  |                                                                                                 |                                                |
|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------------------|
| <b>Name</b>                                                                      | <b>Ajay V Pande</b>                                                                             | <b>Nilesh A Thakur</b>                         |
| <b>Designation</b>                                                               | Factory Manager                                                                                 | Plant In charge                                |
| <b>Remuneration paid</b>                                                         | ₹ 3,78,600                                                                                      | ₹ 3,61,857                                     |
| <b>Nature of employment</b>                                                      | Permanent                                                                                       | Permanent                                      |
| <b>Qualifications and Experience</b>                                             | M.Sc                                                                                            | M.Sc                                           |
| <b>Date of commencement of employment</b>                                        | 01.04.1996                                                                                      | 01.11.1996                                     |
| <b>Age</b>                                                                       | 50 years                                                                                        | 45 years                                       |
| <b>Previous Employment</b>                                                       | Roha Dychem Pvt Ltd                                                                             | 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:<br>33,905 Equity Shares<br>Holding of the spouse:<br>1,04,056 Equity Shares | Nil                                            |
| <b>Whether relative of Director or employee</b>                                  | Not related                                                                                     | Not related                                    |

|                                                                                  |                                                |                                                |
|----------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Name</b>                                                                      | <b>Jitendra Pratapsingh Chavan</b>             | <b>Akash S Powale</b>                          |
| <b>Designation</b>                                                               | Stores Manager                                 | Plant In Charge                                |
| <b>Remuneration paid</b>                                                         | ₹ 3,53,784                                     | ₹ 3,31,158                                     |
| <b>Nature of employment</b>                                                      | Permanent                                      | Permanent                                      |
| <b>Qualifications and Experience</b>                                             | B.Com                                          | M.Sc                                           |
| <b>Date of commencement of employment</b>                                        | 15.06.2000                                     | 10.04.1999                                     |
| <b>Age</b>                                                                       | 36 years                                       | 41 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> | Nil                                            | Nil                                            |
| <b>Whether relative of Director or employee</b>                                  | Not related                                    | Not related                                    |

**For and on behalf of Board of Directors of  
Vidhi Dyestuffs Manufacturing Limited,**

**Sd/-**

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

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

**Date:** August 12, 2016

**Place:** Mumbai

## FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

### I REGISTRATION & OTHER DETAILS:

|     |                                                                             |                                                                                                                                                                                                     |
|-----|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i   | CIN                                                                         | L24110MH1994PLC076156                                                                                                                                                                               |
| ii  | Registration Date                                                           | January 19, 1994                                                                                                                                                                                    |
| iii | Name of the Company                                                         | VIDHI DYESTUFFS MANUFACTURING LIMITED                                                                                                                                                               |
| iv  | Category/Sub-category of the Company                                        | Company Limited by shares/ Indian Non Government Company                                                                                                                                            |
| v   | Address of the Registered office & contact details                          | E/27 COMMERCE CENTER, 78, TARDEO ROAD, MUMBAI-400034.<br>Contact : 022 - 61406666/61406615 Fax: + 91 22 2352 1980<br>E-mail: info@vidhifoods.com                                                    |
| vi  | Whether listed company                                                      | YES                                                                                                                                                                                                 |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, 1st Floor, 44-E, M Vasant Marg, Andheri Kurla Road, Safed pool, Andheri (E), Mumbai - 400072. Contact: 022 - 22641376/22702485 |

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| SL No | Name & Description of main products/services                                     | NIC Code of the Product /service | % to total turnover of the company |
|-------|----------------------------------------------------------------------------------|----------------------------------|------------------------------------|
| 1     | Manufacture of dyes and pigments from any source in basic form or as concentrate | 20114                            | 58.84                              |
| 2     | Other non-specialised wholesale trade n.e.c.                                     | 46909                            | 41.16                              |

### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES - Not Applicable

| SI No | Name & Address of the Company | CIN/GLN | Holding/ Subsidiary/Associate | % of Shares held | Applicable Section |
|-------|-------------------------------|---------|-------------------------------|------------------|--------------------|
| 1     | N.A.                          |         |                               |                  |                    |
| 2     |                               |         |                               |                  |                    |
| 3     |                               |         |                               |                  |                    |

### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

| Category of Shareholders        | No. of Shares held at the beginning of the year (01.04.2015) |          |          |                   | No. of Shares held at the end of the year (31.03.2016) |          |          |                   | % change during the year |
|---------------------------------|--------------------------------------------------------------|----------|----------|-------------------|--------------------------------------------------------|----------|----------|-------------------|--------------------------|
|                                 | Demat                                                        | Physical | Total    | % of Total Shares | Demat                                                  | Physical | Total    | % of Total Shares |                          |
| <b>A. Promoters</b>             |                                                              |          |          |                   |                                                        |          |          |                   |                          |
| <b>(1) Indian</b>               |                                                              |          |          |                   |                                                        |          |          |                   |                          |
| a) Individual/HUF               | 32101000                                                     | 0        | 32101000 | 64.27             | 32101000                                               | 0        | 32101000 | 64.27             | 0.00                     |
| b) Central Govt. or State Govt. | 0                                                            | 0        | 0        | 0.00              | 0                                                      | 0        | 0        | 0.00              | 0.00                     |
| c) Bodies Corporates            | 0                                                            | 0        | 0        | 0.00              | 0                                                      | 0        | 0        | 0.00              | 0.00                     |
| d) Bank/FI                      | 0                                                            | 0        | 0        | 0.00              | 0                                                      | 0        | 0        | 0.00              | 0.00                     |
| e) Any other                    | 0                                                            | 0        | 0        | 0.00              | 0                                                      | 0        | 0        | 0.00              | 0.00                     |

| Category of Shareholders                                                          | No. of Shares held at the beginning of the year (01.04.2015) |               |                 |                   | No. of Shares held at the end of the year (31.03.2016) |               |                 |                   | % change during the year |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------|---------------|-----------------|-------------------|--------------------------------------------------------|---------------|-----------------|-------------------|--------------------------|
|                                                                                   | Demat                                                        | Physical      | Total           | % of Total Shares | Demat                                                  | Physical      | Total           | % of Total Shares |                          |
| <b>SUB TOTAL:(A) (1)</b>                                                          | <b>32101000</b>                                              | <b>0</b>      | <b>32101000</b> | <b>64.27</b>      | <b>32101000</b>                                        | <b>0</b>      | <b>32101000</b> | <b>64.27</b>      | <b>0.00</b>              |
| <b>(2) Foreign</b>                                                                |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
| a) NRI- Individuals                                                               | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| b) Other Individuals                                                              | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| c) Bodies Corp.                                                                   | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| d) Banks/Fl                                                                       | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| e) Any other...                                                                   | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| <b>SUB TOTAL (A) (2)</b>                                                          | <b>0</b>                                                     | <b>0</b>      | <b>0</b>        | <b>0.00</b>       | <b>0</b>                                               | <b>0</b>      | <b>0</b>        | <b>0.00</b>       | <b>0.00</b>              |
| <b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>                          | <b>32101000</b>                                              | <b>0</b>      | <b>32101000</b> | <b>64.27</b>      | <b>32101000</b>                                        | <b>0</b>      | <b>32101000</b> | <b>64.27</b>      | <b>0.00</b>              |
| <b>B. PUBLIC SHAREHOLDING</b>                                                     |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
| <b>(1) Institutions</b>                                                           |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
| a) Mutual Funds                                                                   | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| b) Banks/Fl                                                                       | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| C) Cenntal govt                                                                   | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| d) State Govt.                                                                    | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| e) Venture Capital Fund                                                           | 1000                                                         | 0             | 1000            | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| f) Insurance Companies                                                            | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| g) FIIS                                                                           | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| h) Foreign Venture Capital Funds                                                  | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| i) Others (specify)                                                               | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| <b>SUB TOTAL (B)(1):</b>                                                          | <b>1000</b>                                                  | <b>0</b>      | <b>1000</b>     | <b>0.00</b>       | <b>0</b>                                               | <b>0</b>      | <b>0</b>        | <b>0.00</b>       | <b>0.00</b>              |
| <b>(2) Non Institutions</b>                                                       |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
| <b>a) Bodies corporates</b>                                                       |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
| i) Indian                                                                         | 1505991                                                      | 26010         | 1532001         | 3.07              | 1369354                                                | 22010         | 1391364         | 2.79              | -0.28                    |
| ii) Overseas                                                                      | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              | 0.00                     |
| <b>b) Individuals</b>                                                             |                                                              |               |                 |                   |                                                        |               |                 |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹1 lakhs            | 11284152                                                     | 588100        | 11872252        | 23.77             | 11529950                                               | 486100        | 12016050        | 24.06             | 0.29                     |
| ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs | 3880649                                                      | 0             | 3880649         | 7.77              | 3212269                                                | 0             | 3212269         | 6.43              | -1.34                    |
| <b>c) Others (specify)</b>                                                        |                                                              |               |                 |                   |                                                        |               |                 |                   | 0.00                     |
| c-i) Clearing Member                                                              | 121810                                                       | 0             | 121810          | 0.24              | 302133                                                 | 0             | 302133          | 0.60              | 0.36                     |
| c-ii) NRI                                                                         | 336588                                                       | 70000         | 406588          | 0.81              | 826983                                                 | 70000         | 896983          | 1.80              | 0.98                     |
| c-iii) Director                                                                   | 25000                                                        | 0             | 25000           | 0.05              | 25000                                                  | 0             | 25000           | 0.05              | 0.00                     |
| c-vi) OCB                                                                         | 4700                                                         | 0             | 4700            | 0.00              | 201                                                    | 0             | 201             | 0.00              | 0.00                     |
| <b>SUB TOTAL (B)(2):</b>                                                          | <b>17158890</b>                                              | <b>684110</b> | <b>17838300</b> | <b>35.72</b>      | <b>17265890</b>                                        | <b>578110</b> | <b>17844000</b> | <b>35.73</b>      | <b>0.01</b>              |
| <b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>                               | <b>17159890</b>                                              | <b>684110</b> | <b>17844000</b> | <b>35.72</b>      | <b>17265890</b>                                        | <b>578110</b> | <b>17844000</b> | <b>35.73</b>      | <b>0.01</b>              |

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

| Category of Shareholders                    | No. of Shares held at the beginning of the year (01.04.2015) |               |                 |                   | No. of Shares held at the end of the year (31.03.2016) |               |                 |                   | % change during the year |
|---------------------------------------------|--------------------------------------------------------------|---------------|-----------------|-------------------|--------------------------------------------------------|---------------|-----------------|-------------------|--------------------------|
|                                             | Demat                                                        | Physical      | Total           | % of Total Shares | Demat                                                  | Physical      | Total           | % of Total Shares |                          |
| C. Shares held by Custodian for GDRs & ADRs | 0                                                            | 0             | 0               | 0.00              | 0                                                      | 0             | 0               | 0.00              |                          |
| <b>Grand Total (A+B+C)</b>                  | <b>49260890</b>                                              | <b>684110</b> | <b>49945000</b> | <b>100.00</b>     | <b>49366890</b>                                        | <b>578110</b> | <b>49945000</b> | <b>100.00</b>     | <b>0.00</b>              |

**(ii) SHARE HOLDING OF PROMOTERS**

| Sl No. | Shareholders Name | Shareholding at the beginning of the year - As on 01.04.2015 |                                  |                                                | Shareholding at the end of the year - As on 31.03.2016 |                                  |                                                | % change in share holding during the year |
|--------|-------------------|--------------------------------------------------------------|----------------------------------|------------------------------------------------|--------------------------------------------------------|----------------------------------|------------------------------------------------|-------------------------------------------|
|        |                   | No. of shares                                                | % of total shares of the company | % of shares pledged encumbered to total shares | No. of shares                                          | % of total shares of the company | % of shares pledged encumbered to total shares |                                           |
| 1      | Bipin Manek       | 14110333                                                     | 28.25                            | 0                                              | 14110333                                               | 28.25                            | 0                                              | 0                                         |
| 2      | Pravina Manek     | 17990667                                                     | 36.02                            | 0                                              | 17990667                                               | 36.02                            | 0                                              | 0                                         |
|        | <b>Total</b>      | <b>32101000</b>                                              | <b>64.27</b>                     | <b>0</b>                                       | <b>32101000</b>                                        | <b>64.27</b>                     | <b>0</b>                                       | <b>0</b>                                  |

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

| Sl. No. | Name of Shareholder                                                                                                                                                   | Share holding at the beginning of the Year (01.04.2015) |                                  | Increase/ Decrease in No. of Shares | Cumulative Share holding during the year (01.04.2015 to 31.03.2016) |                                  |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------|-------------------------------------|---------------------------------------------------------------------|----------------------------------|
|         |                                                                                                                                                                       | No. of Shares                                           | % of total shares of the company |                                     | No of shares                                                        | % of total shares of the company |
|         | At the beginning of the year - As on 01.04.2015                                                                                                                       | 32101000                                                | 64.27                            |                                     |                                                                     |                                  |
|         | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc) |                                                         |                                  | <b>No Change</b>                    | 32101000                                                            | 64.27                            |
|         | At the end of the year - As on 31.03.2016                                                                                                                             |                                                         |                                  |                                     | 32101000                                                            | 64.27                            |

# There is no change in shareholding Pattern of promoters between 01-04-2015 and 31-03-2016

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

| 1. Deepika Ganatra                             |                               |                                                      |                                  |                                    |                                                               |                                  |
|------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
| Date                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|                                                |                               | No. of shares                                        | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the begning of the year - 01.04.2015</b> |                               | <b>1062316</b>                                       | <b>2.13</b>                      |                                    |                                                               |                                  |
| 07.08.2015                                     | Decrease/Transfer             |                                                      |                                  | -100                               | 1062216                                                       | 2.13                             |
| 18.09.2015                                     | Decrease/Transfer             |                                                      |                                  | -900                               | 1061316                                                       | 2.12                             |
| 30.09.2015                                     | Decrease/Transfer             |                                                      |                                  | -11316                             | 1050000                                                       | 2.10                             |
| 16.10.2015                                     | Decrease/Transfer             |                                                      |                                  | -900                               | 1049100                                                       | 2.10                             |
| <b>At the end of the year - 31.03.2016</b>     |                               |                                                      |                                  |                                    | <b>1049100</b>                                                | <b>2.10</b>                      |
| 2. Bachh Raj Nahar                             |                               |                                                      |                                  |                                    |                                                               |                                  |

| Date                                    | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|-----------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                         |                               | No. of shares                                        | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| At the begning of the year - 01.04.2015 |                               | 328068                                               | 0.66                             |                                    |                                                               |                                  |
| 07.08.2015                              | Decrease/Transfer             |                                                      |                                  | -150000                            | 178068                                                        | 0.36                             |
| 14.08.2015                              | Decrease/Transfer             |                                                      |                                  | -50000                             | 128068                                                        | 0.26                             |
| At the end of the year - 31.03.2016     |                               |                                                      |                                  |                                    | N.A.                                                          | N.A.                             |
| *Ceased to be Top 10 w.e.f. 14.08.2015  |                               |                                                      |                                  |                                    |                                                               |                                  |

**3. Bharat Pitambardas Vora**

| Date                                    | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|-----------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                         |                               | No. of shares                                        | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| At the begning of the year - 01.04.2015 |                               | 381000                                               | 0.76                             |                                    |                                                               |                                  |
| 05.06.2015                              | Decrease/Transfer             |                                                      |                                  | -16000                             | 365000                                                        | 0.73                             |
| 30.06.2015                              | Decrease/Transfer             |                                                      |                                  | -54000                             | 311000                                                        | 0.62                             |
| 03.07.2015                              | Decrease/Transfer             |                                                      |                                  | -2500                              | 308500                                                        | 0.62                             |
| 10.07.2015                              | Decrease/Transfer             |                                                      |                                  | -5000                              | 303500                                                        | 0.61                             |
| 17.07.2015                              | Decrease/Transfer             |                                                      |                                  | -3500                              | 300000                                                        | 0.60                             |
| 20.11.2015                              | Increase/Transfer             |                                                      |                                  | 9                                  | 300009                                                        | 0.60                             |
| At the end of the year - 31.03.2016     |                               |                                                      |                                  |                                    | 300009                                                        | 0.60                             |

**4. Ashvin S Patil**

| Date                                    | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|-----------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                         |                               | No. of shares                                        | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| At the begning of the year - 01.04.2015 |                               | 200000                                               | 0.40                             |                                    |                                                               |                                  |
| Nil movement During the year            |                               |                                                      |                                  | 0                                  |                                                               |                                  |
| At the end of the year - 31.03.2016     |                               |                                                      |                                  |                                    | 200000                                                        | 0.40                             |

**5. Setu Securities Pvt Ltd**

| Date                                                                                      | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|-------------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                           |                               | No. of shares                                        | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| At the begning of the year - 01.04.2015                                                   |                               | 247906                                               | 0.50                             |                                    |                                                               |                                  |
| 19.06.2015                                                                                | Decrease/Transfer             |                                                      |                                  | -100000                            | 147906                                                        | 0.30                             |
| At the end of the year - 31.03.2016                                                       |                               |                                                      |                                  |                                    | N.A.                                                          | N.A.                             |
| # Ceased to be among the top ten Shareholders of the Company with effect from 19.06.2015. |                               |                                                      |                                  |                                    |                                                               |                                  |

**6. R PATTABIRAMAN**

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

| Date                                                               | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|--------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                    |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the begning of the year - 01.04.2015</b>                     |                               | N.A.                                                 | N.A.                             |                                    |                                                               |                                  |
| Become part of top 10 shareholder of the Company w.e.f. 19.02.2016 |                               | 158000                                               | 0.32                             |                                    |                                                               |                                  |
| Nil movement During the year                                       |                               |                                                      |                                  | 0                                  |                                                               |                                  |
| <b>At the end of the year - 31.03.2016</b>                         |                               |                                                      |                                  |                                    | 158000                                                        | 0.32                             |

#Become part of Top 10 shareholder w.e.f. 19.02.2016

**7. Madhukant Devraj Thakkar**

| Date                                                               | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|--------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                    |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the begning of the year - 01.04.2015</b>                     |                               | N.A.                                                 | N.A.                             |                                    |                                                               |                                  |
| Become part of top 10 shareholder of the Company w.e.f. 01.05.2015 |                               | 160000                                               | 0.32                             |                                    |                                                               |                                  |
| Nil Movement during the year                                       |                               |                                                      |                                  | 0                                  |                                                               |                                  |
| <b>At the end of the year - 31.03.2016</b>                         |                               |                                                      |                                  |                                    | 160000                                                        | 0.32                             |

#Become part of Top 10 shareholder w.e.f. 01.05.2015

#Ceased to be among the top ten Shareholders of the Company with effect from 29.05.2015.

#Again become top 10 shareholder of the Company w.e.f. 19.06.2015

#Ceased to be among the top ten Shareholders of the Company with effect from 17.07.2015.

#Again become top 10 shareholder of the Company w.e.f. 14.08.2015

**8. B. R. Nahar and Sons HUF (HUF)**

| Date                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the begning of the year - 01.04.2015</b> |                               | 206360                                               | 0.41                             |                                    |                                                               |                                  |
| 31.07.2015                                     | Decrease/Transfer             |                                                      |                                  | -5000                              | 201360                                                        | 0.40                             |
| 11.09.2015                                     | Decrease/Transfer             |                                                      |                                  | -10000                             | 191360                                                        | 0.38                             |
| 18.09.2015                                     | Decrease/Transfer             |                                                      |                                  | -18556                             | 172804                                                        | 0.35                             |
| 25.09.2015                                     | Decrease/Transfer             |                                                      |                                  | -35000                             | 137804                                                        | 0.28                             |
| 30.09.2015                                     | Decrease/Transfer             |                                                      |                                  | -14255                             | 123549                                                        | 0.25                             |
| 09.10.2015                                     | Decrease/Transfer             |                                                      |                                  | -19337                             | 104212                                                        | 0.21                             |
| <b>At the end of the year - 31.03.2016</b>     |                               |                                                      |                                  |                                    | N.A.                                                          | N.A.                             |

# Ceased to be among the top ten Shareholders of the Company with effect from 09.10.2015.

**9. Ramesh Manohar Kasbekar**

| Date                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the begning of the year - 01.04.2015</b> |                               | <b>232948</b>                                        | <b>0.47</b>                      |                                    |                                                               |                                  |
| 10.04.2015                                     | Increase/Transfer             |                                                      |                                  | 292                                | 233240                                                        | 0.47                             |
| 01.05.2015                                     | Increase/Transfer             |                                                      |                                  | 1760                               | 235000                                                        | 0.47                             |
| 08.05.2015                                     | Increase/Transfer             |                                                      |                                  | 200                                | 235200                                                        | 0.47                             |
| 22.01.2016                                     | Decrease/Transfer             |                                                      |                                  | -4700                              | 230500                                                        | 0.46                             |
| 29.01.2016                                     | Decrease/Transfer             |                                                      |                                  | -500                               | 230000                                                        | 0.46                             |
| 19.02.2016                                     | Decrease/Transfer             |                                                      |                                  | -3000                              | 227000                                                        | 0.45                             |
| 04.03.2016                                     | Decrease/Transfer             |                                                      |                                  | -2000                              | 225000                                                        | 0.45                             |
| <b>At the end of the year - 31.03.2016</b>     |                               |                                                      |                                  |                                    | <b>225000</b>                                                 | <b>0.45</b>                      |

**10. Saurabh Mahar**

| Date                                                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|--------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the begning of the year - 01.04.2015</b>                                 |                               | <b>N.A.</b>                                          | <b>N.A.</b>                      |                                    |                                                               |                                  |
| Became part of top ten Shareholders of the Company with effect from 09.10.2015 |                               | 117000                                               | 0.23                             |                                    |                                                               |                                  |
| Nil Movement during the year                                                   |                               |                                                      |                                  | 0                                  |                                                               |                                  |
| <b>At the end of the year - 31.03.2016</b>                                     |                               |                                                      |                                  |                                    | <b>117000</b>                                                 | <b>0.23</b>                      |

#Became top 10 shareholder of the Company w.e.f. 09.10.2015

#Ceased to be among the top ten Shareholders of the Company with effect from 23.10.2015.

#Again become top 10 shareholder of the Company w.e.f. 08.01.2016

#Ceased to be among the top ten Shareholders of the Company with effect from 22.01.2016.

#Again become top 10 shareholder of the Company w.e.f. 11.03.2016

**11. Bonanza Portfolio Ltd.**

| Date                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the begning of the year - 01.04.2015</b> |                               | <b>306293</b>                                        | <b>0.61</b>                      |                                    |                                                               |                                  |
| 10.04.2015                                     | Decrease/Transfer             |                                                      |                                  | -500                               | 305793                                                        | 0.61                             |
| 17.04.2015                                     | Decrease/Transfer             |                                                      |                                  | -425                               | 305368                                                        | 0.61                             |
| 24.04.2015                                     | Increase/Transfer             |                                                      |                                  | 1750                               | 307118                                                        | 0.61                             |
| 01.05.2015                                     | Increase/Transfer             |                                                      |                                  | 33269                              | 340387                                                        | 0.68                             |
| 08.05.2015                                     | Increase/Transfer             |                                                      |                                  | 137                                | 340524                                                        | 0.68                             |
| 15.05.2015                                     | Decrease/Transfer             |                                                      |                                  | -550                               | 339974                                                        | 0.68                             |

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

|                                            |                   |  |  |         |             |             |
|--------------------------------------------|-------------------|--|--|---------|-------------|-------------|
| 22.05.2015                                 | Decrease/Transfer |  |  | -260    | 339714      | 0.68        |
| 29.05.2015                                 | Increase/Transfer |  |  | 300     | 340014      | 0.68        |
| 05.06.2015                                 | Increase/Transfer |  |  | 300     | 340314      | 0.68        |
| 12.06.2015                                 | Decrease/Transfer |  |  | -5250   | 335064      | 0.67        |
| 19.06.2015                                 | Decrease/Transfer |  |  | -5250   | 329814      | 0.66        |
| 30.06.2015                                 | Increase/Transfer |  |  | 1700    | 331514      | 0.66        |
| 03.07.2015                                 | Decrease/Transfer |  |  | -2100   | 329414      | 0.66        |
| 10.07.2015                                 | Decrease/Transfer |  |  | -1159   | 328255      | 0.66        |
| 17.07.2015                                 | Decrease/Transfer |  |  | -375    | 327880      | 0.66        |
| 24.07.2015                                 | Decrease/Transfer |  |  | -8825   | 319055      | 0.64        |
| 31.07.2015                                 | Decrease/Transfer |  |  | -4186   | 314869      | 0.63        |
| 07.08.2015                                 | Decrease/Transfer |  |  | -309054 | 5815        | 0.01        |
| <b>At the end of the year - 31.03.2016</b> |                   |  |  |         | <b>N.A.</b> | <b>N.A.</b> |

# Ceased to be among the top ten Shareholders of the Company with effect from 07.08.2015.

**12. Rashmi Ramesh Kasbekar**

| Date                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the begning of the year - 01.04.2015</b> |                               | <b>217230</b>                                        | <b>0.43</b>                      |                                    |                                                               |                                  |
| 08.05.2015                                     | Increase/Transfer             |                                                      |                                  | 2203                               | 219433                                                        | 0.44                             |
| 22.01.2015                                     | Decrease/Transfer             |                                                      |                                  | -4433                              | 215000                                                        | 0.43                             |
| 29.01.2016                                     | Decrease/Transfer             |                                                      |                                  | -3500                              | 211500                                                        | 0.42                             |
| 04.03.2016                                     | Decrease/Transfer             |                                                      |                                  | -1500                              | 210000                                                        | 0.42                             |
| 31.03.2016                                     | Increase/Transfer             |                                                      |                                  | 16000                              | 226000                                                        | 0.45                             |
| <b>At the end of the year - 31.03.2016</b>     |                               |                                                      |                                  |                                    | <b>226000</b>                                                 | <b>0.45</b>                      |

**13. Baldev Krishan Sailopal**

| Date                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the begning of the year - 01.04.2015</b> |                               | <b>162000</b>                                        | <b>0.32</b>                      |                                    |                                                               |                                  |
| 01.05.2015                                     | Decrease/Transfer             |                                                      |                                  | -2070                              | 159930                                                        | 0.32                             |
| 28.08.2015                                     | Decrease/Transfer             |                                                      |                                  | -3908                              | 156022                                                        | 0.31                             |
| 20.11.2015                                     | Decrease/Transfer             |                                                      |                                  | -26072                             | 129950                                                        | 0.26                             |
| 08.01.2016                                     | Decrease/Transfer             |                                                      |                                  | -31612                             | 98338                                                         | 0.20                             |
| <b>At the end of the year - 31.03.2016</b>     |                               |                                                      |                                  |                                    | <b>N.A.</b>                                                   | <b>N.A.</b>                      |

#Ceased to be among the top ten Shareholders of the Company with effect from 01.05.2015.

#Again become top 10 shareholder of the Company w.e.f. 07.08.2015

#Ceased to be among the top ten Shareholders of the Company with effect from 08.01.2016.

**14. Axiom Share Broking P. Limited**

| Date                                                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|--------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the beginning of the year - 01.04.2015</b>                               |                               | <b>N.A.</b>                                          | <b>N.A.</b>                      |                                    |                                                               |                                  |
| Became part of top ten Shareholders of the Company with effect from 18.03.2016 |                               | <b>345456</b>                                        | <b>0.69</b>                      |                                    |                                                               |                                  |
| 25.03.2016                                                                     | Decrease/Transfer             |                                                      |                                  | -60000                             | 285456                                                        | 0.57                             |
| 31.03.2016                                                                     | Decrease/Transfer             |                                                      |                                  | -3600                              | 281856                                                        | 0.56                             |
| <b>At the end of the year - 31.03.2016</b>                                     |                               |                                                      |                                  |                                    | <b>281856</b>                                                 | <b>0.56</b>                      |
| #Became part of Top 10 shareholder w.e.f. 18.03.2016                           |                               |                                                      |                                  |                                    |                                                               |                                  |

**15. Chetan Rasikalal Shah**

| Date                                                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|--------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the beginning of the year - 01.04.2015</b>                               |                               | <b>N.A.</b>                                          | <b>N.A.</b>                      |                                    |                                                               |                                  |
| Became part of top ten Shareholders of the Company with effect from 22.01.2016 |                               | <b>156445</b>                                        | <b>0.31</b>                      |                                    |                                                               |                                  |
| 29.01.2016                                                                     | Decrease/Transfer             |                                                      |                                  | -3500                              | 152945                                                        | 0.31                             |
| 05.02.2016                                                                     | Decrease/Transfer             |                                                      |                                  | -1                                 | 152944                                                        | 0.31                             |
| 12.02.2016                                                                     | Decrease/Transfer             |                                                      |                                  | -46998                             | 105946                                                        | 0.21                             |
| 19.02.2016                                                                     | Decrease/Transfer             |                                                      |                                  | -1                                 | 105945                                                        | 0.21                             |
| 04.03.2016                                                                     | Increase/Transfer             |                                                      |                                  | 15000                              | 120945                                                        | 0.24                             |
| 11.03.2016                                                                     | Increase/Transfer             |                                                      |                                  | 17787                              | 138732                                                        | 0.28                             |
| 18.03.2016                                                                     | Increase/Transfer             |                                                      |                                  | 48598                              | 187330                                                        | 0.38                             |
| 25.03.2016                                                                     | Increase/Transfer             |                                                      |                                  | 24643                              | 211973                                                        | 0.42                             |
| 31.03.2016                                                                     | Increase/Transfer             |                                                      |                                  | 28972                              | 240945                                                        | 0.48                             |
| <b>At the end of the year - 31.03.2016</b>                                     |                               |                                                      |                                  |                                    | <b>240945</b>                                                 | <b>0.48</b>                      |
| #Became part of Top 10 shareholder w.e.f. 18.03.2016                           |                               |                                                      |                                  |                                    |                                                               |                                  |

**16. Hemant Gupta**

| Date                                                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|--------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the beginning of the year - 01.04.2015</b>                               |                               | <b>N.A.</b>                                          | <b>N.A.</b>                      |                                    |                                                               |                                  |
| Became part of top ten Shareholders of the Company with effect from 05.06.2015 |                               | <b>163905</b>                                        | <b>0.33</b>                      |                                    |                                                               |                                  |

## VIDHI DYESTUFFS MANUFACTURING LIMITED

|                                                                                          |                   |  |  |        |             |             |
|------------------------------------------------------------------------------------------|-------------------|--|--|--------|-------------|-------------|
| 12.06.2015                                                                               | Increase/Transfer |  |  | 6449   | 170354      | 0.34        |
| 14.08.2015                                                                               | Increase/Transfer |  |  | 13661  | 184015      | 0.37        |
| 21.08.2015                                                                               | Increase/Transfer |  |  | 15985  | 200000      | 0.40        |
| 04.09.2015                                                                               | Increase/Transfer |  |  | 2000   | 202000      | 0.40        |
| 11.09.2015                                                                               | Increase/Transfer |  |  | 9300   | 211300      | 0.42        |
| 16.10.2015                                                                               | Increase/Transfer |  |  | 700    | 212000      | 0.42        |
| 30.10.2015                                                                               | Increase/Transfer |  |  | 8000   | 220000      | 0.44        |
| 13.11.2015                                                                               | Increase/Transfer |  |  | 1600   | 221600      | 0.44        |
| 20.11.2015                                                                               | Increase/Transfer |  |  | 3400   | 225000      | 0.45        |
| 15.01.2016                                                                               | Increase/Transfer |  |  | 1000   | 226000      | 0.45        |
| 19.02.2016                                                                               | Decrease/Transfer |  |  | -77585 | 148415      | 0.30        |
| 26.02.2016                                                                               | Decrease/Transfer |  |  | -5165  | 143250      | 0.29        |
| 04.03.2016                                                                               | Decrease/Transfer |  |  | -38250 | 105000      | 0.21        |
| <b>At the end of the year - 31.03.2016</b>                                               |                   |  |  |        | <b>N.A.</b> | <b>N.A.</b> |
| #Become top 10 shareholder of the Company w.e.f. 05.06.2015                              |                   |  |  |        |             |             |
| #Ceased to be among the top ten Shareholders of the Company with effect from 04.03.2016. |                   |  |  |        |             |             |

### 17. Sharekhan Limited

| Date                                                                                     | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|------------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                          |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the beginning of the year - 01.04.2015</b>                                         |                               | <b>N.A.</b>                                          | <b>N.A.</b>                      |                                    |                                                               |                                  |
| Became part of top ten Shareholders of the Company with effect from 17.07.2015           |                               | <b>169418</b>                                        | <b>0.34</b>                      |                                    |                                                               |                                  |
| 24.07.2015                                                                               | Decrease/Transfer             |                                                      |                                  | -44470                             | 124948                                                        | 0.25                             |
| 31.07.2015                                                                               | Decrease/Transfer             |                                                      |                                  | -76363                             | 48585                                                         | 0.10                             |
| 07.08.2015                                                                               | Increase/Transfer             |                                                      |                                  | 569414                             | 617999                                                        | 1.24                             |
| 14.08.2015                                                                               | Increase/Transfer             |                                                      |                                  | 64980                              | 682979                                                        | 1.37                             |
| 21.08.2015                                                                               | Decrease/Transfer             |                                                      |                                  | -212498                            | 470481                                                        | 0.94                             |
| 28.08.2015                                                                               | Decrease/Transfer             |                                                      |                                  | -27859                             | 442622                                                        | 0.89                             |
| 04.09.2015                                                                               | Decrease/Transfer             |                                                      |                                  | -15695                             | 426927                                                        | 0.85                             |
| 11.09.2015                                                                               | Decrease/Transfer             |                                                      |                                  | -356239                            | 70688                                                         | 0.14                             |
| <b>At the end of the year - 31.03.2016</b>                                               |                               |                                                      |                                  |                                    | <b>N.A.</b>                                                   | <b>N.A.</b>                      |
| #Become top 10 shareholder of the Company w.e.f. 17.07.2015                              |                               |                                                      |                                  |                                    |                                                               |                                  |
| #Ceased to be among the top ten Shareholders of the Company with effect from 24.07.2015. |                               |                                                      |                                  |                                    |                                                               |                                  |
| #Again become top 10 shareholder of the Company w.e.f. 07.08.2015                        |                               |                                                      |                                  |                                    |                                                               |                                  |
| #Ceased to be among the top ten Shareholders of the Company with effect from 11.09.2015. |                               |                                                      |                                  |                                    |                                                               |                                  |

### 18. Abhay Lodha

| Date                                                                                     | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|------------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                          |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the beginning of the year - 01.04.2015</b>                                         |                               | N.A.                                                 | N.A.                             |                                    |                                                               |                                  |
| Became part of top ten Shareholders of the Company with effect from 24.07.2015           |                               | 200000                                               | 0.40                             |                                    |                                                               |                                  |
| 31.07.2015                                                                               | Increase/Transfer             |                                                      |                                  | 50000                              | 250000                                                        | 0.50                             |
| 07.08.2015                                                                               | Decrease/Transfer             |                                                      |                                  | -40000                             | 210000                                                        | 0.42                             |
| 14.08.2015                                                                               | Decrease/Transfer             |                                                      |                                  | -80000                             | 130000                                                        | 0.26                             |
| <b>At the end of the year - 31.03.2016</b>                                               |                               |                                                      |                                  |                                    | N.A.                                                          | N.A.                             |
| #Became top 10 shareholder of the Company w.e.f. 24.07.2015                              |                               |                                                      |                                  |                                    |                                                               |                                  |
| #Ceased to be among the top ten Shareholders of the Company with effect from 14.08.2015. |                               |                                                      |                                  |                                    |                                                               |                                  |

**19. Nikhil Vora**

| Date                                                                                     | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|------------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                          |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the beginning of the year - 01.04.2015</b>                                         |                               | N.A.                                                 | N.A.                             |                                    |                                                               |                                  |
| Became part of top ten Shareholders of the Company with effect from 04.09.2015           |                               | 150000                                               | 0.30                             |                                    |                                                               |                                  |
| 11.09.2015                                                                               | Increase/Transfer             |                                                      |                                  | 347114                             | 497114                                                        | 1.00                             |
| 25.09.2015                                                                               | Decrease/Transfer             |                                                      |                                  | -20000                             | 477114                                                        | 0.96                             |
| 09.10.2015                                                                               | Decrease/Transfer             |                                                      |                                  | -27114                             | 450000                                                        | 0.90                             |
| 11.12.2015                                                                               | Decrease/Transfer             |                                                      |                                  | -25000                             | 425000                                                        | 0.85                             |
| 15.01.2016                                                                               | Decrease/Transfer             |                                                      |                                  | -25000                             | 400000                                                        | 0.80                             |
| 05.02.2016                                                                               | Decrease/Transfer             |                                                      |                                  | -34300                             | 365700                                                        | 0.73                             |
| 26.02.2016                                                                               | Decrease/Transfer             |                                                      |                                  | -65029                             | 300671                                                        | 0.60                             |
| 04.03.2016                                                                               | Decrease/Transfer             |                                                      |                                  | -160671                            | 140000                                                        | 0.28                             |
| 11.03.2016                                                                               | Decrease/Transfer             |                                                      |                                  | -70000                             | 70000                                                         | 0.14                             |
| <b>At the end of the year - 31.03.2016</b>                                               |                               |                                                      |                                  |                                    | N.A.                                                          | N.A.                             |
| #Became top 10 shareholder of the Company w.e.f. 04.09.2015                              |                               |                                                      |                                  |                                    |                                                               |                                  |
| #Ceased to be among the top ten Shareholders of the Company with effect from 11.03.2016. |                               |                                                      |                                  |                                    |                                                               |                                  |

**20. Master Capital Services Ltd.**

| Date | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|      |                               | No.of shares                                         | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

|                                                                                |                   |               |             |         |             |             |
|--------------------------------------------------------------------------------|-------------------|---------------|-------------|---------|-------------|-------------|
| <b>At the beginning of the year - 01.04.2015</b>                               |                   | <b>N.A.</b>   | <b>N.A.</b> |         |             |             |
| Became part of top ten Shareholders of the Company with effect from 23.10.2015 |                   | <b>118135</b> | <b>0.24</b> |         |             |             |
| 30.10.2015                                                                     | Decrease/Transfer |               |             | -600    | 117535      | 0.24        |
| 06.11.2015                                                                     | Increase/Transfer |               |             | 5975    | 123510      | 0.25        |
| 13.11.2015                                                                     | Increase/Transfer |               |             | 5300    | 128810      | 0.26        |
| 20.11.2015                                                                     | Increase/Transfer |               |             | 20136   | 148946      | 0.30        |
| 27.11.2015                                                                     | Increase/Transfer |               |             | 20000   | 168946      | 0.34        |
| 04.12.2015                                                                     | Decrease/Transfer |               |             | -157999 | 10947       | 0.02        |
| <b>At the end of the year - 31.03.2016</b>                                     |                   |               |             |         | <b>N.A.</b> | <b>N.A.</b> |

#Became top 10 shareholder of the Company w.e.f. 23.10.2015

#Ceased to be among the top ten Shareholders of the Company with effect from 04.12.2015

**21. Subhadraben Rasiklal Shah**

| Date                                                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|--------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                |                               | No. of shares                                        | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the beginning of the year - 01.04.2015</b>                               |                               | <b>N.A.</b>                                          | <b>N.A.</b>                      |                                    |                                                               |                                  |
| Became part of top ten Shareholders of the Company with effect from 04.12.2015 |                               | <b>150000</b>                                        | <b>0.30</b>                      |                                    |                                                               |                                  |
| 22.01.2016                                                                     | Decrease/Transfer             |                                                      |                                  | -150000                            | 0                                                             | 0.00                             |
| <b>At the end of the year - 31.03.2016</b>                                     |                               |                                                      |                                  |                                    | <b>N.A.</b>                                                   | <b>N.A.</b>                      |

#Became top 10 shareholder of the Company w.e.f. 04.12.2015

#Ceased to be among the top ten Shareholders of the Company with effect from 22.01.2016

**22. Globalworth Securities Limited**

| Date                                                                           | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|--------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                |                               | No. of shares                                        | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the beginning of the year - 01.04.2015</b>                               |                               | <b>N.A.</b>                                          | <b>N.A.</b>                      |                                    |                                                               |                                  |
| Became part of top ten Shareholders of the Company with effect from 22.01.2016 |                               | <b>175953</b>                                        | <b>0.35</b>                      |                                    |                                                               |                                  |
| 12.02.2016                                                                     | Decrease/Transfer             |                                                      |                                  | -51110                             | 124843                                                        | 0.25                             |
| <b>At the end of the year - 31.03.2016</b>                                     |                               |                                                      |                                  |                                    | <b>N.A.</b>                                                   | <b>N.A.</b>                      |

#Became top 10 shareholder of the Company w.e.f. 22.01.2016

#Ceased to be among the top ten Shareholders of the Company with effect from 12.02.2016

**23. Nayana Jaisingh Rathod**

| Date                                                                                    | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|-----------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                         |                               | No. of shares                                        | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the beginning of the year - 01.04.2015</b>                                        |                               | N.A.                                                 | N.A.                             |                                    |                                                               |                                  |
| Became part of top ten Shareholders of the Company with effect from 05.02.2016          |                               | 202299                                               | 0.41                             |                                    |                                                               |                                  |
| 12.02.2016                                                                              | Increase/Transfer             |                                                      |                                  | 123157                             | 325456                                                        | 0.65                             |
| 26.02.2016                                                                              | Increase/Transfer             |                                                      |                                  | 10000                              | 335456                                                        | 0.67                             |
| 04.03.2016                                                                              | Increase/Transfer             |                                                      |                                  | 10000                              | 345456                                                        | 0.69                             |
| 18.03.2016                                                                              | Decrease/Transfer             |                                                      |                                  | -345456                            | 0                                                             | 0.00                             |
| <b>At the end of the year - 31.03.2016</b>                                              |                               |                                                      |                                  |                                    | N.A.                                                          | N.A.                             |
| #Became top 10 shareholder of the Company w.e.f. 05.02.2016                             |                               |                                                      |                                  |                                    |                                                               |                                  |
| #Ceased to be among the top ten Shareholders of the Company with effect from 18.03.2016 |                               |                                                      |                                  |                                    |                                                               |                                  |

**24. Samir Rameshchandra Palod**

| Date                                                                                    | Increase or Decrease / Reason | Shareholding at the beginning of the year 01-04-2015 |                                  | Increase/ Decrease in Shareholding | Cumulative Share holding during the year 01-04-15 to 31-03-16 |                                  |
|-----------------------------------------------------------------------------------------|-------------------------------|------------------------------------------------------|----------------------------------|------------------------------------|---------------------------------------------------------------|----------------------------------|
|                                                                                         |                               | No. of shares                                        | % of total shares of the company |                                    | No of shares                                                  | % of total shares of the company |
| <b>At the beginning of the year - 01.04.2015</b>                                        |                               | N.A.                                                 | N.A.                             |                                    |                                                               |                                  |
| Became part of top ten Shareholders of the Company with effect from 12.02.2016          |                               | 130898                                               | 0.26                             |                                    |                                                               |                                  |
| 18.03.2016                                                                              | Decrease/Transfer             |                                                      |                                  | -130898                            | 0                                                             | 0.00                             |
| <b>At the end of the year - 31.03.2016</b>                                              |                               |                                                      |                                  |                                    | N.A.                                                          | N.A.                             |
| #Became top 10 shareholder of the Company w.e.f. 05.02.2016                             |                               |                                                      |                                  |                                    |                                                               |                                  |
| #Ceased to be among the top ten Shareholders of the Company with effect from 19.02.2016 |                               |                                                      |                                  |                                    |                                                               |                                  |
| # Again become top 10 shareholder of the Company w.e.f. 04.03.2016                      |                               |                                                      |                                  |                                    |                                                               |                                  |
| #Ceased to be among the top ten Shareholders of the Company with effect from 18.03.2016 |                               |                                                      |                                  |                                    |                                                               |                                  |

**(v) Shareholding of Directors & KMP (For each Director and KMP)**

| Sl. No   | Shareholding of each of the Directors & KMP                                                                                                                 | Shareholding at the beginning of the year - As on 01-04-2015 |                                  | Increase / Decrease in No. of Shares | Cumulative Shareholding during the year - As on 31-03-2016 |                                  |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------|--------------------------------------|------------------------------------------------------------|----------------------------------|
|          |                                                                                                                                                             | No. of shares                                                | % of total shares of the company |                                      | No of shares                                               | % of total shares of the company |
| <b>A</b> | <b>DIRECTORS</b>                                                                                                                                            |                                                              |                                  |                                      |                                                            |                                  |
| 1        | Bipin Manek (Chairman and Managing Director)                                                                                                                |                                                              |                                  |                                      |                                                            |                                  |
|          | <b>At the beginning of the year -01.04.2015</b>                                                                                                             | 14110333                                                     | 28.25                            |                                      |                                                            |                                  |
|          | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) |                                                              |                                  | No Change                            |                                                            |                                  |

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

| Sl. No | Shareholding of each of the Directors & KMP                                                                                                                 | Shareholding at the beginning of the year - As on 01-04-2015 |                                  | Increase / Decrease in No. of Shares | Cumulative Shareholding during the year - As on 31-03-2016 |                                  |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|----------------------------------|--------------------------------------|------------------------------------------------------------|----------------------------------|
|        |                                                                                                                                                             | No. of shares                                                | % of total shares of the company |                                      | No of shares                                               | % of total shares of the company |
|        | <b>At the end of the year - 31.03.2016</b>                                                                                                                  |                                                              |                                  |                                      | 14110333                                                   | 28.25                            |
| 2      | <b>Pravina Manek (Non Executive Director)</b>                                                                                                               |                                                              |                                  |                                      |                                                            |                                  |
|        | <b>At the beginning of the year -01.04.2015</b>                                                                                                             | 17990667                                                     | 36.02                            |                                      |                                                            |                                  |
|        | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) |                                                              |                                  | <b>No Change</b>                     |                                                            |                                  |
|        | <b>At the end of the year - 31.03.2016</b>                                                                                                                  |                                                              |                                  |                                      | 17990667                                                   | 36.02                            |
| 3      | <b>Vijay K Atre (Non executive Director)</b>                                                                                                                |                                                              |                                  |                                      |                                                            |                                  |
|        | <b>At the beginning of the year -01.04.2015</b>                                                                                                             | 25000                                                        | 0.05                             |                                      |                                                            |                                  |
|        | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) |                                                              |                                  | <b>No Change</b>                     |                                                            |                                  |
|        | <b>At the end of the year - 31.03.2016</b>                                                                                                                  |                                                              |                                  |                                      | 25000                                                      | 0.05                             |
| 4      | <b>Kalika Dabholkar (Company Secretary)*</b>                                                                                                                |                                                              |                                  |                                      |                                                            |                                  |
|        | <b>At the beginning of the year -01.04.2015</b>                                                                                                             | 0                                                            | 0                                |                                      |                                                            |                                  |
|        | Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc) |                                                              |                                  | <b>No change after appointment</b>   |                                                            |                                  |
|        | <b>At the end of the year - 31.03.2016</b>                                                                                                                  |                                                              |                                  |                                      | 1                                                          | 0                                |

**Note:**

- Mr. Mihir Manek, Mr.Chetan Bavishi, Mr. Prafulchandra Shah, Mr. Niren Desai, Mr. Anil Kumar Dhar and Mr. Rahul Berde does not hold any shares in the Company.
- Mr. Mitesh Manek, Chief Financial Officer (Key Managerial Personnel) does not hold any shares.
- Mr. Anuj Gandhi was appointed as Company Secretary w.e.f. 01.06.2015 and resigned w.e.f. February 1, 2016 was not holding any shares in the Company

\*Appointed with effect from 09.02.2016 and holding one share as on the date of appointment

**V INDEBTEDNESS (2015-16)**

₹ in lakhs

| Indebtedness of the Company including interest outstanding/accrued but not due for payment |                                  |                 |          |                    |
|--------------------------------------------------------------------------------------------|----------------------------------|-----------------|----------|--------------------|
|                                                                                            | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| <b>Indebtness at the beginning of the financial year</b>                                   |                                  |                 |          |                    |
| i) Principal Amount                                                                        | 4307.95                          | 0               | 0        | 4307.95            |
| ii) Interest due but not paid                                                              | 0                                | 0               | 0        | 0                  |
| iii) Interest accrued but not due                                                          | 9.85                             | 0               | 0        | 9.85               |
| <b>Total (i+ii+iii)</b>                                                                    | <b>4317.80</b>                   | <b>0</b>        | <b>0</b> | <b>4317.80</b>     |
| <b>Change in Indebtedness during the financial year</b>                                    |                                  |                 |          |                    |
| Additions                                                                                  | 18499.29                         | 439.49          | 0        | 18938.78           |

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

|                                                      |                |               |          |                |
|------------------------------------------------------|----------------|---------------|----------|----------------|
| Reduction                                            | 18255.06       | 68.11         |          | 18323.17       |
| <b>Net Change</b>                                    | <b>244.23</b>  | <b>371.38</b> | <b>0</b> | <b>615.61</b>  |
| <b>Indebtedness at the end of the financial year</b> |                |               |          |                |
| i) Principal Amount                                  | 4562.03        | 371.38        | 0        | 4933.41        |
| ii) Interest due but not paid                        | 0              | 0             | 0        | 0              |
| iii) Interest accrued but not due                    | 13.05          | 0             | 0        | 13.05          |
| <b>Total (i+ii+iii)</b>                              | <b>4575.08</b> | <b>371.38</b> | <b>0</b> | <b>4946.46</b> |

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time Director and/or Manager:**

Rs in lakhs

| Sl. No | Particulars of Remuneration                                                     | Name of the MD/WT/Manager |                         | Total Amount  |
|--------|---------------------------------------------------------------------------------|---------------------------|-------------------------|---------------|
|        |                                                                                 | Managing Director         | Joint Managing Director |               |
| 1      | <b>Gross salary</b>                                                             | <b>Bipin Manek</b>        | <b>Mihir Manek</b>      |               |
|        | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961 | 16.25                     | 16.25                   | 32.50         |
|        | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                  | 0.00                      | 0.00                    | 0.00          |
|        | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961   | 0.00                      | 0.00                    | 0.00          |
| 2      | Stock option                                                                    | 0.00                      | 0.00                    | 0.00          |
| 3      | Sweat Equity                                                                    | 0.00                      | 0.00                    | 0.00          |
| 4      | Commission - as % of profit                                                     | 78.31                     | 78.31                   | 156.62        |
| 5      | Others, please specify                                                          | 0.00                      | 0.00                    | 0.00          |
|        | <b>Total (A)</b>                                                                | 94.56                     | 94.56                   | 189.12        |
|        | <b>Ceiling as per the Act</b>                                                   |                           |                         | <b>220.47</b> |

**B. Remuneration to other directors:**

Rs in lakhs

| Sl. No | Particulars of Remuneration                    | Name of the Directors |             |                |             |             |             |               | Total Amount  |
|--------|------------------------------------------------|-----------------------|-------------|----------------|-------------|-------------|-------------|---------------|---------------|
|        |                                                | Prafulchandra Shah    | Niren Desai | Chetan Bavishi | Rahul Berde | Anil Dhar   | Vijay Atre  | Pravina Manek |               |
| 1      | <b>Independent Directors</b>                   |                       |             |                |             |             |             |               |               |
|        | (a) Fee for attending board committee meetings | 0.38                  | 0.38        | 0.38           | 0.38        | 0.00        | N.A.        | N.A.          | 1.52          |
|        | (b) Commission                                 | 0.00                  | 0.00        | 0.00           | 0.00        | 0.00        | N.A.        | N.A.          | 0.00          |
|        | (c) Others, please specify                     | 0.00                  | 0.00        | 0.00           | 0.00        | 0.00        | N.A.        | N.A.          | 0.00          |
|        | <b>Total (1)</b>                               | <b>0.38</b>           | <b>0.38</b> | <b>0.38</b>    | <b>0.38</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b>   | <b>1.52</b>   |
| 2      | <b>Other Non Executive Directors</b>           |                       |             |                |             |             |             |               |               |
|        | (a) Fee for attending board committee meetings | N.A.                  | N.A.        | N.A.           | N.A.        | N.A.        | 0.00        | 0.00          | 0.00          |
|        | (b) Commission                                 | N.A.                  | N.A.        | N.A.           | N.A.        | N.A.        | 0.00        | 0.00          | 0.00          |
|        | (c) Others, please specify.                    | N.A.                  | N.A.        | N.A.           | N.A.        | N.A.        | 3.00        | 0.00          | 3.00          |
|        | <b>Total (2)</b>                               | <b>0.00</b>           | <b>0.00</b> | <b>0.00</b>    | <b>0.00</b> | <b>0.00</b> | <b>3.00</b> | <b>0.00</b>   | <b>3.00</b>   |
|        | <b>Total (B)=(1+2)</b>                         | <b>0.38</b>           | <b>0.38</b> | <b>0.38</b>    | <b>0.38</b> | <b>0.00</b> | <b>3.00</b> | <b>0.00</b>   | <b>4.52</b>   |
|        | <b>Total Managerial Remuneration (A+B)</b>     |                       |             |                |             |             |             |               | <b>192.12</b> |
|        | <b>Overall Ceiling as per the Act.</b>         |                       |             |                |             |             |             |               | <b>242.52</b> |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WT/**

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel/Manager |                   |              |       |
|---------|-----------------------------|----------------------------------|-------------------|--------------|-------|
|         |                             | Mitesh Manek*                    | Kalika Dabholkar* | Anuj Gandhi* | Total |

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

| 1 | Gross Salary                                                                         | CFO | CS  |     |     |
|---|--------------------------------------------------------------------------------------|-----|-----|-----|-----|
|   | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 3.0 | 0.5 | 1.6 | 5.1 |
|   | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | 0   | 0   | 0   | 0   |
|   | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961        | 0   | 0   | 0   | 0   |
| 2 | Stock Option                                                                         | 0   | 0   | 0   | 0   |
| 3 | Sweat Equity                                                                         | 0   | 0   | 0   | 0   |
| 4 | Commission - as % of profit                                                          | 0   | 0   | 0   | 0   |
| 5 | Others, please specify                                                               | 0   | 0   | 0   | 0   |
|   | Total                                                                                | 3.0 | 0.5 | 1.6 | 5.1 |

# The Company has appointed Mr. Mitesh Manek as Chief Financial Officer w.e.f. February 09, 2016. Thus, his salary for the period for which he was acted as CFO was given.

<sup>s</sup>The Company has appointed Mr. Anuj Gandhi as Company Secretary w.e.f. June 01, 2015 who resigned on February 01, 2016. Thus, his salary for the period for which he was acted as CS was given.

\*The Company has appointed Ms. Kalika Dabholkar as Company Secretary w.e.f. February 09, 2016. Thus, her salary for the period for which he was acted as CS was given.

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/ NCLT/Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|----------------------------------------------------------|----------------------------|-----------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |                                                          |                            |                                   |
| Penalty                             |                              |                   |                                                          |                            |                                   |
| Punishment                          |                              |                   |                                                          |                            |                                   |
| Compounding                         |                              |                   |                                                          |                            |                                   |
| <b>B. DIRECTORS</b>                 |                              |                   |                                                          |                            |                                   |
| Penalty                             |                              |                   |                                                          |                            |                                   |
| Punishment                          |                              |                   |                                                          |                            |                                   |
| Compounding                         |                              |                   |                                                          |                            |                                   |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |                                                          |                            |                                   |
| Penalty                             |                              |                   |                                                          |                            |                                   |
| Punishment                          |                              |                   |                                                          |                            |                                   |
| Compounding                         |                              |                   |                                                          |                            |                                   |

Not Applicable

## REPORT ON CORPORATE GOVERNANCE

Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. The goal of Corporate Governance is to ensure fairness for every stakeholder. It refers to a system by which Companies are governed, controlled and managed. The core principles of Corporate Governance practices are fairness, transparency, accountability and responsibility. Corporate governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. The Company recognizes that good Corporate Governance is a continuing exercise and is committed to pursue the highest standard of governance in the overall interest of the stakeholders.

The equity shares of the Company are listed and admitted to dealings on BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE). Pursuant to the provisions of Regulation 34(3) 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, 2016 is furnished below:

### (1) Brief statement on the Company's Philosophy on Code of Governance

At Vidhi Dyestuffs Manufacturing Limited (hereinafter referred to as 'Vidhi'), it is imperative that our Company affairs are managed in a fair and transparent manner. Vidhi ensures that it evolves and follows the corporate governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

Our Company believes that Good Corporate Governance is essential ingredient of any business, a way of life rather than a mere legal compulsion. The Company is conscious of its responsibility as a good corporate citizen.

The driving principles of our corporate governance framework are as follows:

- **In Spirit and Letter:** We Satisfy both; the spirit of the law and the letter of the law.
- **Stakeholder Relationship:** A common set of values governs relationships with customers, employees, shareholders, suppliers, bankers and the communities in which we operate.
- **Transparency:** We ensure transparency and believe in maintaining a high level of disclosure.
- **Corporate Structure:** We have a simple and transparent corporate structure driven solely by pure business needs.

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

- Policy on diversity of the Board of Directors
- Code of Conduct for Board Members and the Senior Management Personnel
- Corporate Social Responsibility Policy (CSR Policy)
- Familiarization Program for Independent Directors
- Nomination and Remuneration Policy
- Policy on Related Party Transactions
- Code of Conduct for regulating & reporting trading by insiders and for fair disclosure
- Policy on Archival of Documents
- Policy of Determination of Materiality of Events/Information
- Risk Management Policy
- Vigil Mechanism Cum Whistle Blower Policy
- Policy for Evaluation of the Performance of the Board of Directors
- Policy for Preservation of Documents

These policies, programs and 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 believes that an active, well-informed and independent Board of Directors is vital to achieve the apex standard of Corporate Governance. The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors (IDs) to maintain the independence of the Board, and separate its functions of governance and management.

As per the declaration received from IDs, all IDs meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and are abide by the obligations as laid down under Regulation 25 of the Listing Regulations and Schedule IV of the Companies Act, 2013. None of the Directors on the Board are Independent Directors of more than seven Listed Companies and none of the Whole-time Directors are Independent Directors of any Listed Company.

Composition of the Board of Directors as on March 31, 2016 was in accordance with the requirements of Regulation 17 of the Listing Regulations. As per Regulation 26(1) of the Listing Regulations, none of the Directors on the Board is member of more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which they are Directors. The same is also evidenced from the below given table.

Currently, the Board consists of nine members, two of whom are Executive Directors (EDs), two Non- Executive Directors (NEDs) and five Independent Directors (IDs). The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website at [www.vidhifoodcolour.com](http://www.vidhifoodcolour.com)

Details relating to the composition of the Board of Directors, number of Directorships, Memberships and Chairmanships of the Directors of the Company in other Public Limited Companies as on March 31, 2016 are as follows:

| Name of the Director(s)<br>and their DIN     | Designation                     | Category           | No. of Other<br>Directorship <sup>#</sup> | Committee positions <sup>#</sup> |        |
|----------------------------------------------|---------------------------------|--------------------|-------------------------------------------|----------------------------------|--------|
|                                              |                                 |                    |                                           | Chairman/<br>Chairperson         | Member |
| <b>Executive Directors</b>                   |                                 |                    |                                           |                                  |        |
| Mr. Bipin M. Manek<br>(DIN: 00416441)        | Chairman & Managing<br>Director | Promoter           | Nil                                       | Nil                              | Nil    |
| Mr. Mihir B. Manek<br>(DIN: 00650613)        | Joint Managing<br>Director      | Promoter           | Nil                                       | Nil                              | 1      |
| <b>Non -Executive Directors</b>              |                                 |                    |                                           |                                  |        |
| Mrs. Pravina B. Manek<br>(DIN: 00416533)     | Non-Executive Director          | Promoter           | Nil                                       | 1                                | Nil    |
| Mr. Vijay K. Atre<br>(DIN: 00416853)         | Non-Executive Director          | Non<br>Independent | Nil                                       | Nil                              | Nil    |
| Mr. Prafulchandra A. Shah<br>(DIN: 00417022) | Director                        | Independent        | Nil                                       | Nil                              | 2      |
| Mr. Chetan P. Bavishi (DIN:<br>01978410)     | Director                        | Independent        | Nil                                       | Nil                              | 2      |
| Mr. Niren D. Desai<br>(DIN: 01978382)        | Director                        | Independent        | Nil                                       | 1                                | Nil    |
| Mr. Rahul C. Berde<br>(DIN: 06981981)        | Director                        | Independent        | Nil                                       | Nil                              | Nil    |
| Mr. Anil Kumar Dhar<br>(DIN: 01524239)@      | Director                        | Independent        | 1                                         | Nil                              | Nil    |

<sup>#</sup>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 and companies under section 8 of the Companies Act, 2013 have been excluded. Committee positions considered are only of Audit Committee and Stakeholders' Relationship Committee, including that of the Company.

<sup>@</sup>Appointed for a term of five consecutive years commencing from September 16, 2015.

- 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                         | Number of Board Meetings Attended | Attendances at the last AGM |
|-------------------------------------------|-----------------------------------|-----------------------------|
| Mr. Bipin M. Manek (DIN: 00416441)        | 8                                 | Yes                         |
| Mr. Mihir B. Manek (DIN: 00650613)        | 8                                 | Yes                         |
| Mrs. Pravina B. Manek (DIN: 00416533)     | 8                                 | Yes                         |
| Mr. Vijay K. Atre (DIN: 00416853)         | 8                                 | No                          |
| Mr. Prafulchandra A. Shah (DIN: 00417022) | 8                                 | Yes                         |
| Mr. Chetan P. Bavishi (DIN: 01978410)     | 8                                 | Yes                         |
| Mr. Niren D. Desai (DIN: 01978382)        | 8                                 | Yes                         |
| Mr. Rahul C. Berde (DIN: 06981981)        | 8                                 | No                          |
| Mr. Anil Kumar Dhar (DIN: 01524239)*      | 3                                 | N.A.                        |

\*He was appointed as an Independent Director in the AGM dated September 16, 2015 with immediate effect. After his appointment 3 Board Meetings were held.

- C) Number of meetings of the Board of Directors held and dates on which held and date of the last AGM held:**

Eight (8) Board Meetings were held during the financial year under review on April 6, 2015; May 30, 2015; June 30, 2015; July 31, 2015; August 12, 2015; October 20, 2015, November 14, 2015 and February 9, 2016.

The Twenty-second Annual General Meeting was held on September 16, 2015.

- D) Disclosure of relationships between directors *inter-se*:**

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

None of the above referred Independent Non- Executive Directors have any material pecuniary relationships or transactions with the Company, its promoters, its Directors or its senior management which may affect their independence.

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

- E) Number of shares of the Company held by Non- Executive Directors as on March 31, 2016:**

| Sr. No. | Name of Director                          | No. of Shares held | % of Shareholding |
|---------|-------------------------------------------|--------------------|-------------------|
| 1.      | Mrs. Pravina B. Manek (DIN: 00416533)     | 1,79,90,667        | 36.02             |
| 2.      | Mr. Vijay K. Atre (DIN: 00416853)         | 25,000             | 0.05              |
| 3.      | Mr. Prafulchandra A. Shah (DIN: 00417022) | --                 | --                |
| 4.      | Mr. Chetan P. Bavishi (DIN: 01978410)     | --                 | --                |
| 5.      | Mr. Niren D. Desai (DIN: 01978382)        | --                 | --                |
| 6.      | Mr. Rahul C. Berde (DIN: 06981981)        | --                 | --                |
| 7.      | Mr. Anil Kumar Dhar (DIN: 01524239)       | --                 | --                |

- F) Weblink where details of familiarization programmes imparted to Independent Directors is disclosed:** <http://www.vidhifoodcolour.com/>

- G) Independent Directors' Meeting:**

The Independent Directors (IDs) met on November 14, 2015 without the presence of Non- Independent Directors and members of the Management in compliance with the provisions of Schedule IV. At this meeting, the IDs *inter alia* evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

- H) Board Procedure:**

The Chairman of the Company and the Company Secretary draft the agenda for each meeting, along with agenda notes, in consultation with the Joint Managing Director and distribute these at least seven days in advance to all

the Directors for facilitating fruitful and focused discussions at the meeting. Every Board member can suggest the inclusion of additional items in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual General Meeting. Additional meetings are held when necessary. At the Board meetings, the Directors are being provided information as stipulated in Regulation 17(7) of the Listing Regulations in addition to other business items.

**I) Board Evaluation:**

The Nomination and Remuneration Committee has approved a Policy for evaluation of the Board, its Committees and Directors and the same has been approved by the Board of Directors of the Company.

Accordingly, a separate exercise was carried out by the Nomination and Remuneration Committee to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Director and Non-Executive Directors and the performance evaluation of independent directors was done by the entire Board of Directors, excluding the director being evaluated.

The Directors expressed their satisfaction with the evaluation process.

**J) In preparation of the financial statements, the applicable accounting standards have duly been followed and there are no material departures.**

**(3) Audit Committee**

- (a)** The composition of the Audit Committee as well as details of meeting of Audit Committee held and attended by each Member during the year 2015-16 are as follows:

| Name                                         | Designation | Non-Executive/ Independent | Numbers of Meetings |          |
|----------------------------------------------|-------------|----------------------------|---------------------|----------|
|                                              |             |                            | Held                | Attended |
| Mr. Niren D. Desai<br>(DIN: 01978382)        | Chairman    | Non-Executive, Independent | 5                   | 5        |
| Mr. Prafulchandra A. Shah<br>(DIN: 00417022) | Member      | Non-Executive, Independent | 5                   | 5        |
| Mr. Chetan P. Bavishi<br>(DIN 01978410)      | Member      | Non-Executive, Independent | 5                   | 5        |
| Mrs. Pravina B Manek*<br>(DIN: 00416533)     | Member      | Non-Executive, Promoter    | 3@                  | 3@       |
| Mr. Mihir B. Manek<br>(DIN: 00650613)        | Member      | Executive                  | 5                   | 5        |

\*Mrs. Pravina Manek (DIN: 00416533) ceased to be the member of the Audit Committee w.e.f. October 20, 2015.

@Till Mrs. Pravina Manek (DIN: 00416533) was Member of Audit Committee 3 meetings were held and she was present in all the three meetings.

All the Members of the Audit Committee are financially literate and have relevant accounting and financial management expertise as required under the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Mr. Anuj Gandhi acted as Secretary of the Audit Committee since June 1, 2015 till February 1, 2016. On appointment as Company Secretary of the Company w.e.f. February 9, 2016, Ms. Kalika Dabholkar acted as Secretary of the Audit Committee after that date.

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, 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 auditor and the statutory auditor 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 Companies Act, 2013 and Listing Regulations (including any statutory modification(s) or re-enactment or amendments 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 Companies Act, 2013

- 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 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, head of internal audit 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 clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. 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, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage 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 review of 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

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

- Management discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
- 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
- statement of deviations;
- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- Financial statements, in particular, the investments made by the unlisted subsidiary

**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
- to secure attendance of outsiders with relevant expertise, if it considers necessary

**(c) Meetings and attendance during the year:**

The Members of the Audit Committee met Five (5) times during the financial year 2015-16 on May 30, 2015, June 30, 2015, August 12, 2015, November 14, 2015 and February 9, 2016. The highlights of each of the Audit Committee Meetings are informed to the Board of Directors and discussed in the Board Meeting.

All the recommendations made by the Audit Committee during the year were accepted by the Board.

Mr. Niren D. Desai (DIN: 01978382), Chairman of the Audit Committee was present at the last Annual General Meeting held on September 16, 2015.

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

**(a) Composition, names of members and chairperson and attendance details:**

The composition of the Nomination and Remuneration Committee as well as details of meeting of Nomination and Remuneration Committee held and attended by each Member during the year 2015-16 is as follows:

| Name                                         | Designation | Non-Executive/ Independent | Numbers of Meetings |          |
|----------------------------------------------|-------------|----------------------------|---------------------|----------|
|                                              |             |                            | Held                | Attended |
| Mr. Niren D. Desai<br>(DIN: 01978382)        | Chairman    | Non-Executive, Independent | 5                   | 5        |
| Mr. Prafulchandra A. Shah<br>(DIN: 00417022) | Member      | Non-Executive, Independent | 5                   | 5        |
| Mr. Chetan P. Bavishi<br>(DIN 01978410)      | Member      | Non-Executive, Independent | 5                   | 5        |
| Mrs. Pravina B Manek<br>(DIN: 00416533)      | Member      | Non-Executive, Promoter    | 5                   | 5        |

The purpose of the 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 Chairman of the Board. It reviews and discusses all matters pertaining to candidates and evaluates the candidates. The Nomination and Remuneration Committee co-ordinates and oversees the annual evaluation of the Board and of individual Directors. It also reviews the performance of all the Executive Directors at such intervals as may be necessary on the basis of the detailed performance parameters set for each Executive Director at the beginning of the year.

**(a) Brief description of terms of reference *inter alia* includes:**

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors (Board) their appointment and removal and to carry out evaluation of every director's performance
- to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- while formulating the policy as aforesaid, to ensure that:
  - a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals, : provided that such policy shall be disclosed in the Board's report.
- to approve the payment of remuneration as prescribed under Schedule V of the Companies Act, 2013
- 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
- Identifying 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 their appointment and removal
- 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 in the Board
- to carry out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities

**(b) Meetings and attendance during the year:**

The Members of the Committee met Five (5) times during the financial year 2015-16 on May 30, 2015, June 30, 2015, August 12, 2015, November 14, 2015 and February 9, 2016.

**(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 qualification, experience profile and his performance.

The Nomination and Remuneration Committee carry out the evaluation of the performance of every Director, KMP and Senior Management Personnel at regular interval (yearly) or at such intervals as it may consider necessary.

**(5) Remuneration of Directors:**

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

During the year under review, the Company has paid ₹ 3,00,000/- to Mr. Vijay K. Atre (DIN: **00416853**) in the year 2015-16 as remuneration/commission. The Company has also paid ₹ 27,800/- p.m. to Mr. Anil Kumar Dhar (DIN: **01524239**) as fees for professional services provided by him. However, the professional fees paid to him cannot be said to be material. Further, the other Independent Directors are given sitting fees for attending meeting of the Board or Committees thereof as approved by the Board. Apart from this, none of the other non-executives Directors have received any remuneration.

Mrs. Pravina B Manek (DIN: **00416533**) is the part of Promoter Group and Managing Director and Joint Managing Directors of the Company are her relatives. There is no other relation of other Non-executive Directors with the Company.

**(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 [http://www.vidhifoodcolour.com/financial/code\\_policies/nomination\\_remuneration.pdf](http://www.vidhifoodcolour.com/financial/code_policies/nomination_remuneration.pdf) and also annexed to the Board's Report.

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

**(i) Details of remuneration paid to the Executive Directors for the financial year 2015-16 are as given below:**

| Name of Directors                                                         | Amount in ₹      |                    |                    | Contract period                       | Notice period               |
|---------------------------------------------------------------------------|------------------|--------------------|--------------------|---------------------------------------|-----------------------------|
|                                                                           | Salary           | Commission         | Total              |                                       |                             |
| Mr.Bipin M. Manek<br>(DIN: 00416441)<br>Chairman and<br>Managing Director | 16,25,000        | 78,31,000          | 94,56,000          | From 01.11.2012<br>till 31.10.2017    | Three<br>Calendar<br>months |
| Mr.Mihir B. Manek<br>(DIN: 00650613)<br>Joint Managing Director           | 16,25,000        | 78,31,000          | 94,56,000          | From<br>15.07.2015 till<br>14.07.2020 | Three<br>Calendar<br>months |
| <b>Total</b>                                                              | <b>32,50,000</b> | <b>1,56,62,000</b> | <b>1,89,12,000</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 and approval from the Central Government, if and to the extent applicable and required.
- Mr. Bipin M. Manek (DIN: 00416441) is holding 1,41,10,333 equity shares of the Company constituting 28.25% of total voting power and Mr. Mihir B. Manek (DIN: 00650613) does not hold any share as on the date of this Report.
- The Company does not have any employees' stock option scheme.
- The period of office of Mr. Bipin M. Manek (DIN: 00416441), Managing Director shall be not be liable to retirement by rotation whereas, the period of office of Mr. Mihir B. Manek (DIN: 00650613), Joint Managing Director shall be liable to retirement by rotation.

(ii) The details of Remuneration paid to the Non-executives Directors for the financial year 2015-16 are as given below:

| Name of Directors                         | Amount in ₹     |            |                 |                 |
|-------------------------------------------|-----------------|------------|-----------------|-----------------|
|                                           | Sitting fees    | Commission | Others          | Total           |
| Mr. Vijay K. Atre# (DIN: 00416853)        | 0               | 0          | 3,00,000        | 3,00,000        |
| Mr. Prafulchandra A. Shah (DIN: 00417022) | 37,500          | 0          | 0               | 37,500          |
| Mr. Chetan P. Bavishi (DIN: 01978410)     | 37,500          | 0          | 0               | 37,500          |
| Mr. Niren D. Desai (DIN: 01978382)        | 37,500          | 0          | 0               | 37,500          |
| Mr. Rahul C. Berde (DIN: 06981981)        | 37,500          | 0          | 0               | 37,500          |
| Mrs. Pravina B. Manek* (DIN: 00416533)    | 0               | 0          | 0               | 0               |
| Mr. Anil Kumar Dhar@ (DIN: 01524239)      | 0               | 0          | 1,94,600        | 1,94,600        |
| <b>Total</b>                              | <b>1,48,000</b> | <b>0</b>   | <b>4,94,600</b> | <b>6,42,600</b> |

#Mr. Vijat K. Atre (DIN: 00416853) has received ₹ 3,00,000/- as remuneration.

@Appointed w.e.f. September 16, 2015 and has received ₹ 1,66,800/- as fees for professional services provided by him.

Independent Directors are not liable to retire by rotation under the Companies Act, 2013.

The Company does not have any employees' stock option scheme.

**(6) Stakeholders' Relationship Committee****(a) Composition, names of members and chairperson and attendance details:**

## VIDHI DYESTUFFS MANUFACTURING LIMITED

The composition of the Stakeholders' Relationship Committee as well as details of meeting of Stakeholders' Relationship Committee attended by each Member during the year 2015-16 is as follows:

| Name                                         | Designation | Non-Executive/ Independent | Numbers of Meetings |          |
|----------------------------------------------|-------------|----------------------------|---------------------|----------|
|                                              |             |                            | Held                | Attended |
| Mrs. Pravina B. Manek<br>(DIN: 00416533)     | Chairperson | Non-Executive, Promoter    | 4                   | 4        |
| Mr. Prafulchandra A. Shah<br>(DIN: 00417022) | Member      | Non-Executive, Independent | 4                   | 4        |
| Mr. Chetan P. Bavishi<br>(DIN: 01978410)     | Member      | Non-Executive, Independent | 4                   | 4        |

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, and such other grievances as may be raised by the security holders from time to time.

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

Ms. Kalika Dabholkar, Company Secretary, is the Compliance Officer of the Company. (e-mail ID: [vdmlcs@hotmail.com](mailto:vdmlcs@hotmail.com))

Mr. Anuj Gandhi was appointed as Company Secretary and Compliance Officer of the Company w.e.f. June 1, 2016. Before that Mr. Mitesh Manek was acted as Compliance Officer of the Company. Mr. Anuj Gandhi has given his resignation as Company Secretary and Compliance Officer of the Company w.e.f. February 1, 2016. Hence, the Board of Directors in their meeting held on February 9, 2016 has appointed Ms. Kalika Dabholkar (ACS: 38704) as Company Secretary of the Company w.e.f. February 9, 2016 and also designated her as a Compliance Officer of the Company in terms of Regulation 6(1) of the Listing Regulations.

She has been entrusted the task of overseeing the Share transfer, transmission, splitting and consolidation of shares and issue of duplicate share certificates work done by the RTA and attending to Grievances of the Shareholders/ Investors intimated to the Company directly by SEBI and Stock Exchanges.

**(c) Details of the shareholders' complaints:**

|                                                                                                           |   |
|-----------------------------------------------------------------------------------------------------------|---|
| Number of shareholders' complaints/ queries, etc. received during the financial year 2015-2016            | 5 |
| Number of complaints/ queries, etc. not resolved to the satisfaction of shareholders as on March 31, 2016 | 0 |
| No. of pending complaints/ queries, etc. as on March 31, 2016                                             | 1 |

*The complaints/ queries have been resolved in consonance with the applicable provisions of the relevant rules/ regulations and acts for the time being in force.*

All Share transfers and correspondence thereon are handled by the Company's RTA viz. M/s. Sharex Dynamic (India) Private Limited having Registered Office at Unit – 1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400072.

**(d) Brief description of terms of reference *inter alia* includes:**

- to consider and resolve the grievances of security holders of the Company
- to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders
- 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
- to oversee the performance of the Company's registrar & share transfer agents
- 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
- to carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory authorities

**(e) Meetings during the year:**

During the financial year under review, the Committee met four (4) times, i.e. on May 30, 2015; August 12, 2015; November 14, 2015; and February 9, 2016.

**(7) General Body Meetings****A) Annual General Meetings:**

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

| Year, date and time                                                                                | Location                                                                                                   | Special Resolution(s) passed                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FY 2014 – 2015<br>22 <sup>nd</sup> AGM held on<br>Wednesday, September<br>16, 2015<br>at 3.30 p.m. | The Victoria Memorial School for<br>Blind, opp. Tardeo A/c Market,<br>73, Tardeo Road,<br>Mumbai – 400 034 | No Special Resolution was passed                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| FY 2013 – 2014<br>21 <sup>st</sup> AGM held on<br>Saturday, September 27,<br>2014<br>at 5.00 p.m.  | E/27, Commerce Centre,<br>78, Tardeo Road,<br>Mumbai – 400034                                              | (i) Authority was given to the Board of Directors<br>to borrow money in excess of limit specified u/s<br>180(1)(c) of the Companies Act, 2013 for an<br>amount not exceeding ₹ 200 Crores<br><br>(ii) Approved payment of remuneration to Mr.<br>Vijay K. Atre (DIN: 00416853), Non-executive<br>Director of the Company, for a period of five<br>years beginning with effect from financial year<br>2014-15<br><br>(iii) Altered Article no.100 of the Articles of<br>Association of the Company |
| FY 2012 – 2013<br>20 <sup>th</sup> AGM held on Monday,<br>September 30, 2013<br>at 3.00 p.m.       | E/27, Commerce Centre,<br>78, Tardeo Road,<br>Mumbai-400 034                                               | No Special Resolution was passed                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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

- i) During the financial year 2015-16, two special resolutions were passed through Postal Ballot on July 25, 2015, the details of which are as follows:
  - a) Authorized the Board of Directors of the Company pursuant to Section 180(1)(a) of the Companies Act, 2013 to sell, lease, mortgage or otherwise dispose off the whole or substantially the whole of the undertaking(s), of the Company for an amount not exceeding the overall borrowing limits prescribed u/s 180 (1)(c) from time to time.
  - b) Authorized the Board of Directors of the Company pursuant to Section 186 of the Company Act, 2013, to make investments, extend guarantee, provide security and make inter-corporate loans up to an amount not exceeding ₹ 200 crores.

**Summary of voting statistics:**

| Resolution No. | Ballots Received* | Total Shares | Favour  |          | Against |       | Invalid |       |
|----------------|-------------------|--------------|---------|----------|---------|-------|---------|-------|
|                |                   |              | Ballots | Votes    | Ballots | Votes | Ballots | Votes |
| 1              | 58                | 32308448     | 51      | 32307718 | 7       | 730   | 0       | 0     |
| 2              | 58                | 32308448     | 53      | 32307838 | 5       | 610   | 0       | 0     |

\*Including voting through e-voting facility.

- c) Below stated resolution was passed through postal ballot voting process on June 9, 2016 as Special Resolution:

To Change the name of the Company from 'Vidhi Dyestuffs Manufacturing Limited' to 'Vidhi Specialty Food Ingredients Limited' and consequent alteration in the Memorandum and Articles of Association of the Company under the provisions of Section 4, 13, 14 and 15 of the Companies Act, 2013#

# The Company has made application to the Central Government (powers conferred to Registrar of Companies) for change of name and the said approval is awaited.

**Summary of voting statistics:**

| Resolution No. | Ballots Received* | Total Shares | Favour  |          | Against |       | Invalid |       |
|----------------|-------------------|--------------|---------|----------|---------|-------|---------|-------|
|                |                   |              | Ballots | Votes    | Ballots | Votes | Ballots | Votes |
| 1              | 49                | 32243526     | 45      | 32243398 | 1       | 7     | 3       | 121   |

\*Including voting through e-voting facility.

**C) Person who conducted the aforesaid postal ballot exercise:**

Mr. Hemanshu Kapadia, Practicing Company Secretary (Membership No: F3477 and CP: 2285), (Scrutinizer) conducted the aforesaid two Postal Ballot voting process (including e-voting) in a fair and transparent manner.

**D) Whether any special resolution is proposed to be conducted through postal ballot:**

No

**E) Procedure for postal ballot:**

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 ('Act'), read with the related Rules, the Company provides electronic voting (e-voting) facility to all its members. The Company engages the services of CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot and e-voting are then announced by the Chairman. The results are also displayed at the Registered Office of the Company and on the Company website at [www.vidhifoodcolour.com](http://www.vidhifoodcolour.com) besides being communicated to the stock exchanges and agency providing e-voting facility. The last date for the receipt of duly completed Postal Ballot Forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

**(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 pursuant to the Listing Regulations requirements and are published in the newspapers. The financial results are displayed on the Company's website i.e. [www.vidhifoodcolour.com](http://www.vidhifoodcolour.com)

**(b) Newspapers wherein results normally published:**

The quarterly, half-yearly and annual results of the Company during the financial year 2015-16 are published in the newspapers viz. Business Standard (English) and Mahanayak or Mumbai Lakshadeep (Regional language - Marathi).

**(c) Any Website, where displayed :**

The Company's website [www.vidhifoodcolour.com](http://www.vidhifoodcolour.com) contains a separate dedicated section "Financials" where information for shareholders is available. The Quarterly/Half yearly/ Annual Financial Results and annual reports are posted on the said website.

**(d) Whether Website also displays official news releases:**

The Company has maintained a functional website [www.vidhifoodcolour.com](http://www.vidhifoodcolour.com) containing basic information about the

Company e.g. details of its business, Directors and also other details as per the requirement of Listing Regulation and the Companies Act, 2013 like financial information, shareholding pattern, codes, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc.

**(e) Annual Report:**

Annual Reports are sent to each shareholder at their address registered or on their e-mail address registered with the Company/R&TA/Depositories. Corporate Governance Certificate, as required under clause 49 of the Listing Agreement, for the period April 01, 2015 to November 30, 2015 and under Schedule V (E) of the Listing Regulations for the period December 01, 2015 to March 31, 2016 obtained from Auditors of the Company and Management Discussion & Analysis Report are attached to this report.

**(f) Presentations made to institutional investors or to the analysts:**

No presentation to any institutional investors or analysts has been made during the financial year ended March 31, 2016.

**(9) General Shareholder Information**

**(a) Annual General Meeting (AGM):**

Day, Date and time : Saturday, September 24, 2016; 3.30 p.m.

Venue : The Victoria Memorial School for Blind, opp. Tardeo A/c Market, 73, Tardeo Road, Mumbai – 400 034

**(b) Financial year:** April 1, 2015 to March 31, 2016.

**(c) Dividend Payment Date:**

The Dividend, if declared at the AGM, would be paid/ dispatched on / after Saturday, September 24, 2016 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 17, 2016 to Saturday, September 24, 2016, both days inclusive, for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for final dividend on equity shares, if declared at the AGM.

**(d) Name and address of stock exchanges at which the Company's securities are listed and confirmation about payment of annual listing fees to each of stock exchanges:**

The Company's equity shares are listed on the **BSE Ltd. (BSE)**- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, **Ahmedabad Stock exchange Limited (ASE)** - A-2, Kamdhenu Complex, Opposite Sahajanand College, 120 Feet Ring Rd, Panjara Pol, Ambawadi, Ahmedabad, Gujarat 380015 and **National Stock Exchange of India Limited (NSE)** - Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. The shares of the Company were listed on NSE w.e.f. March 2, 2016. The Company has paid the applicable annual listing fees to BSE, ASE and NSE.

**(e) Stock code :**

|                             |              |
|-----------------------------|--------------|
| BSE Scrip Code              | 531717       |
| NSE Trading Symbol          | VIDHIDYE     |
| ASE Scrip Code              | 65175        |
| 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, 2016, 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-15 | 17.95          | 21.25          | 17.35         | 17.90           | 1024262       | 1,97,14,047    |
| May-15   | 18.10          | 25.85          | 17.50         | 24.55           | 2278372       | 5,07,74,095    |
| June-15  | 25.00          | 28.70          | 21.85         | 28.40           | 3647126       | 9,02,44,487    |
| July-15  | 29.00          | 46.80          | 27.75         | 43.60           | 7061783       | 26,24,82,007   |

## VIDHI DYESTUFFS MANUFACTURING LIMITED

| Month        | Open Price (₹) | High Price (₹) | Low Price (₹) | Close Price (₹) | No. of Shares | Total Turnover |
|--------------|----------------|----------------|---------------|-----------------|---------------|----------------|
| August-15    | 44.50          | 53.30          | 40.80         | 43.55           | 6376147       | 30,59,23,503   |
| September-15 | 42.00          | 65.05          | 39.80         | 64.55           | 4472053       | 23,27,13,477   |
| October-15   | 65.50          | 72.00          | 58.90         | 59.65           | 4145230       | 26,79,97,104   |
| November-15  | 59.10          | 68.95          | 56.50         | 66.00           | 2844387       | 17,74,93,080   |
| December-15  | 66.15          | 80.25          | 64.50         | 76.65           | 2912541       | 21,83,24,005   |
| January-16   | 77.80          | 78.25          | 55.25         | 72.15           | 2680741       | 18,06,61,793   |
| February-16  | 72.00          | 74.30          | 47.40         | 52.30           | 2229789       | 13,88,34,430   |
| March-16     | 53.90          | 67.95          | 51.70         | 65.15           | 1693642       | 10,09,27,235   |

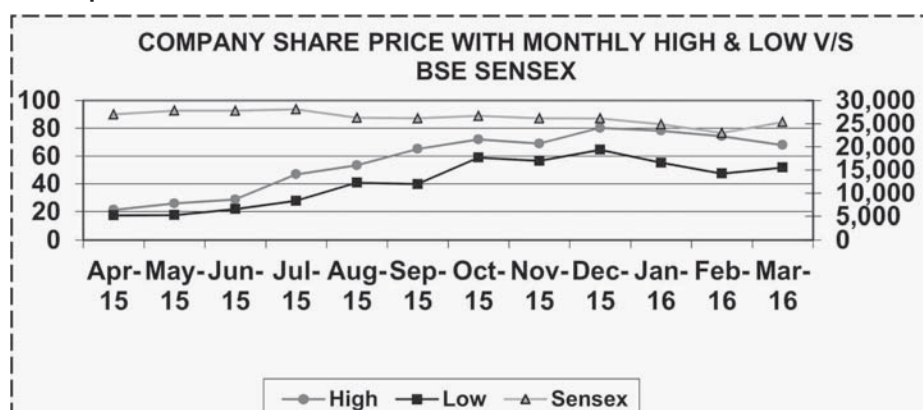
### Stock Market data – NSE#

| Month    | Open Price (₹) | High Price (₹) | Low Price (₹) | Close Price (₹) | No. of Shares | Total Turnover |
|----------|----------------|----------------|---------------|-----------------|---------------|----------------|
| March-16 | 61.90          | 68.90          | 55.20         | 65.15           | 658586        | 4,03,90,000    |

\* (Source: This information is compiled from the data available on the website of BSE and NSE)

#The Company has received the listing & trading approval from NSE on February 29, 2016 and its securities were admitted to dealings on the Exchange w.e.f. March 2, 2016. Hence, the date-wise details are provided for the period March 2, 2016 to March 31, 2016.

### (g) Performance in comparison to broad-based indices:



### (h) In case the securities are suspended from trading, reason thereof:

The securities of the Company have not been suspended from trading.

### (i) Registrar and Share Transfer Agents (R & TA):

**Sharex Dynamic (India) Private Limited,**  
Unit-1, Luthra Industrial Premises, 1<sup>st</sup> Floor,  
44-E, M Vasanti Marg, Andheri-Kurla Road,  
Safed Pool, Andheri (East), Mumbai - 400072.  
Phone: 022-28545 606/2851 5644;  
Fax: 022-2854 2885

### (j) Share Transfer System:

The Board of Directors of the Company, in order to expedite the process, has delegated the power of approving transfer, transmission, etc. of the securities of the Company to the R & TA. Securities lodged for transfer, transmission, etc. are normally processed within the stipulated time as specified under the Listing Regulations and other applicable provisions of the Companies Act, 2013. The Company has duly obtained certificates on half yearly basis from the Practising Company Secretary, certifying due compliance with the formalities of share transfer as required under clause 47(c) of erstwhile Listing Agreement and Regulation 40(9) 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, 2016:

| No. of Equity Shares held | No. of Members | % of Members  | Total Shares    | % of shares   |
|---------------------------|----------------|---------------|-----------------|---------------|
| 1-5000                    | 6707           | 93.35         | 5046889         | 10.10         |
| 5001- 10000               | 207            | 2.88          | 1595089         | 3.19          |
| 10001- 20000              | 125            | 1.74          | 1852907         | 3.71          |
| 20001- 30000              | 41             | 0.57          | 1033730         | 2.07          |
| 30001- 40000              | 30             | 0.42          | 1037047         | 2.08          |
| 40001- 50000              | 21             | 0.29          | 948791          | 1.90          |
| 50001- 100000             | 32             | 0.45          | 2303561         | 4.61          |
| 100001 & Above            | 22             | 0.31          | 36126986        | 72.33         |
| <b>Total</b>              | <b>7185</b>    | <b>100.00</b> | <b>49945000</b> | <b>100.00</b> |

## (l) Shareholding pattern of the Company (as on March 31, 2016):

| Category Code | Category of the Shareholder                                                             | Number of Shareholders | Total Number of Shares | Total Shareholding as a percentage of total number of shares |
|---------------|-----------------------------------------------------------------------------------------|------------------------|------------------------|--------------------------------------------------------------|
| <b>[A]</b>    | <b>Shareholding of Promoter &amp; Promoter Group</b>                                    |                        |                        |                                                              |
| <b>(1)</b>    | Indian (Individuals)                                                                    | 2                      | 32101000               | 64.27                                                        |
|               | <b>Total Shareholding of Promoter and Promoter Group</b>                                | <b>2</b>               | <b>32101000</b>        | <b>64.27</b>                                                 |
| <b>[B]</b>    | <b>Public Shareholding</b>                                                              |                        |                        |                                                              |
| <b>(1)</b>    | Institutions                                                                            | 0                      | 0                      | 0                                                            |
| <b>(2)</b>    | Non-Institutions                                                                        |                        |                        |                                                              |
| (a)           | Bodies Corporate (Indian)                                                               | 151                    | 1391364                | 2.79                                                         |
| (b)           | Individuals                                                                             | 6790                   | 15228319               | 30.49                                                        |
| (c)           | Others                                                                                  | 242                    | 1224317                | 2.45                                                         |
|               | <b>Total Public Shareholding</b>                                                        | <b>7185</b>            | <b>17844000</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                                                            |
|               | <b>GRAND TOTAL [A]+[B]+[C]</b>                                                          | <b>7185</b>            | <b>49945000</b>        | <b>100</b>                                                   |

## (m) Dematerialization of shares and liquidity:

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

The shares of your Company are to be compulsorily traded in the dematerialised form. As on March 31, 2016 4,93,66,890 Equity Shares comprising of 98.84% of total Subscribed and Fully Paid-up Equity Shares of the Company, have been dematerialised by the Investors and bulk of transfers take place in the demat segment.

## (n) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on Equity :

Not Applicable as there was no outstanding ADRs or GDRs, Warrant or any Convertible instruments.

## (o) Commodity price risk or foreign exchange risk and hedging activities:

Not applicable.

## (p) Location of Plant:

**Factory I:**

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

**Factory II:**

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

**(q) Address for correspondence:**

| <b>Registered Office</b>                                                                                                                 | <b>For queries on Annual Report or investors' assistance (Secretarial Department)</b>                             | <b>For share transfer / dematerialisation of shares / other queries relating to the securities (Registrar &amp; Share Transfer Agents)</b>                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vidhi Dyestuffs Mfg. Ltd.<br>E/27, Commerce Centre,<br>78, Tardeo Road,<br>Mumbai – 400034.<br>Tel.: 022-6140 6666<br>Fax: 022-2352 1980 | Company Secretary<br>Vidhi Dyestuffs Mfg. Ltd.<br>E/27, Commerce Centre,<br>78, Tardeo Road,<br>Mumbai - 400 034. | Sharex Dynamic (India) Private Limited.<br>Unit –1, Luthra Industrial Premises,<br>Andheri Kurla Road, Safed Pool,<br>Andheri (East) Mumbai – 400072.<br>Tel: 022-2851 5606 / 5644<br>Fax : 022-28512885 |

The aforesaid e-mail id and other relevant details have been displayed on the website of the Company i.e. <http://www.vidhifoodcolour.com/>

**(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 with the Promoters, Directors, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are entered into based on business exigencies and are intended to further the Company's interests.

**(b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties, strictures have been imposed on the Company by Stock Exchanges or Securities and Exchange Board of India or any other statutory authority.

**(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 cum Whistle Blower Policy in place, details of which have been furnished in the Board of Directors' Report. The Board of Directors affirms and confirms 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:**

Not Applicable since the Company does not have any Subsidiary Company.

**(f) Web link where policy on dealing with related party transactions:**

<http://www.vidhifoodcolour.com/financials.php?m=52>

**(g) Disclosure of commodity price risks and commodity hedging activities:**

Not applicable

**(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 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 Rights**

The Company's quarterly and half-yearly results are furnished to the Stock Exchange, also published in the newspapers and also displayed on the web site of the Company i.e. [www.vidhifoodcolour.com](http://www.vidhifoodcolour.com) and therefore results were not separately sent to the Members.

**(c) Modified opinion(s) in audit report**

The Company is in the regime of financial statements with unmodified audit opinion. Comments given in Annexure to the Auditors' Report are self explanatory.

**(d) Separate posts of Chairman and CEO**

The Managing Director of the Company is Chairman of the Company. However, in the Company no person is designated as CEO.

**(e) Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.

**For and on behalf of Board of Directors of  
Vidhi Dyestuffs Manufacturing Limited,**

**Sd/-**

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

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

**Date:** August 12, 2016

**Place:** Mumbai

**DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT UNDER SCHEDULE V (F) OF THE LISTING REGULATIONS:**

As confirmed by the R & TA, M/s. Sharex Dynamic (India) Private Limited, the Company does not have any Demat Suspense Account/Unclaimed Suspense Account.

**DECLARATION BY THE MANAGING DIRECTOR UNDER SCHEDULE V (D) OF THE LISTING REGULATIONS REGARDING ADHERENCE TO THE CODE OF CONDUCT**

I, Bipin M. Manek (DIN: **00416441**), Chairman and Managing Director of Vidhi Dyestuffs Manufacturing Limited, hereby declare 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, 2016.

sd/-

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

**Address:** Flat No. 12, Somerset House,  
Off. Bhulabhai Desai Road,  
Warden Road, Mumbai - 400026  
Mumbai, August 12, 2016

**COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To the Members of **VIDHI DYESTUFFS MANUFACTURING LIMITED**

We have examined the compliance of conditions of Corporate Governance by **VIDHI DYESTUFFS MANUFACTURING LIMITED** ("the Company"), for the financial year ended March 31, 2016, as stipulated under Clause 49 of the Listing Agreement entered into by the Company with BSE Limited and Ahmedabad Stock Exchange Limited for the period April 1, 2015 to November 30, 2015 and under Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"] for the period December 1, 2015 to March 31, 2016.

The compliance of 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 Agreement and 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 under the above mentioned Listing Agreement and Schedule V (E) of the Listing Regulations.

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 Bhuta Shah & Co LLP**  
**Chartered Accountants**  
**Firm Registration No. 101474W/W100100**

**CA. Jitendra B. Shah**  
**Partner**  
**Membership No. 033010**  
**Mumbai, 12 August, 2016**

## MANAGEMENT DISCUSSION & ANALYSIS

### Industry Structure & Development:

Colors are an integral part of human perception and life. Much before the invention of synthetic dyestuffs, natural and vegetable colors were in use in India for centuries. Color adds to the very existence and intrinsic value of human tribe. Synthetic dyes contribute heavily for the use of color. “Vidhi” manufactures edible food colours as ingredient for foodstuffs, pharmaceuticals, confectionery, pet foods, healthcare, dairy, soft drinks and cosmetic industries. The Food colours are intended for industrial use.

### Global Industry:

Considerable efforts have been put in by industry and academia on a continuous basis to deliver colorants with green environment. The need for high performance products has been to a great extent crystallized. There is also a noticeable trend in the world market with regard to food colors approach to counter commoditization with the advent of technological innovations. There has been a notable transition in the global arena during the last 2-3 decades in the manufacturing base of colorants, with a shift in production from Europe, USA and Japan to Asia viz. China, India, Taiwan, Thailand and Indonesia etc. With decline in production in most of the traditional centers, non-traditional centers like India and China are now preferred sources for supply of colorants to the global market. Gujarat and Maharashtra account for nearly 95% of the colorant production in the country.

### Indian Economy:

The Indian Economy registered a growth of 7.2% during the first half of 2015 – 16. Despite the highly tentative global economic environment that has not shown credible signs of improvement and despite sub-par monsoon rains that for the second year in succession resulted in low growth in agricultural sector, a growth in Indian Economy is an encouraging development.

In addition to robust growth, the year thus far witnessed macro-economic stability aided by favorable factors such as confronting inflation indicators, benign fiscal situation and improving external current account balance. All these factors have resulted in India emerging as the fastest growing economy among the large economies and most agencies have predicted that it will continue to remain so in the medium term.

### Overview of Vidhi's Business and its Position in Food Color Manufacturing Industry

The production of high quality food colors depends on use of high quality of intermediates, which are the basic and essential ingredients of our Industry. High quality of intermediates also facilitates the research, development and quality control of dyes.

- Vidhi is one of the leading manufacturers of food color in India.
- Well reputed for Consistency, Reliability, Quality and Timely Delivery among Global Market.
- Export to more than 35 Countries.
- The food colors of Vidhi are being distributed and consumed in over 80 countries across 6 continents
- Its products are distributed to some of the largest Consumer / Healthcare / Food & Feed companies in the world.

Vidhi has build up on technical services, marketing capabilities and production in bulk quantities to face competition from domestic as well as global. In this way, Vidhi enjoys a position of one of the leader in food color manufacturing Industry.

### Outlook:

With the government's *Make in India* initiative, the global manufacturing industry has been shifting its focus to the Indian markets. The population has grown nearly as large as that of China, with its consuming middle class accounting for about a third of its population.

Indian food colors and chemical industry players have been focusing on sustainable development. The industry is expected to register a growth of 8-9% in the next decade.

Primarily, being regarded as producer of food colors, Indian food colors industry has forged ahead to earn a global repute as a manufacturer of specialty and high value-added chemicals on the back of strong R&D.

With significant labor cost advantages, rising demand in end-user segments, expanding exports fueled by improved export competitiveness, new market opportunities, infrastructure investments along with regulatory reforms and the federal government's fiscal incentives - the growth of the Indian chemical industry is expected to continue. According to estimates, the India's chemical industry is slated to grow at 11% year-on-year, to USD 244 billion by 2017.

### Strengths & Opportunities:

- Some consolidated units are world class capacity plants

## VIDHI DYESTUFFS MANUFACTURING LIMITED

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- High degree of entrepreneurship
- Rich market potential
- Matured industry
- Proven chemical process and technologies
- Potential for technology up-gradation to provide value added products
- Developed countries are looking at outsourcing dye production to developing countries, as production facilities shift base to Asian countries like India and China

### Threats, Risks and Concerns:

To sustain and grow in global market brings in uncertainties. Greater the uncertainties, higher the risk.

- Low per capita consumption
- Infrastructural challenges
- Lack of innovation
- Availability of feedstock
- Availability of skilled man power
- Environmental concerns
- Cost of finance

The Company has a risk identification and management frame work appropriate to it and to the business environment under which it operates. Risks are being identified at regular intervals by the Company's Board of Directors and Key Management Personnel.

The Company has a Risk Management Policy, which provides overall framework of Risk Management in the Company. The Board of Directors is responsible for the assessment, formulation and implementation of guidelines, managing key risks, risk minimisation procedures and periodicals review. Foreign exchange risk is arguably still continued to be the single largest area of risk for the Company. Frameworks are in place to manage this risk and to take on larger than anticipated movements in currency markets.

### Segment-wise or product-wise performance:

The Company's main activity is manufacturing and trading of food colours and trading in chemicals which constitutes a *single reportable segment* in the context of Accounting Standard – 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. Thus, the segment wise or product wise performance report is not given in the report. The Company has manufactured 2776.43 M. Tons of food colors during the financial year 2015-16 against 2275.20 M. Tons in the previous year. The Company has increased its export market share as well as local trading Sales on account of persistent marketing efforts.

### Discussion on financial performance with respect to operational performance:

#### (i) Financial performance:

Financial year 2015-16 is another good year for the food colors and dyes industries. The demand in the overseas market is higher than the supply of the product and due to this gap of demand and supply, the margin of the profit has been increased. Further, Company's considerable area of its business is overseas market and to control over the fluctuation of the Foreign exchange, the Company has practice of booking the foreign exchange immediately on booking of order and not keeping the foreign exchange open applicable to both area i.e. Export and Import.

The Company has achieved outstanding and fabulous net profit of ₹ 1473.22 lakhs for the financial year 2015-16 compared to ₹ 1242.29 lakhs for the financial year 2014-15. EBITDA stood at ₹ 3033.89 lakhs for the financial year 2015-16. An operational EBITDA has been increased from 14.76% for year ended 31.03.2015 to 16.82% for year ended 31.03.2016.

Financial charges (Interest) of ₹ 468.22 lakhs for the financial year 2015-16 compared to ₹ 471.61 lakhs for the previous year. Depreciation and Amortization stood at ₹ 216.06 lakhs for the 2015-16 compared to ₹ 162.98 lakhs for the previous year. The EPS is ₹ 2.95 for the financial year 2015-16 compared to EPS of ₹2.49 for previous year.

During the current financial year 2015-16, your management is aiming another good successive year and is convinced that the Company will deliver another fabulous financial year as the year started equally promisingly.

#### (ii) Operational performance:

Though the year witnessed a slight decrease in the total turnover of the Company by 1.41% as compared to previous year, other income of the Company has significantly added to the higher profits of the Company. Thus, the overall performance of the Company has increased the Market Value of the Company. The profit after tax of the Company has increased by 18.59% as Compared to the previous year.

#### **Environmental & Hazardous Safety and Quality Assurance:**

In pursuit of excellence towards sustainable development and to go beyond compliance, your Company continued to integrate its ISO 9001:2008 and ISO 22000-2005, HACCP accreditations Your Company is committed to ensuring the highest standards of environment management and strict compliance with regulatory requirements at all times. The Manufacturing facilities have been audited and found satisfactory by the U.S. FDA. All the products manufactured by the Company meet the regulatory requirement of Bureau of Indian Standards (BIS), Food and Drug Administration (FDA) & World Health Organization (WHO) specification, also it fulfill criteria of Kosher & Halal Certification.

#### **Internal Control Systems and its Adequacy:**

Your Company has a comprehensive system of internal controls to safeguard the Company's assets against loss from unauthorized use and ensure proper authorization of financial transactions. The Company has an exhaustive budgetary control system to monitor all expenditures against approved budgets on an ongoing basis. The Company maintains a system of internal controls designed to provide assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with applicable laws and regulations as applicable in the various jurisdictions in which the Company operates. The Company has in place adequate internal control systems and procedures covering all the operational, financial, legal, and compliance functions. The structured internal audit process charged with the task of ensuring reliability and accuracy of the accounting and of the other operational data.

The Company has a system of monthly review of businesses as a key operational control wherein the performance of units is reviewed against budgets and corrective actions are taken.

#### **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.

No man-days were lost on account of strike or dispute during the year. The relations with the employees and workers remained cordial and harmonious throughout the year. The Company had total work force of 54 as on March 31, 2016.

#### **Cautionary Statement**

*Certain statements under "Management Discussion & Analysis" may be forward looking statement within the meaning of applicable securities laws and regulations. The forward looking statements are based on certain assumptions and expectations of future events. Actual results may differ materially from those expressed or implied from the statement since the Company's operations are influenced by many external and internal factors beyond the control.*

## INDEPENDENT AUDITORS' REPORT

### To the Members of Vidhi Dyestuffs Manufacturing Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Vidhi Dyestuffs Manufacturing Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

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 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 2016 and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 the paragraph 3 and 4 of the order.
2. 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 purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) with respect to the other matters to be included in the Auditors' 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:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. There are neither long-term contracts nor derivative contracts and hence no provision, is required under the applicable law or accounting standards, for material foreseeable losses.
  - iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm's Registration Number: 101474W / W100100

**Jitendra Shah**

Partner

Membership Number: 033010

Mumbai

27 May 2016

### Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (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 are held in the name of the Company.
- (ii) (a) According to information and explanation provided to us, physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans to persons covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, custom duty, service tax, cess and other material statutory

## VIDHI DYESTUFFS MANUFACTURING LIMITED

dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, custom duty, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues customs duty which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of sales tax and value added tax have not been deposited by the Company on account of disputes:

| Name of the statute | Nature of Dues | Amount (in Rs) | Period to which the amount relate | Forum where dispute is pending        |
|---------------------|----------------|----------------|-----------------------------------|---------------------------------------|
| Central Sales Tax   | CST            | 8,68,350       | 2005-06                           | Central Sales Tax Appellate Authority |
| Central Sales Tax   | CST            | 92,015         | 2006-07                           | Central Sales Tax Appellate Authority |
| Maharashtra VAT     | VAT            | 1,15,387       | 2009-10                           | Deputy Commissioner of Sales Tax      |
| Central Sales Tax   | CST            | 1,01,165       | 2009-10                           | Central Sales Tax Appellate Authority |

- (viii) The Company has not defaulted in repayment of dues to a financial institution or a bank.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The Company has raised further term loan from Vijaya Bank. The term & conditions as well as purpose for which it is utilized confirms with the amount sanctioned
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on 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.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Bhuta Shah & Co LLP**

Chartered Accountants

Firm's Registration Number: 101474W / W100100

**Jitendra Shah**

Partner

Membership Number: 033010

Mumbai  
27 May 2016

## Annexure - B to the Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Vidhi Dyestuffs Manufacturing Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

## VIDHI DYESTUFFS MANUFACTURING LIMITED

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In our opinion, 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 2016, 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.

*For Bhuta Shah & Co LLP*

*Chartered Accountants*

Firm's Registration Number: 101474W / W100100

Mumbai  
27 May 2016

**Jitendra Shah**

*Partner*

Membership Number: 033010

**BALANCE SHEET AS AT 31ST MARCH, 2016**

(₹ in lakhs)

| Particulars                                                                            | Notes | 2016             | 2015             |
|----------------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>Equity and Liabilities</b>                                                          |       |                  |                  |
| <b>Shareholders' Funds</b>                                                             |       |                  |                  |
| (a) Share capital                                                                      | 2     | 500.20           | 500.20           |
| (b) Reserves and surplus                                                               | 3     | 5,011.34         | 4,021.82         |
|                                                                                        |       | <u>5,511.54</u>  | <u>4,522.02</u>  |
| <b>Non-Current Liabilities</b>                                                         |       |                  |                  |
| (a) Long-term borrowings                                                               | 4     | 486.27           | 198.23           |
| (b) Deferred tax liabilities (Net)                                                     | 5     | 199.55           | 120.56           |
|                                                                                        |       | <u>685.82</u>    | <u>318.79</u>    |
| <b>Current Liabilities</b>                                                             |       |                  |                  |
| (a) Short-term borrowings                                                              | 6     | 4,272.12         | 4,416.32         |
| (b) Trade payables                                                                     | 7     | 1,336.47         | 2,861.96         |
| (c) Other current liabilities                                                          | 8     | 325.17           | 535.65           |
| (d) Short-term provisions                                                              | 9     | 146.92           | 433.15           |
|                                                                                        |       | <u>6,080.68</u>  | <u>8,247.08</u>  |
|                                                                                        |       | <u>12,278.04</u> | <u>13,087.89</u> |
| <b>Assets</b>                                                                          |       |                  |                  |
| <b>Non-Current assets</b>                                                              |       |                  |                  |
| (a) Fixed assets                                                                       |       |                  |                  |
| - Tangible assets                                                                      | 10    | 3,095.67         | 1,700.36         |
| - Capital Work in Progress                                                             |       | -                | 870.30           |
| (b) Non-current investments                                                            | 11    | 12.56            | 12.56            |
| (c) Long-term Loans and Advances                                                       | 12    | 103.50           | 116.79           |
|                                                                                        |       | <u>3,211.73</u>  | <u>2,700.01</u>  |
| <b>Current assets</b>                                                                  |       |                  |                  |
| (a) Inventories                                                                        | 13    | 2,807.33         | 3,840.11         |
| (b) Trade receivables                                                                  | 14    | 3,910.69         | 4,700.70         |
| (c) Cash and Cash equivalents                                                          | 15    | 1,023.32         | 680.90           |
| (d) Short-term loans and advances                                                      | 16    | 1,094.01         | 1,040.21         |
| (e) Other current assets                                                               | 17    | 230.96           | 125.96           |
|                                                                                        |       | <u>9,066.31</u>  | <u>10,387.88</u> |
|                                                                                        |       | <u>12,278.04</u> | <u>13,087.89</u> |
| <b>Significant accounting policies</b>                                                 | 1     |                  |                  |
| <b>Notes to the financial statements</b>                                               | 2-29  |                  |                  |
| <b>The notes referred to above form an integral part of these financial statements</b> |       |                  |                  |

As per our report of even date

**For Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.W100100 / 101474W

**For and on behalf of the Board of Directors****Bipin M. Manek**

Chairman and Managing Director

**Mihir B. Manek**

Joint Managing Director

**Jitendra B. Shah**

Partner

**Membership No. 033010****Mitesh D Manek**

Chief Financial Officer

**Kalika V Dabholkar**

Company Secretary

**Mumbai, 27 May, 2016****Mumbai, 27 May, 2016**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016**

(₹ in lakhs)

| Particulars                                                                   | Notes | 2016             | 2015            |
|-------------------------------------------------------------------------------|-------|------------------|-----------------|
| <b>Income</b>                                                                 |       |                  |                 |
| Revenue from operations                                                       | 18    | <b>18,041.73</b> | 18,300.21       |
| Other operating income                                                        | 19    | <b>424.88</b>    | 577.07          |
| Other income                                                                  | 20    | <b>133.30</b>    | 80.13           |
|                                                                               |       | <b>18,599.91</b> | 18,957.41       |
| <b>Expenditure</b>                                                            |       |                  |                 |
| Cost of material consumed                                                     | 21    | <b>6,432.97</b>  | 7,108.72        |
| Purchases of stock-in-trade                                                   | 22    | <b>5,322.98</b>  | 8,113.53        |
| Changes in Inventories of finished goods, work in progress and stock-in-trade | 23    | <b>950.33</b>    | (1,601.77)      |
| Employee Benefits Expenses                                                    | 24    | <b>372.54</b>    | 285.01          |
| Finance cost                                                                  | 25    | <b>563.30</b>    | 610.78          |
| Depreciation expenses                                                         | 10    | <b>216.06</b>    | 162.98          |
| Other expenses                                                                | 26    | <b>2,487.19</b>  | 2,301.95        |
|                                                                               |       | <b>16,345.37</b> | 16,981.20       |
| <b>Profit before exceptional and extraordinary items and tax</b>              |       | <b>2,254.53</b>  | 1,976.21        |
| Exceptional items                                                             |       |                  | 48.90           |
| <b>Profit before extraordinary items and tax</b>                              |       | <b>2,254.53</b>  | 1,927.31        |
| Extraordinary items                                                           |       | -                | -               |
| <b>Profit before tax</b>                                                      |       | <b>2,254.53</b>  | 1,927.31        |
| <b>Tax expense</b>                                                            |       |                  |                 |
| - Current year                                                                |       | <b>690.00</b>    | 680.00          |
| - Deferred tax                                                                |       | <b>78.98</b>     | 2.98            |
| - Earlier year                                                                |       | <b>12.33</b>     | 2.05            |
| <b>Profit for the period from continuing operations</b>                       |       | <b>1,473.22</b>  | <b>1,242.29</b> |
| <b>Earnings per equity share</b>                                              |       |                  |                 |
| Basic and Diluted                                                             |       | <b>2.95</b>      | 2.49            |
| <b>Significant accounting policies</b>                                        | 1     |                  |                 |
| <b>Notes to the financial statements</b>                                      | 2-29  |                  |                 |

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

As per our report of even date

**For Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.W100100 / 101474W

**For and on behalf of the Board of Directors****Bipin M. Manek**

Chairman and Managing Director

**Mihir B. Manek**

Joint Managing Director

**Jitendra B. Shah**

Partner

**Membership No. 033010****Mitesh D Manek**

Chief Financial Officer

**Kalika V Dabholkar**

Company Secretary

**Mumbai, 27 May, 2016****Mumbai, 27 May, 2016**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

(₹ in lakhs)

| Particulars                                                                | 2016              | 2015            |
|----------------------------------------------------------------------------|-------------------|-----------------|
| <b>Cash flow from operating activities</b>                                 |                   |                 |
| Profit before tax                                                          | 2,254.53          | 1,927.31        |
| <b>Adjustments for :</b>                                                   |                   |                 |
| Bad Debts                                                                  | -                 | 20.84           |
| Depreciation                                                               | 216.06            | 162.98          |
| Finance Cost                                                               | 563.30            | 610.78          |
| Sundry Balances written back (net)                                         | (1.46)            | 21.97           |
| Loss on asset destroyed                                                    | -                 | 41.44           |
| Interest income                                                            | (34.61)           | (32.39)         |
| Dividend income                                                            | (0.20)            | (0.15)          |
| Insurance claim received on fixed asset                                    | (49.81)           | -               |
|                                                                            | <b>693.28</b>     | <b>825.48</b>   |
| <b>Operating profit before working capital changes</b>                     | <b>2,947.81</b>   | <b>2,752.79</b> |
| Decrease in inventories                                                    | 1,032.79          | (1,202.07)      |
| Decrease in trade receivables, loans and advances and other current assets | 699.47            | (784.46)        |
| Decrease in trade and payables other liabilities                           | (1,856.01)        | 1,452.15        |
| <b>Net change in working capital</b>                                       | <b>(123.76)</b>   | <b>(534.39)</b> |
| <b>Cash generated from Operations</b>                                      | <b>2,824.05</b>   | <b>2,218.40</b> |
| Direct taxes paid                                                          | (1,100.82)        | (498.84)        |
| <b>Net cash provided by operating activities</b>                           | <b>A 1,723.23</b> | <b>1,719.56</b> |
| <b>Cash flow from investing activities</b>                                 |                   |                 |
| Purchase of Fixed Assets                                                   | (1,611.38)        | (120.49)        |
| Decrease in Capital WIP                                                    | 870.30            | (870.30)        |
| Insurance claim received on fixed asset                                    | 49.81             | -               |
| Dividend received                                                          | 0.20              | 0.15            |
| Interest received                                                          | 34.61             | 32.39           |
| <b>Net cash used in investing activities</b>                               | <b>B (656.46)</b> | <b>(958.24)</b> |
| <b>Cash flow from financing activities</b>                                 |                   |                 |
| Dividend paid                                                              | (424.53)          | (124.86)        |
| Interest on DDT paid                                                       | (0.42)            | (0.51)          |
| Finance Cost                                                               | (563.30)          | (610.78)        |
| Increase / (Decrease) in long term borrowings                              | 399.16            | (73.62)         |
| Increase / (Decrease) in short term borrowings                             | (144.20)          | 391.97          |
| <b>Net cash used in financing activities</b>                               | <b>C (733.28)</b> | <b>(417.79)</b> |
| <b>Net increase /(decrease) in cash and cash equivalents (A+B+C)</b>       | <b>333.48</b>     | <b>343.53</b>   |
| <b>Cash and cash equivalents at the beginning of the year</b>              | <b>680.92</b>     | <b>337.39</b>   |
| <b>Bank Overdraft at the end of the year</b>                               | <b>8.93</b>       | <b>-</b>        |
| <b>Cash and cash equivalents at the end of the year</b>                    | <b>1,023.34</b>   | <b>680.92</b>   |

As per our report of even date

**For Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.W100100 / 101474W

**For and on behalf of the Board of Directors****Bipin M. Manek**

Chairman and Managing Director

**Mihir B. Manek**

Joint Managing Director

**Jitendra B. Shah**

Partner

**Membership No. 033010****Mitesh D Manek**

Chief Financial Officer

**Kalika V Dabholkar**

Company Secretary

**Mumbai, 27 May, 2016****Mumbai, 27 May, 2016**

## Notes forming part of the financial statements as at 31st March, 2016

### Significant Accounting Policies:

#### Company Overview:

The Company was incorporated on 19<sup>th</sup> January, 1994 and is engaged in the business of manufacturing and trading in synthetic food colors and trading in chemicals.

#### 1 Significant Accounting Policies:

##### a. Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects the relevant provisions of the Companies Act, 2013 ("the Act"), Accounting Standards notified by the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

##### b. Use of Estimates:

Preparation of financial statements in conformity with Indian GAAP 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.

##### c. Revenue Recognition:

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

Dividend Income is recognized when the right to receive the dividend is established. Interest Income is recognized on time proportion basis.

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

##### d. Inventories:

Inventories comprise all cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition.

Inventories are valued at lower of cost and net realizable value on First-In-First-Out basis (FIFO).

Cost of work-in-process and finished goods include material cost, labour cost and manufacturing overheads absorbed on the basis of normal capacity of production.

Excise duty payable on production is accounted for at the time of removal from the factory.

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

##### e. Fixed Assets and Depreciation:

Fixed Assets are stated at the Historical Cost (Net of CENVAT) of acquisition less accumulated depreciation and amortization. The costs of fixed assets include taxes, duties, freight, borrowing cost and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation on fixed assets is provided for on the straight-line method (SLM) at the rates and in the manner specified in Schedule II to the Companies Act, 2013.

Leasehold land is amortized over the period of lease.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date.

##### f. Foreign Currencies:

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

##### g. Investments:

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

## Notes forming part of the financial statements as at 31st March, 2016

Current investments are carried at the lower of cost and quoted /fair value, computed separately in respect of each category of investments.

### h. Employee Benefits:

a. **Short-Term Employee Benefits:** Recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

### b. Post-Employment Benefits:

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

ii. **Defined Benefit Plans:** The Company's gratuity is defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

### i. Earnings Per Share:

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

### j. Taxation:

Direct Taxes:

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

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

Indirect Taxes:

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

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

### k. Provision, Contingent Liabilities and Contingent Assets:

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

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

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

Contingent Liabilities are not recognized but are disclosed in the notes. There is no contingent liability at the year-end to be disclosed in the notes.

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

### l. Impairment of Assets:

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

## Notes forming part of the financial statements as at 31st March, 2016

(₹ in lakhs)

| Particulars                            | 2016          | 2015          |
|----------------------------------------|---------------|---------------|
| <b>2 Share Capital</b>                 |               |               |
| <b>Authorised Share Capital:</b>       |               |               |
| 60,000,000 Equity Shares of ₹ 1/- each | 600.00        | 600.00        |
| <b>Issued:</b>                         |               |               |
| 50,034,000 Equity Shares of ₹ 1/- each | 500.34        | 500.34        |
| <b>Subscribed and Fully Paid up:</b>   |               |               |
| 49,945,000 Equity Shares of ₹ 1/- each | 499.45        | 499.45        |
| <b>Forfeited Shares</b>                | 0.75          | 0.75          |
|                                        | <b>500.20</b> | <b>500.20</b> |

## i. Rights of Equity Shareholders

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

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

The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

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

| Particulars                                     | 2016          | 2015          |
|-------------------------------------------------|---------------|---------------|
| Shares outstanding at the beginning of the year | 499.45        | 499.45        |
| Shares issued during the year                   | -             | -             |
| Shares bought back during the year              | -             | -             |
| Shares outstanding at the end of the year       | <b>499.45</b> | <b>499.45</b> |

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

| Name of Shareholder | 2016          |              | 2015          |              |
|---------------------|---------------|--------------|---------------|--------------|
|                     | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Bipin M. Manek      | 14,110,333    | 28.25        | 14,110,333    | 28.25        |
| Pravina B. Manek    | 17,990,667    | 36.02        | 17,990,667    | 36.02        |

## 3 Reserve and Surplus

| Particulars                                                | 2016            | 2015            |
|------------------------------------------------------------|-----------------|-----------------|
| General Reserve                                            | 377.17          | 211.45          |
| Add: Profit and Loss Account                               | 209.43          | 175.73          |
| Less: Transitional Depreciation                            | -               | 10.02           |
|                                                            | <b>586.60</b>   | <b>377.16</b>   |
| <b>Surplus from Statement of Profit and Loss</b>           |                 |                 |
| Opening Surplus                                            | 3,644.66        | 2,880.21        |
| Add: Surplus for the year                                  | 1,473.22        | 1,242.29        |
| Less: Interim Dividend                                     | 299.67          | 124.86          |
| Less: Proposed Final Dividend                              | 99.89           | 124.86          |
| Less: Dividend Distribution Tax                            | 62.82           | 25.56           |
| Less: Dividend Distribution Tax on Proposed Final Dividend | 20.90           | 25.57           |
| Less: Interest on Dividend Distribution Tax                | 0.42            | 0.51            |
| Less: Transfer to General Reserve                          | 209.43          | 175.73          |
| Less: Provision for Wealth Tax AY 2015-16                  | -               | 0.76            |
|                                                            | <b>4,424.74</b> | <b>3,644.66</b> |
|                                                            | <b>5,011.34</b> | <b>4,021.82</b> |

## Notes forming part of the financial statements as at 31st March, 2016

(₹ in lakhs)

| Particulars                                  | 2016          |               | 2015          |              |
|----------------------------------------------|---------------|---------------|---------------|--------------|
|                                              | Non - Current | Current       | Non - Current | Current      |
| <b>4 Long Term Borrowings</b>                |               |               |               |              |
| <b>Secured Loans</b>                         |               |               |               |              |
| a) <u>Term Loans - from banks</u>            |               |               |               |              |
| Vijaya Bank                                  | 416.29        | 159.09        | 121.46        | 40.00        |
| b) <u>Term Loans - from others</u>           |               |               |               |              |
| Bajaj Allianz Life Insurance Company Limited | 69.98         | 6.09          | 76.77         | 14.05        |
|                                              | <u>486.27</u> | <u>165.18</u> | <u>198.23</u> | <u>54.05</u> |

**4 Nature of Security**

- i. Term Loan from Vijaya bank is secured as under:

**Primary Security**

Charge on Movable and Immovable assets financed under Vijaya Bank Term loan.

**Collateral Security**

1. Charge in favour Vijaya Bank by way of mortgage of Property mentioned as per below details:

| Property Description                                                                             | Type of Property  | Owned by                                                                  |
|--------------------------------------------------------------------------------------------------|-------------------|---------------------------------------------------------------------------|
| a. Factory Land and Building situated at Plot No. 59B, Roha Industrial Area, MIDC Dhatav, Raigad | Industrial Unit   | Vidhi Dyestuff Manufacturing Limited                                      |
| b. E/ 27 Commerce Centre, 78 Tardeo Road, Near Tardeo Airconditioned Market, Mumbai- 400038      | Commercial Office | Jointly owned by : Mrs. Pravina Manek-Director and Alka Modi- Ex Director |

2. Charge on movable and immovable assets financed under Vijaya Term Loan, in respect of working capital loans.

| Property Description                                                                         | Type of Property | Owned by                              |
|----------------------------------------------------------------------------------------------|------------------|---------------------------------------|
| Factory Land and Building situated at Plot No. 68, Roha Industrial Area, MIDC Dhatav, Raigad | Industrial Unit  | Vidhi Dyestuffs Manufacturing Limited |

**5 Deferred Tax Liabilities (Net)**

Deferred tax is attributable to depreciation

|                   |               |               |
|-------------------|---------------|---------------|
| Opening Balance   | 120.56        | 117.58        |
| Add: For the year | 78.98         | 2.98          |
|                   | <u>199.55</u> | <u>120.56</u> |

The deferred tax arising from timing difference is accounted using tax rates that have been enacted or substantively enacted. The net difference arising thereon is debited to Statement of Profit and Loss.

**6 Short Term Borrowings****A) Secured Loans**

Repayable on demand - from banks

|             |                 |                 |
|-------------|-----------------|-----------------|
| HDFC Bank   | 451.00          | 344.35          |
| Vijaya Bank | 3,258.02        | 3,711.32        |
| HSBC Bank   | 191.72          |                 |
|             | <u>3,900.74</u> | <u>4,055.67</u> |

**B) Unsecured Loans**

Repayable on demand - from banks

|                         |                 |                 |
|-------------------------|-----------------|-----------------|
| Standard Chartered Bank | 371.38          | 360.65          |
|                         | <u>4,272.12</u> | <u>4,416.32</u> |

## Notes forming part of the financial statements as at 31st March, 2016

**Nature of Security** (Refer Note 4.1)i. Working capital loan from HDFC bank is secured as under:**Primary Security**

1. Charge in favour of HDFC Bank, Vijaya Bank & HSBC Bank by way of hypothecation of stocks and book debts of the company.
2. Charge in favour of HDFC Bank, Vijaya Bank & HSBC Bank by way of hypothecation of existing movable and immovable asset including plant and machinery of the company.

ii. Working capital loan from Vijaya bank is secured as under:**Primary Security**

1. Charge by way of hypothecation of fully insured raw material, work in progress and finished goods comprising of food colours and other material.

## iii. Loan from Standard Chartered bank is secured by personal assets of a director.

|                                       |  | (₹ in lakhs)    |                 |
|---------------------------------------|--|-----------------|-----------------|
| Particulars                           |  | 2016            | 2015            |
| <b>7 Trade Payables</b>               |  |                 |                 |
| - Micro, Small and Medium Enterprises |  | <b>2.36</b>     | 0.28            |
| - <u>Others</u>                       |  |                 |                 |
| Goods                                 |  | <b>965.77</b>   | 2,619.48        |
| Expenses                              |  | <b>334.77</b>   | 201.84          |
| Stores and Spares                     |  | <b>33.57</b>    | 40.36           |
|                                       |  | <b>1,336.47</b> | <b>2,861.96</b> |

## 7.1 The details of amount outstanding to parties registered under Micro, Small and Medium Enterprises Development Act, 2006 based on the available information with the company is as under:

|                                                                    |   |   |
|--------------------------------------------------------------------|---|---|
| Principal amount due and remaining unpaid                          | - | - |
| Interest due on above and the unpaid interest                      | - | - |
| Interest paid                                                      | - | - |
| Payment made beyond the appointed day during the year              | - | - |
| Interest due and payable for the period of delay                   | - | - |
| Interest accrued and remaining unpaid                              | - | - |
| Amount of further interest due and payable in the succeeding years | - | - |

## 7.2 In the opinion of the directors, trade payables and other current liabilities have the value at which they are stated in the balance sheet. Trade Payables and Advances are subject to confirmation. Periodically, the company evaluates all supplier dues for payment.

|                                                         |               |               |
|---------------------------------------------------------|---------------|---------------|
| <b>8 Other Current Liabilities</b> (Refer note : 7.2)   |               |               |
| Current maturities of long - term debts (Refer Note: 4) | <b>165.18</b> | 54.05         |
| Advance received from buyers                            | -             | 0.56          |
| Payable for capital goods                               | <b>36.95</b>  | 382.29        |
| Other payables                                          | <b>114.11</b> | 98.74         |
| Bank Overdraft                                          | <b>8.93</b>   | -             |
|                                                         | <b>325.17</b> | <b>535.65</b> |

## Notes forming part of the financial statements as at 31st March, 2016

(₹ in lakhs)

| Particulars                                         | 2016          | 2015          |
|-----------------------------------------------------|---------------|---------------|
| <b>9 Short Term Provisions</b>                      |               |               |
| Provision for taxation (net of Advance tax and TDS) | -             | 282.72        |
| Proposed Dividend                                   | 99.89         | 124.86        |
| Dividend Distribution Tax                           |               |               |
| Mar-15                                              | 26.13         | 25.57         |
| Mar-16                                              | 20.90         |               |
|                                                     | <b>146.92</b> | <b>433.15</b> |

## 10. Fixed Assets

| Particulars                                   | Tangible Asset under lease | Tangible Assets not under lease |                  |                         |                      |                 |                   |                     |                         |           |            |          |          |
|-----------------------------------------------|----------------------------|---------------------------------|------------------|-------------------------|----------------------|-----------------|-------------------|---------------------|-------------------------|-----------|------------|----------|----------|
|                                               | Land                       | Land                            | Factory Building | Administrative Building | Furniture & Fixtures | Office Premises | Office Equipments | Plant and Machinery | Electrical Installation | Computers | Telephones | Vehicles | Total    |
| Gross Block                                   |                            |                                 |                  |                         |                      |                 |                   |                     |                         |           |            |          |          |
| At 1 April 2015                               | 36.38                      | 3.75                            | 807.59           | 29.15                   | 10.79                | 1.58            | 12.40             | 2,190.73            | 14.27                   | 18.28     | 4.75       | 142.88   | 3,272.55 |
| Additions                                     | -                          | -                               | 409.98           | -                       | -                    | 285.45          | -                 | 744.47              | 103.92                  | 0.19      |            | 67.36    | 1,611.37 |
| Deductions / adjustments                      | -                          | -                               | -                | -                       | -                    | -               | -                 | (60.98)             | 60.98                   | -         | -          | -        | -        |
| At 31st March 2016                            | 36.38                      | 3.75                            | 1,217.57         | 29.15                   | 10.79                | 287.03          | 12.40             | 2,874.22            | 179.17                  | 18.47     | 4.75       | 210.24   | 4,883.92 |
| Accumulated Depreciation                      |                            |                                 |                  |                         |                      |                 |                   |                     |                         |           |            |          |          |
| At 1 April 2015                               | 5.19                       | -                               | 180.01           | 9.02                    | 10.09                | 0.56            | 11.07             | 1,272.78            | 12.82                   | 18.28     | 3.48       | 48.90    | 1,572.19 |
| Charge for the period ended 31st March 2016   | 0.42                       | -                               | 30.79            | 1.57                    | 0.21                 | 9.11            | 0.72              | 137.15              | 11.29                   | 0.05      | 0.67       | 24.10    | 216.06   |
| Deductions / adjustments                      |                            |                                 | -                |                         |                      |                 |                   | (23.61)             | 23.61                   |           |            |          | -        |
| At 31st March 2016                            | 5.61                       | -                               | 210.80           | 10.59                   | 10.30                | 9.67            | 11.79             | 1,386.32            | 47.72                   | 18.33     | 4.15       | 73.00    | 1,788.25 |
| Net Block                                     |                            |                                 |                  |                         |                      |                 |                   |                     |                         |           |            |          |          |
| At 31st March 2016                            | 30.77                      | 3.75                            | 1,006.77         | 18.56                   | 0.49                 | 277.36          | 0.61              | 1,487.90            | 131.45                  | 0.14      | 0.69       | 137.24   | 3,095.67 |
| Previous Year's Figures                       |                            |                                 |                  |                         |                      |                 |                   |                     |                         |           |            |          |          |
| Gross Block                                   |                            |                                 |                  |                         |                      |                 |                   |                     |                         |           |            |          |          |
| At 1 April 2014                               | 36.38                      | 3.75                            | 807.59           | 29.15                   | 10.79                | 1.58            | 12.40             | 2,125.94            | -                       | 18.28     | 4.75       | 142.88   | 3,193.49 |
| Additions                                     |                            |                                 |                  |                         |                      |                 |                   | 120.50              |                         |           |            |          | 120.50   |
| Deductions / adjustments                      |                            |                                 |                  |                         |                      |                 |                   | 55.71               | 14.27                   |           |            |          | 69.98    |
| At 31st March 2015                            | 36.38                      | 3.75                            | 807.59           | 29.15                   | 10.79                | 1.58            | 12.40             | 2,190.73            | 14.27                   | 18.28     | 4.75       | 142.88   | 3,272.55 |
| Accumulated Depreciation                      |                            |                                 |                  |                         |                      |                 |                   |                     |                         |           |            |          |          |
| At 1 April 2014                               | 4.77                       | -                               | 152.30           | 7.45                    | 9.54                 | 0.46            | 4.83              | 1,170.75            |                         | 17.14     | 2.09       | 29.85    | 1,399.18 |
| Charge for the period ended 31st March 2015   | 0.42                       | -                               | 27.71            | 1.56                    | 0.21                 | 0.09            | 1.26              | 102.25              | 8.85                    | 0.91      | 0.67       | 19.05    | 162.98   |
| Deductions / adjustments                      | -                          | -                               | -                | -                       | -                    | -               | -                 | 3.97                | 3.97                    | -         | -          | -        | 7.94     |
| Transferred to GR (Transitional Depreciation) | -                          | -                               | -                | -                       | 0.34                 | -               | 4.98              | 3.75                | -                       | 0.23      | 0.72       | -        | 10.02    |
| At 31st March 2015                            | 5.19                       | -                               | 180.01           | 9.02                    | 10.09                | 0.56            | 11.07             | 1,272.78            | 12.82                   | 18.28     | 3.48       | 48.90    | 1,572.19 |
| Net Block                                     |                            |                                 |                  |                         |                      |                 |                   |                     |                         |           |            |          |          |
| At 31st March 2015                            | 31.19                      | 3.75                            | 627.58           | 20.13                   | 0.70                 | 1.02            | 1.34              | 917.94              | 1.46                    | -         | 1.27       | 93.97    | 1,700.36 |

## Notes forming part of the financial statements as at 31st March, 2016

(₹ in lakhs)

| Particulars                                                                                         | 2016            | 2015            |
|-----------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>11 Non-Current Investments</b>                                                                   |                 |                 |
| <i>(At cost - Non trade - long term)</i>                                                            |                 |                 |
| <b>Investment in quoted equity instruments:</b>                                                     |                 |                 |
| <b>Face Value of ₹ 10 each</b>                                                                      |                 |                 |
| 622 shares Coal India Limited                                                                       | 1.45            | 1.45            |
| 1380 shares Birla Machining and Toolings Limited                                                    | 1.04            | 1.04            |
| 3616 shares Diamines and Chemicals Limited                                                          | 1.85            | 1.85            |
| 10057 shares Ontrack Systems Limited                                                                | 5.81            | 5.81            |
| 889 shares Power Grid Corporation of India Limited                                                  | 0.76            | 0.76            |
| 500 shares Roman Tarmat Limited                                                                     | 1.65            | 1.65            |
|                                                                                                     | <b>12.56</b>    | <b>12.56</b>    |
| Aggregate Market Value of quoted investments                                                        | <b>5.56</b>     | <b>5.62</b>     |
| <b>12 Long-term Loans and Advances</b>                                                              |                 |                 |
| <i>(Unsecured, considered good)</i>                                                                 |                 |                 |
| Capital Advances                                                                                    | <b>3.38</b>     | 28.65           |
| Deposits                                                                                            | <b>100.12</b>   | 88.14           |
|                                                                                                     | <b>103.50</b>   | <b>116.79</b>   |
| <b>13 Inventories</b>                                                                               |                 |                 |
| <i>(As taken, valued and certified by management)</i>                                               |                 |                 |
| Manufacturing Inventory                                                                             |                 |                 |
| a) Raw Materials                                                                                    | <b>580.96</b>   | 422.78          |
| b) Packaging Materials                                                                              | <b>35.05</b>    | 35.59           |
| c) Stock with third parties                                                                         | <b>67.77</b>    | 167.83          |
| d) goods in transit                                                                                 | <b>12.61</b>    | 252.69          |
| Work in Progress                                                                                    | <b>422.34</b>   | 190.90          |
| Finished Goods                                                                                      | <b>936.81</b>   | 495.54          |
| Trading Inventory                                                                                   |                 |                 |
| a) stock-in-hand                                                                                    | <b>709.63</b>   | 1,090.12        |
| b) goods in transit                                                                                 | <b>42.16</b>    | 1,184.67        |
|                                                                                                     | <b>2,807.33</b> | <b>3,840.11</b> |
| <b>14 Trade Receivables</b> (Refer note : 14.1)                                                     |                 |                 |
| <b>- Debt outstanding for a period exceeding six months from the date they are due for payment:</b> |                 |                 |
| Unsecured, considered good                                                                          | <b>656.90</b>   | 191.20          |
|                                                                                                     | <b>656.90</b>   | 191.20          |
| <b>- Others:</b>                                                                                    |                 |                 |
| Unsecured, considered good                                                                          | <b>3,253.79</b> | 4,509.50        |
|                                                                                                     | <b>3,910.69</b> | <b>4,700.70</b> |

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

## Notes forming part of the financial statements as at 31st March, 2016

(₹ in lakhs)

| Particulars                                                 | 2016             | 2015             |
|-------------------------------------------------------------|------------------|------------------|
| <b>15 Cash and Cash equivalents</b>                         |                  |                  |
| Balance with Scheduled Banks :                              |                  |                  |
| - in current accounts                                       | 573.39           | 213.20           |
| - in margin money accounts                                  | 437.16           | 455.63           |
| - in unpaid dividend account                                | 9.14             | 4.29             |
| Cash on hand                                                | 3.63             | 7.78             |
|                                                             | <u>1,023.32</u>  | <u>680.90</u>    |
| <b>16 Short-term Loans and Advances</b> (Refer note : 14.1) |                  |                  |
| <i>Unsecured, considered good</i>                           |                  |                  |
| Advance to suppliers                                        | 430.14           | 207.08           |
| Balance with Revenue Authorities                            | 567.03           | 794.97           |
| Others                                                      | 43.32            | 38.16            |
| Provision for taxation (net of Advance tax and TDS)         | 53.52            | -                |
|                                                             | <u>1,094.01</u>  | <u>1,040.21</u>  |
| <b>17 Other Current Assets</b> (Refer note : 12.1)          |                  |                  |
| Accrued Interest                                            | 13.05            | 9.84             |
| Export Incentives Receivables                               | 213.22           | 111.42           |
| Refund of Wealth Tax AY 12-13                               | 1.95             | 1.95             |
| Income Tax AY 13-14 (Assets)                                | 2.75             | 2.75             |
|                                                             | <u>230.96</u>    | <u>125.96</u>    |
| <b>18 Revenue from Operations</b>                           |                  |                  |
| - Revenue from Manufacturing Activities of food colors      |                  |                  |
| Export Sales                                                | 10,564.03        | 11,327.61        |
| Local Sales                                                 | 469.77           | 669.52           |
|                                                             | <u>11,033.80</u> | <u>11,997.13</u> |
| Less: Excise Duty                                           | 418.36           | 394.56           |
| <b>A</b>                                                    | <u>10,615.44</u> | <u>11,602.57</u> |
| - Revenue from Trading Activities of chemicals              |                  |                  |
| Local Sales                                                 | 8,521.55         | 7,363.06         |
|                                                             | <u>8,521.55</u>  | <u>7,363.06</u>  |
| Less: Excise Duty                                           | 1,095.26         | 665.42           |
| <b>B</b>                                                    | <u>7,426.29</u>  | <u>6,697.64</u>  |
| <b>(A + B)</b>                                              | <u>18,041.73</u> | <u>18,300.21</u> |
| <b>Earnings in Foreign Currency</b>                         |                  |                  |
| F.O.B. Value of Exports                                     | 10,051.34        | 10,849.06        |
| <b>19 Other Operating Revenue</b>                           |                  |                  |
| Export Incentives                                           | 285.64           | 205.10           |
| Net gain on foreign currency transaction and translation    | 139.24           | 371.70           |
| Profit on sale of License                                   |                  | 0.27             |
|                                                             | <u>424.88</u>    | <u>577.07</u>    |

## Notes forming part of the financial statements as at 31st March, 2016

(₹ in lakhs)

|           | Particulars                                                  | 2016            | 2015            |
|-----------|--------------------------------------------------------------|-----------------|-----------------|
| <b>20</b> | <b><u>Other Income</u></b>                                   |                 |                 |
|           | Interest received                                            | 34.61           | 32.39           |
|           | Dividend received                                            | 0.20            | 0.15            |
|           | Discount received                                            | 16.75           | 34.77           |
|           | Proceeds on Maturity of Keymen Policy                        | 28.37           | 12.82           |
|           | Insurance Claim received                                     | 49.81           | -               |
|           | Profit From Consignment Sales                                | 2.10            | -               |
|           | Sundry balances written off                                  | 1.46            | -               |
|           |                                                              | <u>133.30</u>   | <u>80.13</u>    |
| <b>21</b> | <b><u>Cost of Material Consumed</u></b>                      |                 |                 |
|           | <b><i>Opening Stock of :</i></b>                             |                 |                 |
|           | -Raw materials and Packing material                          | 458.37          | 844.29          |
|           | -Stock in Transit                                            | 252.69          | 266.47          |
|           | <b><i>Purchase of:</i></b>                                   |                 |                 |
|           | -Raw materials                                               | 5,745.45        | 5,963.94        |
|           | -Packing material                                            | 221.62          | 218.82          |
|           | -Fuel                                                        | 159.93          | 268.37          |
|           | <b><i>Less: Closing Stock of :</i></b>                       |                 |                 |
|           | -Raw Material and Packing Materials                          | 616.00          | 458.37          |
|           | -Stock in transit                                            | 12.61           | 252.69          |
|           | Labour charges                                               | 223.52          | 257.89          |
|           |                                                              | <u>6,432.97</u> | <u>7,108.72</u> |
|           | <b>Details of material consumed (excl. labour charges) :</b> |                 |                 |
|           | Chemicals, Dyes and Intermediates                            | 6,038.89        | 6,373.58        |
|           | Packing material                                             | 222.16          | 216.40          |
|           | Fuel                                                         | 171.92          | 260.85          |
|           |                                                              | <u>6,432.97</u> | <u>6,850.83</u> |
|           | Imported                                                     | 3,810.06        | 4,336.21        |
|           | Indigenous                                                   | 2,622.91        | 2,514.62        |
|           |                                                              | <u>6,432.97</u> | <u>6,850.83</u> |
|           | Imported (%)                                                 | 59.23           | 63.29           |
|           | Indigenous (%)                                               | 40.77           | 36.71           |
|           |                                                              | <u>100.00</u>   | <u>100.00</u>   |
|           | <b><u>Value of Imports on C.I.F. basis</u></b>               |                 |                 |
|           | Raw Materials                                                | 3,628.67        | 3,484.64        |
| <b>22</b> | <b><u>Purchases of Stock-in-Trade</u></b>                    |                 |                 |
|           | <b><i>Purchase of Chemicals:</i></b>                         |                 |                 |
|           | Others                                                       | 5,322.98        | 8,113.53        |
|           |                                                              | <u>5,322.98</u> | <u>8,113.53</u> |
|           | <b><u>Value of Imports on C.I.F. basis</u></b>               |                 |                 |
|           | Trading Purchases of Chemicals                               | 4,606.09        | 7,732.10        |

## Notes forming part of the financial statements as at 31st March, 2016

(₹ in lakhs)

| Particulars                                                                             | 2016            | 2015              |
|-----------------------------------------------------------------------------------------|-----------------|-------------------|
| <b>23 Changes in inventories of finished goods, work in progress and stock-in-trade</b> |                 |                   |
| <b>Opening Stock of :</b>                                                               |                 |                   |
| Finished goods                                                                          | 495.54          | 449.93            |
| Work-in-progress                                                                        | 358.73          | 320.95            |
| Trading goods                                                                           | 2,274.79        | 756.40            |
|                                                                                         | <b>3,129.05</b> | <b>1,527.28</b>   |
| <b>Less: Closing Stock of :</b>                                                         |                 |                   |
| Finished goods                                                                          | 936.81          | 495.54            |
| Work-in-progress                                                                        | 490.12          | 358.73            |
| Trading goods                                                                           | 751.79          | 2,274.79          |
|                                                                                         | <b>2,178.72</b> | <b>3,129.05</b>   |
|                                                                                         | <b>950.33</b>   | <b>(1,601.77)</b> |

In view of the accounting policy followed by the company, excise duty payable on finished goods is neither included in the expenditure nor included in the value of such stocks, but is accounted for on clearance of the goods. This accounting treatment has no impact on profit. The amount of excise duty payable on finished goods not cleared as at 31st March, 2016 are ₹ 11,710,130/- (Previous year ₹61,24,863 /- )

**24 Employee Benefits Expenses**

|                                           |               |               |
|-------------------------------------------|---------------|---------------|
| Factory Salaries and Wages                | 96.54         | 88.56         |
| Office Salaries and Wages                 | 45.76         | 47.82         |
| Bonus                                     | 9.91          | 10.45         |
| Remuneration & Commission to Directors    | 189.11        | 113.31        |
| Contribution to Provident and Other Funds | 7.29          | 5.57          |
| Staff Welfare Expenses                    | 23.93         | 19.30         |
|                                           | <b>372.54</b> | <b>285.01</b> |

**Actuarial assumptions for contribution towards gratuity fund****Method of valuation**

|                                           | Projected Unit Credit Method | Projected Unit Credit Method |
|-------------------------------------------|------------------------------|------------------------------|
| Discount rate                             | 8% p.a                       | 8% p.a                       |
| Rate of increase in compensation levels   | 4%                           | 4%                           |
| Withdrawal rate (depending on age factor) | 1% to 3%                     | 1% to 3%                     |

The Company has taken policy under Pension & Group Policy under the recognised scheme of LIC

**25 Finance Cost**

|                                      |               |               |
|--------------------------------------|---------------|---------------|
| Interest on Long Term Borrowings     | 56.86         | 50.29         |
| Interest on Short Term Borrowings    | 40.22         | 39.95         |
| Interest on Bill Discounting and PCL | 368.49        | 375.01        |
| Interest on Others                   | 2.65          | 6.35          |
| Bank Charges                         | 82.22         | 95.01         |
| Loan Processing Charges              | 12.86         | 44.17         |
|                                      | <b>563.30</b> | <b>610.78</b> |

## Notes forming part of the financial statements as at 31st March, 2016

(₹ in lakhs)

| Particulars                                           | 2016            | 2015            |
|-------------------------------------------------------|-----------------|-----------------|
| <b>26 Other expenses</b>                              |                 |                 |
| <b>a) <u>Manufacturing and Operating Expenses</u></b> |                 |                 |
| Anti-dumping duty                                     | 190.58          | 94.40           |
| Clearing and forwarding                               | 148.50          | 168.44          |
| Effluent treatment charges                            | 64.25           | 56.93           |
| Freight and octroi charges                            | 124.95          | 141.26          |
| Insurance charges                                     | 11.49           | 10.34           |
| Power charges                                         | 397.80          | 327.90          |
| Professional and consultancy fees                     | 5.28            | 7.23            |
| Repairs and Maintenance                               | 392.61          | 402.84          |
| Stores and spares consumed                            | 104.77          | 92.19           |
| Warehousing charges                                   | 25.71           | 13.77           |
| Import Charges                                        | 154.47          | 143.50          |
| Miscellaneous manufacturing and operating expenses    | 130.90          | 122.18          |
| <b>A</b>                                              | <b>1,751.31</b> | <b>1,580.99</b> |
| <b>b) <u>Administrative Expenses</u></b>              |                 |                 |
| Agency charges                                        | 28.57           | 28.59           |
| Bad Debts                                             | -               | 20.84           |
| Guarantee commission to directors                     | 90.00           | 90.00           |
| <u>Payment to auditors</u>                            |                 |                 |
| -Statutory Audit                                      | 7.50            | 6.50            |
| -Tax Audit                                            | 1.75            | 1.50            |
| -Certification and Others Charges                     | 2.25            | 2.00            |
| -IFC -FR                                              | 2.50            | -               |
| -Representation Services                              | 3.50            | 3.60            |
| Printing and stationery                               | 21.33           | 19.00           |
| Communication expenses                                | 8.95            | 7.30            |
| Electricity expenses                                  | 4.91            | 3.16            |
| Rent rates and taxes                                  | 0.38            | 4.64            |
| Professional and consultancy charges                  | 20.64           | 26.35           |
| Sundry balances written off                           | -               | 21.97           |
| Technical director's remuneration                     | 3.00            | 3.00            |
| Miscellaneous administrative expenses                 | 60.88           | 52.38           |
| <b>B</b>                                              | <b>256.16</b>   | <b>290.83</b>   |
| <b>c) <u>Selling and Distribution Expenses</u></b>    |                 |                 |
| Advertisement                                         | 3.02            | 3.02            |
| Business promotion                                    | 21.56           | 9.83            |
| Clearing and forwarding                               | 23.05           | 32.46           |
| Commission expenses                                   | 44.43           | 31.32           |
| E. C. G. C. premium                                   | 15.95           | 16.54           |
| Exhibition and trade fair expenses                    | 20.45           | 9.42            |
| Foreign travelling expenses                           | 8.23            | 3.49            |
| ISI / FDA marketing fees                              | 79.34           | 39.72           |
| Freight and Octroi Charges                            | 191.73          | 201.09          |
| Terminal handling charges                             | 33.28           | 39.00           |
| Miscellaneous distribution and selling expenses       | 38.68           | 44.25           |
| <b>C</b>                                              | <b>479.72</b>   | <b>430.13</b>   |
| <b>(A + B + C)</b>                                    | <b>2,487.19</b> | <b>2,301.95</b> |

## Notes forming part of the financial statements as at 31st March, 2016

**27 Related Party Disclosures:**

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

**Key management personnel, relatives and related parties**Key management personnel

1. Bipin M. Manek – Chairman and Managing Director
2. Mihir B. Manek – Joint Managing Director
3. Vijay K. Atre – Technical Director
4. Pravina B. Manek – Director
5. Ajay V. Pande – Factory Manager (died on 1 January 2016)

Enterprises over which key management personnel have significant influence:

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

| Nature of transactions                 | 2016                     |                                                           |                                                                            | 2015                     |                                                           |                                                                            |
|----------------------------------------|--------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------|
|                                        | Key management personnel | Relatives and Related parties of Key Management Personnel | Enterprises over which key management personnel have significant influence | Key management personnel | Relatives and Related parties of Key Management Personnel | Enterprises over which key management personnel have significant influence |
| <b>Transactions during the year</b>    |                          |                                                           |                                                                            |                          |                                                           |                                                                            |
| <u>Managerial Remuneration</u>         |                          |                                                           |                                                                            |                          |                                                           |                                                                            |
| Bipin Manek                            | 94.56                    | -                                                         | -                                                                          | 56.65                    | -                                                         | -                                                                          |
| Mihir Manek                            | 94.56                    | -                                                         | -                                                                          | 56.65                    | -                                                         | -                                                                          |
|                                        | 189.11                   | -                                                         | -                                                                          | 113.29                   | -                                                         | -                                                                          |
| <u>Technical Director Remuneration</u> |                          |                                                           |                                                                            |                          |                                                           |                                                                            |
| Vijay K Atre                           | 3.00                     | -                                                         | -                                                                          | 3.00                     | -                                                         | -                                                                          |
|                                        | 3.00                     | -                                                         | -                                                                          | 3.00                     | -                                                         | -                                                                          |
| <u>Bank Guarantee Commission</u>       |                          |                                                           |                                                                            |                          |                                                           |                                                                            |
| Praveena Manek                         | 45.00                    |                                                           |                                                                            | 45.00                    |                                                           |                                                                            |
| Bipin Manek                            | 45.00                    | -                                                         | -                                                                          | 45.00                    | -                                                         | -                                                                          |
|                                        | 90.00                    | -                                                         | -                                                                          | 90.00                    | -                                                         | -                                                                          |
| <u>Remuneration to Factory Manager</u> |                          |                                                           |                                                                            |                          |                                                           |                                                                            |
| Ajay V. Pande                          | 3.79                     | -                                                         | -                                                                          | 4.29                     | -                                                         | -                                                                          |
|                                        | 3.79                     | -                                                         | -                                                                          | 4.29                     | -                                                         | -                                                                          |

Notes forming part of the financial statements as at 31st March, 2016

| Nature of transactions         | 2016                     |                                                           |                                                                            | 2015                     |                                                           |                                                                            |
|--------------------------------|--------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------|
|                                | Key management personnel | Relatives and Related parties of Key Management Personnel | Enterprises over which key management personnel have significant influence | Key management personnel | Relatives and Related parties of Key Management Personnel | Enterprises over which key management personnel have significant influence |
| <b>Outstanding Receivables</b> |                          |                                                           |                                                                            |                          |                                                           |                                                                            |
| Security Deposit               |                          |                                                           |                                                                            |                          |                                                           |                                                                            |
| Pravina B. Manek               | -                        | -                                                         | 20.00                                                                      | -                        | -                                                         | 20.00                                                                      |
|                                | -                        | -                                                         | 20.00                                                                      | -                        | -                                                         | 20.00                                                                      |

Summary of Related Party Transactions

| Nature of transactions              | 2016                     |                                                           |                                                                            | 2015                     |                                                           |                                                                            |
|-------------------------------------|--------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------|
|                                     | Key management personnel | Relatives and Related parties of Key Management Personnel | Enterprises over which key management personnel have significant influence | Key management personnel | Relatives and Related parties of Key Management Personnel | Enterprises over which key management personnel have significant influence |
| <b>Transactions during the year</b> |                          |                                                           |                                                                            |                          |                                                           |                                                                            |
| Managerial Remuneration             | 189.11                   | -                                                         | -                                                                          | 113.29                   | -                                                         | -                                                                          |
| Technical Director Remuneration     | 3.00                     | -                                                         | -                                                                          | 3.00                     | -                                                         | -                                                                          |
| Bank Guarantee Commission           | 90.00                    | -                                                         | -                                                                          | 90.00                    | -                                                         | -                                                                          |
| Remuneration to Factory Manager     | 3.79                     | -                                                         | -                                                                          | 4.29                     | -                                                         | -                                                                          |
| <b>Outstanding Receivables</b>      |                          |                                                           |                                                                            |                          |                                                           |                                                                            |
| Security Deposit                    | -                        | -                                                         | 20.00                                                                      | -                        | -                                                         | 20.00                                                                      |

28 **Segment Reporting**

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

29 Previous period's figures have been regrouped/ reclassified, wherever necessary to make them comparable.

As per our report of even date

**For Bhuta Shah & Co LLP**

Chartered Accountants

Firm Registration No.W100100 / 101474W

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

**Bipin M. Manek**

Chairman and Managing Director

**Mihir B. Manek**

Joint Managing Director

**Jitendra B. Shah**

Partner

**Membership No. 033010**

**Mitesh D Manek**

Chief Financial Officer

**Kalika V Dabholkar**

Company Secretary

**Mumbai, 27 May, 2016**

**Mumbai, 27 May, 2016**



## VIDHI DYESTUFFS MANUFACTURING LIMITED

CIN: L24110MH1994PLC076156

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

### Form No. MGT-11

### Proxy form

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

### 23<sup>rd</sup> Annual General Meeting- Saturday, 24<sup>th</sup> September, 2016

Name of the Member(s):

Registered Address:

Email:

Folio no. / Client ID:

DP ID:

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

1. Name:.....EmailId:.....

Address: .....

.....

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

2. Name:.....EmailId:.....

Address: .....

.....

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

3. Name:.....EmailId:.....

Address: .....

.....

Signature:.....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on the Saturday, 24<sup>th</sup> September 2016 at 03.30 p.m. at The Victoria Memorial School for Blind, opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400 034 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Res. No.          | Resolution                                                                                                                                                                                                                                                                                                      | Voting (Optional) |         |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------|
| Ordinary Business |                                                                                                                                                                                                                                                                                                                 | For               | Against |
| 1.                | Adoption of Audited Financial Statement comprising of the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss (Profit & Loss Account) for the year ended on that date, together with the Cash flow Statement, Notes, Reports of the Board of Directors (the Board) and the Auditors thereon |                   |         |
| 2.                | Confirmation of the 1 <sup>st</sup> Interim Dividend, 2 <sup>nd</sup> Interim Dividend and 3 <sup>rd</sup> Interim Dividend declared in the financial year 2015-16                                                                                                                                              |                   |         |
| 3.                | Declaration of Final Dividend on equity shares for the financial year 2015-16                                                                                                                                                                                                                                   |                   |         |
| 4.                | Appointment of Director in place of Mrs. Pravina B. Manek (DIN: 00416533), who retires by rotation and being eligible, offers herself for re-appointment                                                                                                                                                        |                   |         |
| 5.                | Ratification of appointment of Statutory Auditor                                                                                                                                                                                                                                                                |                   |         |
| Special Business  |                                                                                                                                                                                                                                                                                                                 |                   |         |
| 6.                | Consider revision in terms of remuneration of Mr. Bipin M. Manek (DIN: <b>00416441</b> ), Managing Director of the Company (Ordinary Resolution)                                                                                                                                                                |                   |         |
| 7.                | Consider revision in terms of remuneration of Mr. Mihir B. Manek (DIN: <b>00650613</b> ), Joint Managing Director of the Company (Ordinary Resolution)                                                                                                                                                          |                   |         |
| 8.                | Determination of fees for delivery of any document through a particular mode of delivery to a Member (Ordinary Resolution)                                                                                                                                                                                      |                   |         |
| 9.                | Payment of professional fees to Mr. Anil Kumar Dhar (DIN: <b>01524239</b> ), Non-Executive, Independent Director (Special Resolution)                                                                                                                                                                           |                   |         |

Signed this day of 2016

\_\_\_\_\_  
Signature of shareholderAffix  
revenue  
stamp\_\_\_\_\_  
Signature of Proxy holder(s)\_\_\_\_\_  
Signature of Proxy holder(s)\_\_\_\_\_  
Signature of Proxy holder(s)**Note:**

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

**COLOURS** You Can Trust For Your Food



**VIDHI**  
DYESTUFFS MFG. LTD.



**COLOURS** You Can Trust For Your Food

Printed by : [www.westempress.in](http://www.westempress.in)

**Vidhi Dyestuffs Mfg. Ltd.**

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

Tel : + 91 22 6140 6666 (100Lines) Fax : + 91 22 2352 1980

Factory : 59/B & 68, M.I.D.C. Dhatav, Roha Dist : Raigad, Maharashtra – 402116, India

E-mail : [vdml@vsnl.com](mailto:vdml@vsnl.com) Web : [www.vidhifoodcolour.com](http://www.vidhifoodcolour.com)



**VIDHI**  
DYESTUFFS MFG. LTD.



# VIDHI DYESTUFFS MFG. LTD.

REGD. OFF.: E/27, COMMERCE CENTER, 78, TARDEO ROAD, MUMBAI - 400 034. INDIA.

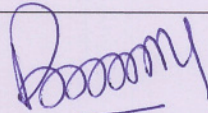
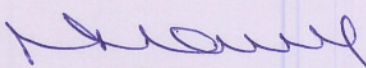
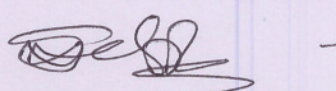
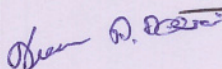
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E : vdml@vsnl.com • W : www.vidhifoodcolours.com • CIN : L24110MH1994PLC076156

FACTORY : PLOT NO. 59 - B & 68, M.I.D.C. DHATAV, ROHA (RAIGAD),  
MAHARASHTRA - 402 116. INDIA. • TEL.: (02194) 263873

## FORM A

(For audit report with unmodified opinion)

|    |                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                         |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Name of the Company                                                                                                                                                         | Vidhi Dyestuffs Manufacturing Limited                                                                                                                                                                                                                                                                                                                   |
| 2. | Annual Financial Results for the year ended                                                                                                                                 | 31 <sup>st</sup> March, 2016                                                                                                                                                                                                                                                                                                                            |
| 3. | Type of Audit Observation                                                                                                                                                   | Unmodified                                                                                                                                                                                                                                                                                                                                              |
| 4. | Frequency of Observation                                                                                                                                                    | N.A.                                                                                                                                                                                                                                                                                                                                                    |
| 5. | To be signed by - <ul style="list-style-type: none"><li>• CEO/Managing Director</li><li>• CFO</li><li>• Auditor of the Company</li><li>• Audit Committee Chairman</li></ul> | <br><br><br> |