

23rd

ANNUAL REPORT

2009-2010

VIVID GLOBAL INDUSTRIES LTD.

(Formerly Known as : VIVID CHEMICALS LTD.)

VIVID GLOBAL INDUSTRIES LIMITED

BOARD OF DIRECTORS

SHRI SUMISH S.MODY	WHOLETIME DIRECTOR
SHRI MANOJ KUMAR CHAUHAN	DIRECTOR
SMT. ASHA S. MODY	DIRECTOR
SHRI DHARMESH D.CHOKSI	DIRECTOR

BANKERS :

BANK OF BARODA,
BACKBAY RECLAMATION BRANCH,
MUMBAI-400 020.

AUDITORS :

M/S. K.M. KAPADIA & ASSOCIATES
SHOP NO.49, 1ST FLOOR
ASHOKA SHOPPING CENTRE
L.T. MARG,
MUMBAI-400 001.

REGISTERED OFFICE :

D-21/1, M.I.D.C. TARAPUR 401 506
VIA BOISAR, DIST.THANE.

ADMINISTRATIVE OFFICE :

C/O.SUMICHEM CORPORATION
1-D, DHANNUR BUILDING,
SIR P.M.ROAD, FORT,
MUMBAI 400 001.
Email ID: vividchem@yahoo.com

REGISTRARS & SHARE TRANSFER AGENTS :

REGD.OFFICE:

SHAREPRO SERVICES (INDIA) PVT.LTD.
13AB, SAMHITA WAREHOUSING COMPLEX,
SECOND FLOOR, SAKINAKA TELEPHONE EXCHANGE LANE,
OFF ANDHERI KURLA ROAD, SAKINAKA,
ANDHERI (EAST), MUMBAI-400 072.

INVESTOR RELATION CENTRE:

SHAREPRO SERVICES (INDIA) PVT.LTD.
912, RAHEJA CENTRE,
FREE PRESS JOURNAL ROAD,
NARIMAN POINT, MUMBAI-400 021.

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Vivid Global Industries Limited, will be held at Plot No. D-21/1,M.I.D.C., Tarapur, Via Boisar, Dist. Thane on Wednesday 29th September 2010 at 11.00 A.M. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Dharmesh Choksi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

For and on behalf of the Board of Directors

SUMISH S. MODY
MANAGING DIRECTOR

REGISTERED OFFICE :

D-21/1 M.I.D.C.,
Tarapur, Via Boisar,
Dist. Thane

Dated : 18th August, 2010

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the share transfer books will remain closed from 24th September 10 to 29th September, 10 both days inclusive.
3. Members desiring to seek further information or clarifications on the Annual Accounts or operations of the Company at the meeting are requested to send their queries so as to reach the Registered Office at least 10 days in advance of the date of meeting to enable the management to keep the information ready.
4. Members are requested to bring their copies of Annual Report and Accounts to the Meeting.
5. Members are requested to notify immediately any change in their address to the Companies Registrar and Share Transfer Agents M/s. Sharepro Services (India) Pvt. Ltd. 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072 or at 912, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai 400 021.

DIRECTOR'S REPORT

To,

The Members

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS :

	(Rs. in lacs)	(Rs. in lacs)
	31st March, 2010	31st March, 2009
Net Sales/Income from Operations excluding Excise & Sales Tax	1258.47 -----	597.43 -----
Gross Profit/(Loss) before Depreciation & Interest	98.89	(63.65)
Less :Depreciation	11.48	19.15
:Interest	16.15 -----	14.80 -----
	27.63 -----	33.95 -----
	71.26	(97.61)
Less: Prior years adjustments	0.20 -----	-- -----
Net Profit/(Loss) before Tax	71.06	(97.61)
Profit/ (Loss) after Tax	71.06	--
Add/(Less) Profit /Loss Brought Forward	(382.10) -----	(284.49) -----
Balance Carried to Balance Sheet	(311.04) =====	(382.10) =====

OPERATIONS :

During the year under review the Company has recorded a total Income of Rs. 1258.47 Lacs as compared to Rs. 597.43 Lacs for the previous year and the Net Profit for the year was Rs. 71.06 Lacs as compared to a Loss of Rs. 97.61 in the previous year.

During the year the Company has collaborated with another Company for the marketing of one of its products, resulting in maximum utilization of plant capacity. Also with the stabilization of the export market the export turnover for another product has also improved. In addition the Import prices for J Acid have stabilized.

Your Company with the help of in-house research has succeeded in improving the yield efficiency by approximately 5%. As a result of all these factors the turnover and profitability have substantially improved and barring unforeseen circumstances your Directors are optimistic about the current year.

DIVIDEND :

In view of the accumulated losses your Directors do not recommend any dividend.

DIRECTORATE :

Mr. Dharmesh Choksi retires by rotation and being eligible offers himself for re-appointment.

FIXED DEPOSIT :

The Company has not accepted any Deposit which attracts the provisions of Section 58A of the Companies Act, 1956.

AUDITORS :

The present statutory auditors M/s K. M. Kapadia & Associates, Chartered Accountants retire at the close of this Annual General Meeting and are eligible for re-appointment. The Company has received the consent and eligibility certificate from them. The Directors therefore recommend the re-appointment of M/s K. M. Kapadia & Associates, Chartered Accountants as Auditors of the Company.

PARTICULARS OF EMPLOYEES :

None of the employees of the Company draws remuneration more than the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) The Directors 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 and of the Profit & Loss of the Company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and detecting fraud and other irregularities to the best of their knowledge and ability.
- iv) The Directors have prepared the annual accounts on a "going concern basis".

CORPORATE GOVERNANCE :

Pursuant to Clause 49 to the Listing Agreement with the Stock Exchange a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance form part of this Report.

INDUSTRIAL RELATIONS :

The relations with the employees have remained cordial.

ACKNOWLEDGEMENTS :

Your Board of Directors would like to place on record its sincere appreciation for the whole hearted support and contributions made by Auditors, Banks, Financial Institutions, Suppliers and other Business Associates towards the conduct of the operations of the Company.

For and on behalf of the Board of Director

SUMISH S. MODY
MANAGING DIRECTOR

ASHA S.MODY
DIRECTOR

Place : Mumbai
Dated : 18th August 2010

INFORMATION AS PER SECTION 217 (1)(E) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

A) CONSERVATION OF ENERGY :

- a. Though the Company's manufacturing operations do not involve substantial energy consumption the Company has taken adequate steps to improve energy utilization wherever possible.
- b. ADDITIONAL INVESTMENTS AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY.

No additional investments made during the year.

- c. IMPACT OF THE ABOVE MEASURES : NIL
- d. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION.
"Form – A" not applicable.

B). TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- a. The company is examining possibilities of new technology to improve the quality of its products.

- b. Imported Technology :

No technology was imported by the company during the year under review.

c). FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) Activities relating to export, initiative taken to increase exports, development of new export markets for products and service and export plant:

During the current year the Company has exported its products to Far East Countries. Efforts are being made to develop new markets and the Company expects substantial increase in export during the current year.

- (b) Total Foreign Exchange Earned.
Used Rs. 4,20,41,453
Earned Rs. 3,66,72,423

For and on behalf of the Board of Director

SUMISH S. MODY
MANAGING DIRECTOR

ASHA S. MODY
DIRECTOR

Place : Mumbai
Dated : 18th August 2010

MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure and Development :

The Company is engaged in the business of producing intermediate dyes and trading in dyes based on a basic raw material Tobias Acid and J.Acid, which is imported from China. With the import of the basic raw material, the Company carries out processing activities on job work basis and produces the various dyes and dye intermediates.

B) Opportunities and Threats

The Company is finding a good market for its range of products in the developing Asian Countries and has also found a good market in various other countries. This growth in market share has been achieved due to collaboration with another company for marketing of the company's products. One of the main threats faced by the Company are the availability of cheaper products from China.

C) Segment-wise Performance

The Company has only one business segment viz dye intermediates and dyes and hence product-wise performance is not provided.

D) Outlook

The outlook for the Company's business depends on the Cotton textile industry since majority of the Company's products are used in cotton fabrics. Recent times have seen a reversal of trends from synthetic to cotton fabrics and with the increase in demand for cotton the Company has a tremendous potential for growth.

E) Risk and Concerns

Globalised competitive scenario in Dyes and raw materials and dumping of low price products from the Chinese markets are the major areas of risk and concern for your Company. Any unfavourable trends in the import tariffs on key raw materials may have adverse impact on the cost and selling prices thereby putting pressure on the margins.

F) Internal Control Systems and their Adequacy

The Company has satisfactory internal control system, the adequacy of which has been mentioned in the Auditors' Report.

G) Human Resources

There has been no material development on the Human Resource / Industrial relations front during the year.

Report on Corporate Governance
(pursuant to clause 49 of Listing Agreement)

1. Company's Philosophy on code of Governance:

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, customers, employees and ensuring a long term relationship of trust by maintaining transparency and disclosures. The Company is aiming at efficient conduct of the business in meeting its obligations to the shareholders.

The Company has adopted a Code of Conduct as required under clause 49 of the listing Agreement with the stock Exchanges. The Directors have confirmed compliance with the code of conduct for the year ended 31st March, 2010.

The relevant standards of Corporate Governance have been fully complied with by the Company.

2. Board of Directors :

Composition and size of the Board

The present strength of the Board is 4. The Board comprises of one Managing Director and the remaining three are Non executive Directors.

The size and composition of the Board confirms with the requirements of Corporate Governance under the Listing Agreement with the Stock Exchange and applicable laws. The Independent Non Executive Directors of the Company do not have any other material or pecuniary relationship or transaction with the Company, its promoters, its management or its subsidiaries, which in the judgement of the Board may affect independence of judgement of the Directors. Non-Executive Directors are not paid any remuneration.

No. of Board Meetings held during the year along with the dates of meeting

In the financial year 2009 – 2010, the Board met Eighth times. The Board meetings were held on

(1) 29th April 2009 (2) 16th July, 2009, (3) 29th July, 2009 (4) 26th August, 2009, (5) 29th October, 2009, (6) 5th November, 2009, (7) 29th January, 2010 (8) 26th March, 2010.

Attendance of Directors at Board Meeting and last Annual Meeting.

The composition of Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorship, committee memberships and chairmanships held by them, are given below:

Directors	Category	Shares held	Attendance Particulars		No. of other Directorship and Committee Membership/ Chairmanship held		
			Board Meeting	Last AGM	Director-Ships	Committee Memberships	Committee Chairmanships
Mr. Sumish S. Mody	MD	335830	8	Yes	2	Nil	Nil
Mr. Manoj Kumar Chauhan	NED	Nil	5	Yes	Nil	1	1
Mrs. Asha Mody	NED	370040	8	Yes	3	1	Nil
Mr. Dharmesh D. Choksi	NED	Nil	8	Yes	Nil	1	1

C: Chairman; MD: Managing Director; WTD: Wholetime Director; NED: Non Executive Director
 Directors who are Chairpersons of Committee have been included in the list of members as well.
 The Board periodically reviews compliance Reports of all laws applicable to the company as well as steps taken by the Company to rectify instances of non-compliances, if any.

None of the Directors is a Member of more than 10 Board – level Committees or Chairman of more than 5 such Committees, as required under clause 49 of the listing agreement, across all Companies in which they are Directors.

The Brief Profile of Director being appointed/re-appointed (pursuant to Clause 49 of the Listing Agreement):

1. Name of the Director	Mr. Dharmesh Choksi
2. Date of Birth	18.08.1975
3. Date of Appointment	21.04.2008
4.Experience in specific Areas	He has 5 years experience In Jewellery business in administration and organization.
5. Qualifications	B. Com, Graduate
6. Directorships in other Companies	Nil
7. Membership of committees	2