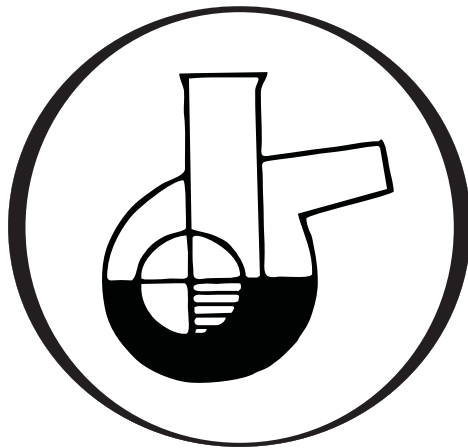


26th
Annual Report
2012 - 2013



VIVID GLOBAL INDUSTRIES
LIMITED

VIVID GLOBAL INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

MANAGING DIRECTOR
DIRECTOR
DIRECTOR
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: vividglobalind@yahoo.com

URL: vividglobalinds.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 Sixth Annual General Meeting of Vivid Global Industries Limited will be held at Plot No. D-21/1, M.I.D.C., Tarapur, Via Boisar, Dist. Thane on Friday 27th September 2013 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 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 Mrs. Asha Mody, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

“RESOLVED THAT in accordance with

- i) The provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any Statutory modification(s) or re-enactment thereof for the time being in force), (“the Act”) and the rules and regulations made thereunder;
- ii) The enabling provisions of the Memorandum and Articles of Association of the Company;
- iii) The provisions of the Listing Agreement entered into by the Company with the Stock Exchange where the Company’s shares are listed.
- iv) The provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the “SEBI ICDR Regulations”);
- v) The provisions of any rules/regulations/guidelines issued/framed by the Central Government, Reserve Bank of India, Foreign Investment Promotion Board, Securities and Exchange Board of India, the Stock Exchange where the shares of the Company are listed and any other appropriate authorities (hereinafter collectively referred to as the “Appropriate Authorities”), and subject to
- vi) The Company obtaining necessary consents, sanctions, permissions or approvals from the Appropriate Authorities; and

Such conditions and modifications, as may be prescribed by one or more of the Appropriate Authorities while granting any such consents, sanctions, permissions or approvals (hereinafter referred to as the “requisite approvals”), which may be agreed to by the Board of Directors of the Company (hereinafter called the “Board” which term shall be deemed to include one or more Committee(s) which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution).

1. Consent, authority and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot 1,50,000 Equity Shares of face value of Rs. 10/- each (each an “Equity Share” and collectively the “Issue Shares”) at a price of Rs. 10/- (Rupees Ten each) aggregating upto Rs. 15,00,000/- (Rupees Fifteen Lakhs only), to the investors named below (the “Investors”) on preferential allotment basis in accordance with Chapter VII of the SEBI ICDR Regulations, on such occasions, in one or more tranches, on such terms and conditions and in such manner as the Board may in its absolute discretion decide in this connection:

Name of the investor	Equity Shares proposed to be issued	Proposed Issue Size (Rs.)
Mr. Sumish S. Mody	1,50,000	15,00,000

2. The “Relevant Date” for the purpose of calculating the price of the Issue Shares is the date 30 days prior to the date of this Annual General Meeting i.e. Tuesday 27th August, 2013.

RESOLVED FURTHER THAT that pricing of the Equity Shares to be allotted shall be calculated in accordance with the SEBI Guidelines on the ‘Relevant Date’ as under:

- 1) The Preferential Allotment of 1,50,000 Equity Shares of Rs 10/-each (Rupees Ten Only) on the following terms and conditions:
- 2) The Investor shall pay an amount equivalent to Rs 10/ – (Rupees Ten Only) per share of the value of the Issue Shares on or before the date of allotment of Issue Shares.
- 3) The Issue Shares shall be issued in Dematerialized Form and shall be subject to lock-in requirements required under Chapter VII of the SEBI ICDR Regulations;
- 4) The Issue Shares shall be allotted within a period of 15 days from the date of passing of this resolution provided that if the approval or permissions by any regulatory authority, required if any, for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission as the case may be.
- 5) The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the Balance Sheet and/or Directors’ Report of the Company, indicating the purposes for which such monies have been utilized and that the details of the unutilized monies shall also be disclosed under a separate head in the Balance Sheet of the Company indicating the form in which such unutilized monies have been invested.

“RESOLVED FURTHER THAT the Equity Shares so issued shall upon allotment have the same rights as the existing shares and be treated for all other purposes *pari passu* with the existing shares of the Company, and that the Equity Shares so allotted during the financial year shall be entitled to dividend, if any, including other corporate benefits, if any, for the financial year in which the allotment has been made and subsequent years.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s), and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in regard to such issue and allotment and to do all such acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the extent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the above mentioned Equity Shares on the Stock Exchanges where the Company’s shares are listed, as per the terms and conditions of the listing and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT the Company do make an application to the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) for admission of the New Equity Shares”.

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 : 6th August, 2013

NOTES :

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. An Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the share transfer books will remain closed from 20th September, 2013 to 27th September, 2013, both days inclusive.
4. 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.
5. Members are requested to bring their copies of Annual Report and Accounts to the Meeting.
6. 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.
7. (a) Members desirous of receiving Notices and/or documents from the Company through the electronic mode are urged to update their email addresses with their Depository Participants, where shares are held in electronic form and to the Share department of the Company / Share transfer Agents where shares are held in physical form.

(b) Email addresses of Members as advised to the Share Department of the Company/Registrar and Share Transfer Agents where shares are held in physical mode or registered with Depositories where shares are held in the electronic mode will be deemed to be the Member's registered Email address for serving Company documents/notices as per provisions of the Act and the instructions of the Ministry of Corporate Affairs. Members intending to refresh / update their email addresses should do so as soon as possible.
8. Members holding shares, in physical form, in identical order of names in more than one Folio, are requested to write to the Share Department of the Company / Share Transfer Agents enclosing the relevant Share Certificates requesting consolidation of such folios into one Folio.
9. As per the provisions of the Act, the facility for making nominations is available to individuals holding shares in the Company. The Nomination Form-2B, prescribed by the Government for the purpose, can be obtained from the Share Department of the Company / Share Transfer Agents.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM No. 4

Material Facts relating to Preferential Allotment

The Board of Directors of the Company give below disclosures that are required to be given in the Explanatory Statement to the Special Resolution to be passed under Section 81 (1A) of the Companies Act, 1956 and in terms of the SEBI (Disclosure and Investors Protection) Guidelines.

A. Object of the Preferential Allotment and the Manner of Activities of proceeds of the Issue to be utilized :

The Company is planning to expand its operations, business and activities. The development plans require infusion of more capital into the Company. This would enable the Company to increase its production capacity. The present trend for increase in dollar value and China price the Company requires more funds in working capital. Therefore, the Company has proposed the Issue of Shares on Preferential Basis to selected persons to meet its capital requirements in due course.

B. Type of security offered and the number of security offered :

The Company proposes to offer, issue and allot 1,50,000 Equity Shares of face value of Rs. 10/- each at par aggregating upto Rs. 15,00,000/- (Rupees Fifteen Lakhs) on such other terms and conditions as the Board may in its absolute discretion decide at the time of issue of the shares.

C. Important terms and conditions :

1. The total subscription amount, payable by the Investors, shall be paid prior to the allotment of the Issue Shares.
2. The allotment of issue Shares are subject to the Investors not having sold any Equity Shares of the Company during the six months preceding the Relevant Date (defined below) and the investors not acquiring any Equity Shares until completion of the allotment of the Issue Shares under the proposed preferential issue.
3. Under Chapter VII of the SEBI ICDR Regulations, issue of Equity Shares on a preferential basis shall be made at a price not less than higher of:
 - a) The average of the weekly high and low of the closing prices of the Equity Shares quoted on a recognized stock exchange during the 26 weeks preceding the Relevant Date or
 - b) The average of the weekly high and low of the closing prices of the Equity Shares quoted on a recognized stock exchange during the 2 weeks preceding the Relevant Date;
4. The "Relevant date" for determining the issue price of the Equity Shares shall be Tuesday 27th August, 2013 being the date which is 30 days prior to the date of Shareholders resolution i.e. Friday 27th September, 2013.
5. "Stock Exchange" for this purpose shall mean BSE being the stock exchange on which the highest trading volume in respect of the shares of the Company has been recorded during the preceding six months prior to the Relevant Date. The Company's shares are listed only on The Bombay Stock Exchange.
6. The price at which the preferential issue is being made at Rs. 10/- (Rupees Ten only) per Equity Share and the same complies with the above pricing mechanism.

- D. Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them consequent to the preferential issue.**

Sr. No.	Identity of proposed allottee	Pre issue shareholding of proposed allottee	Maximum number of Equity Shares proposed to be issued to the allottee	Post issue shareholding on a fully diluted basis
1	Mr. Sumish S. Mody	335830	1,50,000	485830

- E. Information about the proposed Investor:**

Mr. Sumish S. Mody, Managing Director, is one of the promoters of the Company.

- F. Intention of Promoters / Directors / Key Management Persons to subscribe to the offer:**

None of the Directors / Promoters / Key Management Persons intends to subscribe to the offer, except as disclosed.

- G. Pre-issue and Post-issue Shareholding Pattern of the Company:**

Sr. No.	Category of Shareholders	Shareholding Before Preferential Allotment (as on 30.06.2013)		Shareholding After Preferential Allotment	
		No. of Equity Share Held	%	No. of Equity Share Held	%
(A)	Promoter and Promoter Group				
1	Indian	1714942	40.01	1864942	42.04
2	Foreign				
3	Bodies Corporate	282500	6.59	282500	6.37
	Sub Total (A)	1997442	46.60	2147442	48.41
(B)	Public Shareholding				
1	Institutions	600	0.01	600	0.01
(i)	Mutual Funds/ UTI				
(ii)	Financial Institutions/ Banks				
(iii)	Insurance Companies				
(iv)	Foreign institution investors				
(v)	Foreign Venture Capital Investors				
	Sub Total (B1)	600	0.01	600	0.01
2	Non-Institutions				
(i)	Bodies Corporate	257939	6.02	257939	5.82
(iii)	NRIs	4813	0.11	4813	0.11
(iv)	Others	2025106	47.26	2025106	45.65
	Sub Total (B2)	2287858	53.39	2287858	51.58
	Total Public Shareholding Sub – Total B (B1+B2)	2288458	53.40	2288458	51.59
	Total Shareholding :	4285900	100	4435900	100

H. Proposed time within which the allotment shall be completed:

The Issue Shares shall be allotted within a period of 15 days from the date of passing of the resolution provided that if the approval or permission by any regulatory authority for allotment is pending, the period of fifteen days shall be counted from the date of such approval or permission as the case may be.

I. Lock in:

The Equity Shares being allotted on preferential basis under the SEBI ICDR Regulations shall be locked in for period of 3 years from the date of allotment.

As per Regulation 78(6) of the SEBI ICDR Regulations, the entire pre preferential allotment shareholding of the allottees, if any, shall be locked in from the relevant date upto a period of six months from the date of preferential allotment.

J. Auditors Certificate:

The certificate of the Statutory Auditors to the effect that the present preferential offer is being made in accordance with the requirements contained in Chapter VII of the SEBI (ICDR) Regulations, 2009 shall be placed before the shareholders at the meeting and will be open for inspection at the Registered office of the Company on all working days except Saturdays and Sundays between 10.00 a.m. to 12.30 p.m. prior to the date of the Annual General Meeting and will also be available for inspection at the Meeting.

K. Approval under the Companies Act, 1956:

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by a further issue and allotment of shares, such shares shall be first allotted to the existing shareholders of the Company in the manner laid down in the said Section, unless the shareholders decide otherwise in General Meeting by way of Special Resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 81 and all other applicable provisions of the Companies Act, 1956, SEBI Guidelines and the Provisions of the Listing Agreement with the Stock Exchange for authorizing the Board to offer, issue and allot Equity Shares as stated in the resolution, which would result in further issuance of securities of the Company to the Selected Group of Persons on a Preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

The Board of Directors recommends the passing of this resolution as a Special Resolution as set out in Item No. 4 of the Notice.

No Director, other than Mr. Sumish Mody and Mrs. Asha Mody are interested in the above said resolution. However they may be deemed to be concerned to the extent of change in the percentage of their voting Rights in the post Equity Shareholding in the Company.

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 : 6th August, 2013

DIRECTOR'S REPORT

To,

The Members

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS :

	(₹ in lacs) 31st March, 2013	(₹ in lacs) 31st March, 2012
Net Sales/Income from Operations excluding Excise & Sales Tax	1549.51	823.62
Gross Profit/(Loss) before Depreciation & Interest	2.39	5.48
Less : Depreciation	2.07	1.54
: Interest	30.05	24.01
	32.12	25.55
	34.51	(20.07)
Add (Less): Prior years adjustments	(3.21)	0.15
Net Profit/(Loss) before Tax	37.72	(20.22)
Profit/ (Loss) after Tax	-	-
Add/(Less) Profit /Loss Brought Forward	(286.17)	(265.94)
Balance Carried to Balance Sheet	(248.45)	(286.16)

OPERATIONS :

During the year under review the Company has recorded a total Income of Rs.1549.51Lacs as compared to Rs. 823.62 Lacs for the previous year and Net Profit of Rs.37.72 Lacs for the year as compared to a Loss of Rs.20.22 Lacs in the previous year.

Your Company with the help of in-house research has succeeded in the development of high pressure evaporators producing low pressure steam. Such evaporators have already been installed in the plant and as a result of this the Company will be able to achieve the targeted production and also lower the cost of production. It will now be possible to manufacture upto 100% of the Capacity.

As a result of all these factors the turnover and profitability will be improved and barring unforeseen circumstances your Directors are optimistic about the current year. With this the Company is totally compliant with the water pollution norms as 'zero' discharge as per the Gujarat Pollution Control Board

DIVIDEND :

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

PREFERENTIAL ISSUE OF SHARES:

During the year under review the Company has issued 2,00,000 equity shares of Rs. 10/- at par on preferential basis to a promoter Company to fund the business expansion. As a result of this preferential issue the paid up Equity Share Capital has been increased to Rs. 428,59,000/-

The aforesaid shares have been listed on the BSE. In this connection your Directors inform you that the relevant Date for the purpose of calculating the price of the preferential Issue was taken as 1st February, 2013, as directed by the Stock Exchange instead of 5th February, 2013 as proposed by the Company.

DIRECTORATE :

Mrs. Asha Mody retires by rotation and being eligible offers herself 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".

COMPLIANCE CERTIFICATE :

The Compliance Certificate dated 6th August, 2013 in terms of Section 383 A of the Companies Act, 1956 issued by Mrs. Grishma Khandwala, Company Secretary in Whole time practice is attached.

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

ASHA S.MODY
DIRECTOR

SUMISH S. MODY
MANAGING DIRECTOR

Place : Mumbai

Dated : 29th May, 2013