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VIDHI DYESTUFFS MANUFACTURING LIMITED

**8th Annual
Report
2000 - 2001**



VIDHI DYESTUFFS MANUFACTURING LIMITED
EIGHT ANNUAL REPORT 2000 - 2001

BOARD OF DIRECTORS

| | | |
|--|---|---|
| DIRECTORS | : | SHRI BIPIN M. MANEK <i>Chairman & Managing Director</i> |
| | : | SHRI NARESH L. MODI <i>Joint Managing Director</i> |
| | : | SMT. PRAVINA B. MANEK |
| | : | SMT. ALKA N. MODI |
| | : | SHRI VIJAY K. ATRE |
| | : | DR. PREMNATH PANDIT |
| AUDITORS | : | M/s. BHUTA SHAH & CO. <i>Chartered Accountants</i> |
| BANKERS | : | VIJAYA BANK BANK OF INDIA |
| REGISTERED OFFICE | : | 51, ABHISHEK, 303/307, SAMUEL STREET, MUMBAI - 400 003. |
| ADMINISTRATIVE OFFICE | : | E/27, COMMERCE CENTRE, 78, TARDEO ROAD, MUMBAI - 400 034. |
| FACTORY | : | 59-B, MIDC, DHATAV, ROHA, DIST. RAIGAD, MAHARASHTRA. |
| CORPORATE ADVISORS | : | M/s. MIHIR SHAH & ASSOCIATES <i>Chartered Accountants</i> |
| REGISTER & SHARE TRANSFER AGENT | : | DYNAMIC SUPERWAYS & EXPORTS LTD. RAINBOW PALACE, I.C. COLONY, CROSS ROAD NO. 5, BORIVLI (W), MUMBAI - 400 103. TEL. : 891 8257/893 7793. |

Vidhi Dyestuffs Manufacturing Limited**NOTICE**

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of the Members of VIDHI DYESTUFFS MANUFACTURING LIMITED will be held at the Corporate Office of the Company at "E/27, COMMERCE CENTRE, TARDEO ROAD, MUMBAI - 400034, on SATURDAY the 29TH SEPTEMBER, 2001 AT 5.00 P.M. to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and the Profit and Loss Account of the Company for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To approve the interim dividends declared and paid by The Board of Directors.
3. To appoint a Director in place of Smt PRAVINA B MANEK who retires by rotation under the Articles of Association of the Company but being eligible, offers herself for reappointment.
4. To appoint a Director in place of Smt ALKA N MODI who retires by rotation under the Articles of Association of the Company but being eligible, offers herself for reappointment.
5. To appoint Auditors and to fix their remuneration.

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF AND THAT A PROXY NEED NOT BE A MEMBER.**
2. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the meeting.
3. Register of Members and Share Transfer Books will remain closed from Saturday 22nd September 2001 to Saturday, the 29th September, 2001 (both days inclusive).
4. Members are requested to :
 - (i) Immediately intimate change of address, if any, to the Company quoting reference to their Registered Folio Number.
 - (ii) Write to the Company for any information about accounts at least 10 days in advance of the Annual General Meeting.
5. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
6. As per the provisions of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the shares held by them. Nomination forms can be obtained from the Company's Registered Office.
7. Shareholders/Investors are hereby informed that after the amendment of the Companies Act, 1956 w.e.f. 31.10.1998, the Company will be obliged to transfer any money lying in Share Application Refund Account and the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Refund Account/Unpaid Dividend Account, to the credit of Investor Education and Protection Fund ("the Fund") to be established by the Central Government. In accordance with Section 205C of the Act, no claim shall lie against the Company or Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.
8. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the Meeting.

By order of the Board
For VIDHI DYESTUFFS MANUFACTURING LIMITED

Place : Mumbai.

Date : 30th June, 2001

BIPIN M MANEK
Chairman & Managing Director

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

| Name of the Director | Smt Pravina B Manek | Smt Alka N Modi |
|--|---------------------|--------------------|
| Date of Birth | 29-Feb-1956 | 8-May-1960 |
| Expertise in specific Functional areas | Company Management | Company Management |
| Qualifications | B.A. | B.COM |
| List of Public Companies in which outside/ Directorship held as on 31st March, 2001 | None | None |
| Chairman/Member of the Board of the Public Companies on which he/she is a Director as on 31st March, 2001. | None | None |

Eighth Annual Report 2000 - 2001**DIRECTORS' REPORT**

To,
The Members,
VIDHI DYESTUFFS MANUFACTURING LIMITED

Your Directors have pleasure in presenting the Eighth Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2001.

FINANCIAL RESULTS :-

| | Current Year Rs. in lakhs | Previous Year Rs. in lakhs |
|--|--|---|
| Profit for the year before providing for Interest and Depreciation | 322.41 | 269.89 |
| Less: Interest | 41.82 | 18.57 |
| Depreciation | 55.06 | 36.85 |
| Profit before tax | 225.53 | 214.47 |
| Provision for tax | 8.50 | 8.70 |
| Profit after tax : | 217.03 | 205.77 |
| Add / (Less) : Prior Period Adjustment. | 4.83 | (0.08) |
| Add: Profit brought forward from Previous year | 286.53 | 80.84 |
| Amount available for appropriation | 508.39 | 286.53 |
| APPROPRIATIONS : | | |
| INTERIM DIVIDENDS | 99.88 | — |
| CORPORATE DIVIDEND TAX | 16.93 | — |
| TRANSFER TO GENERAL RESERVE | 21.70 | — |
| BALANCE CARRIED TO BALANCE SHEET | 369.88 | 286.53 |

DIVIDEND :

Your Directors have already declared 1st interim dividend at Rs 1/- per share on 29th May, 2000 and 2nd interim dividend at Rs. 1/- per share on 19th March, 2001 amounting to a total dividend of Rs. 2/- per share each for the year ended 31st March, 2001. Your directors are of the opinion that in view of the global slowdown and your company striving to maintain a consistent dividend in future, no final dividend should be declared.

REVIEW OF OPERATIONS :

The company has successfully commissioned the plant with enhanced capacity in May 2000. Inspite of the global slowdown resulting in cut throat competition in international markets and the volatility in the price of raw materials your company has been able to report a satisfactory performance. The company continues to concentrate on exports catering to the requirements of its international customers.

A) PRODUCTION & SALES :

During the year under review the Company has achieved a turnover of Rs. 1268.50 lacs as compared to 1060.41 lacs. The production during the year was at 462.45 M.T. as compared to 348.01 M.T. in the earlier year.

B) NET PROFIT

Profit after tax has increased marginally to Rs. 217.03 lakhs from Rs.205.77 lakhs in the earlier year. The volatility in the prices of raw materials coupled with increase in the cost of utilities and the cut throat competition in markets both national and international has led to reduction in sales realizations resulting in the fall in Net Profit.

PROSPECTS :**US FDA**

The manufacturing unit of your company has been inspected by US Foods and Drugs Administration in May 2001. The Inspecting Agency of the US FDA has found the same satisfactory.

Vidhi Dyestuffs Manufacturing Limited

Your directors are evolving various strategies to reduce costs and increase sales realizations. The company is concentrating on developing various specialized products catering to the requirements of international customers. The products are being well accepted by them and are also being well accepted in international markets. Your directors are confident that with this two pronged approach, the company would be able to achieve its growth targets.

The operations for the first three months of 2001-02 is in line with the targets set by your Directors and the Company has sold 126.23 M.T. of Food Colours achieving a turnover of Rs. 371.94 Lakhs indicating the past trend of growth both in value and volume terms.

Your directors are confident that barring unforeseen circumstances, the company would do better during the current year.

DIRECTORATE :

Smt Pravina B Manek and Smt Alka N Modi retire by rotation at the ensuing Annual General Meeting . Being eligible, offer themselves, for reappointment as Directors. Your Directors recommend their reappointment.

CORPORATE GOVERNANCE :

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, the Company is in the process of implementation of various measures of Corporate Governance. As per the schedule of implementation, the Company has to comply with the same within Financial Year 2002-2003.

PARTICULARS OF THE EMPLOYEES :

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

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

The information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report to the Board of Directors) Rules, 1988 is given in Annexure forming part of this report.

POLLUTION CONTROL :

The Company has taken steps to control pollution of effluents, dust and emission from chimneys etc. Samples are periodically drawn and reports are submitted to Pollution Control Board to ensure compliance with the standard.

INSURANCE :

All the properties and insurable interest of the Company including Buildings, Plant and Machinery are adequately insured.

DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Section 217 of the Companies Act, the Directors hereby confirm that:

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

INDUSTRIAL RELATIONS :

The Management's efforts are always directed towards developing harmonious working relationship with all cadres of employees. The relation between the employees and the Management have remained cordial during the year.

AUDITORS AND AUDITORS' REPORT :

M/s. Bhuta Shah & Co., Chartered Accountants, as Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment.

The notes to the accounts are referred to in the Auditor's Report are self explanatory and, therefore, do not call for any further comments.

ACKNOWLEDGEMENT :

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from SICOM, Bankers and Shareholders of the Company during the year under review. The Directors also wish to place on record their deep sense of appreciation displayed by all the employees at all levels resulting in the successful performance during the year.

By order of the Board

For **VIDHI DYESTUFFS MANUFACTURING LIMITED**

Place : Mumbai.

Date : 30th June, 2001.

BIPIN M MANEK

Chairman & Managing Director

Eighth Annual Report 2000 - 2001**ANNEXURE TO THE DIRECTORS' REPORT**

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

1. CONSERVATION OF ENERGY :**A. Details of Power and Fuel consumption :**

| | | | Current Year | Previous Year |
|------------------------|---|----------------|-------------------------|--------------------------|
| a. Electricity | | | | |
| Purchased and consumed | : | UNITS | 8,58,880 | 6,45,820 |
| | : | TOTAL AMOUNT | 34,98,173 | 28,39,309 |
| | : | RATE PER UNIT | 4.07 | 4.40 |
| b. LDO / Furnace Oil | : | LITRES | 6,40,280 | 4,84,350 |
| | : | TOTAL AMOUNT | 65,08,211 | 51,58,917 |
| | : | RATE PER LITRE | 10.16 | 10.65 |

B. Details of consumption per Unit of Production :

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| | | | | |
|-------------|---|--------|------|------|
| Electricity | : | UNITS | 1.85 | 1.86 |
| LDO | : | LITRES | 1.38 | 1.39 |

2. FOREIGN EXCHANGE EARNINGS AND OUTGO :

| | | (Rs. In Lakhs) |
|---------------------------------|--|----------------|
| FOB VALUE OF EXPORTS | | 1003.33 |
| EXPENDITURE IN FOREIGN EXCHANGE | | 28.59 |

On behalf of the Board of Directors

Place : Mumbai
Dated : 30th June, 2001

BIPIN MANEK
Chairman & Managing Director