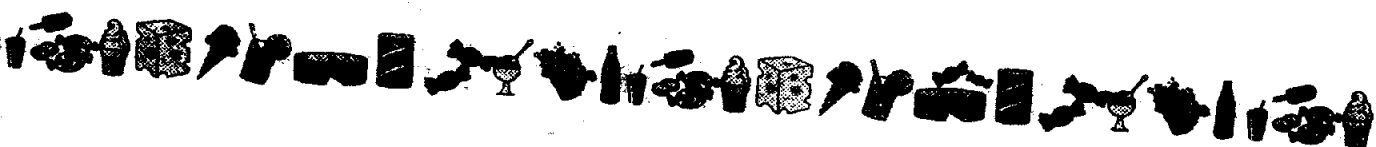




Report  Junction.com

**Vidhi Dyestuffs Manufacturing Limited**

**9TH** Annual  
Report  
2001 - 2002





**VIDHI DYESTUFFS MANUFACTURING LIMITED  
NINETH ANNUAL REPORT 2001 - 2002**

**BOARD OF DIRECTORS**

<b>DIRECTORS</b>	:	SHRI BIPIN M. MANEK <i>Chairman &amp; 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
<b>AUDITORS</b>	:	M/s. BHUTA SHAH & CO. <i>Chartered Accountants</i>
<b>BANKERS</b>	:	VIJAYA BANK BANK OF INDIA
<b>REGISTERED OFFICE</b>	:	51, ABHISHEK, 303/307, SAMUEL STREET, MUMBAI - 400 003.
<b>ADMINISTRATIVE OFFICE</b>	:	E/27, COMMERCE CENTRE, 78, TARDEO ROAD, MUMBAI - 400 034.
<b>FACTORY</b>	:	59-B, MIDC, DHATAV, ROHA, DIST. RAIGAD, MAHARASHTRA.
<b>CORPORATE ADVISORS</b>	:	M/s. MIHIR SHAH & ASSOCIATES <i>Chartered Accountants</i>
<b>REGISTER &amp; SHARE TRANSFER AGENT</b>	:	DYNAMIC SUPERWAYS & EXPORTS LTD. RAINBOW PALACE, I.C. COLONY, CROSS ROAD NO. 5, BORIVLI (W), MUMBAI - 400 103. TEL. : 391 8257/893 7793.



**VIDHI DYESTUFFS MANUFACTURING LIMITED****NOTICE**

NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting of VIDHI DYESTUFFS MANUFACTURING LIMITED will be held on MONDAY the 30TH SEPTEMBER, 2002 at 5.00 p.m. at E/27, Commerce Centre, Tardeo Road, Mumbai - 400034 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 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 dividend declared and paid by the Board of Directors.
3. To appoint a Director in place of Mr. Vijay K. Atre, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Premnath Pandit, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS:**

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as may from time to time be amended or replaced, the Company in General Meeting hereby empowers the Board of Directors to vary the terms of payment of remuneration of Mr. Bipin M. Manek, Managing Director of the Company as statutorily permissible under the amended provisions of the Companies Act as applicable from time to time.

The Board of Directors may alter and vary said terms of remuneration, commission and perquisites in such manner as may be agreed to between the Board of Directors and Mr. Bipin M. Manek but in conformity with law as may be from time to time be in force."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary and desirable to give effect to the foregoing resolution."

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the companies Act, 1956 as may from time to time be amended or replaced, the Company in General Meeting hereby empowers the Board of Directors to vary the terms of payment of remuneration of Mr. Naresh L. Modi, Joint Managing Director of the Company as statutorily permissible under the amended provisions of the Companies Act as applicable from time to time.

The Board of Directors may alter and vary said terms of remuneration, commission and perquisites in such manner as may be agreed to between the Board of Directors and Mr. Naresh L. Modi but in conformity with law as may be from time to time be in force."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary and desirable to give effect to the foregoing resolution."

**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. The Proxy, in order to be effective, must be received by the Company not less

than 48 hours before the commencement of the Meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 23rd September, 2002 to Monday, the 30th September, 2002 (both days inclusive).
3. 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.
4. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
5. The Members are requested to dematerialise their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode in the Stock Exchanges.
6. As per the provisions of the Companies Act, 1956 facility for making nominations is available for shareholders in respect of the physical shares held by them. Nomination forms can be obtained from the Company's Registered Office.
7. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2001 and 31st March, 2002, are requested to make their claims to the Company accordingly, without any delay.
8. In case if any share application money refund warrants have not been encashed, then the claims thereof should be made to the company, without delay.
9. 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

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

Place : Mumbai,  
Dated: 29th June, 2002

**ANNEXURE TO THE NOTICE**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

**ITEM NO. 6**

Mr. Bipin M. Manek was appointed as the Managing Director of the Company for a period of five years with effect from 1st of November, 1999 on the basis of the resolution passed by the Members of the Company at the Annual General Meeting held on 30th September, 2000. Thereafter, the Central Government has modified the provisions relating to the appointment of managerial personnel of a public limited company by scaling up the permissible remuneration in Schedule XIII. The terms of appointment of Mr. Bipin M. Manek were on the basis of the scale of remuneration, allowances and benefits as applicable to the Managing Director of a limited company at the time when the appointment was made. In view of the modification in the provisions relating to the appointment of managerial personnel and the provisions relating to payment of remuneration to them, it is proposed to modify the terms of appointment of Mr. Bipin M. Manek in so far as they apply to the payment of remuneration, commission and other benefits to the same extent as he would be eligible under Schedule XIII to the Act.

Authority is being delegated to the Board of Directors of the company to fix the remuneration of Mr. Bipin M. Manek within the limits as may be prescribed from time to time by the Government in regard to the payment



of remuneration to the managerial personnel and the provisions relating to payment of remuneration to them, it is proposed to modify the terms of appointment of Mr. Bipin M. Manek in so far as they apply to the payment of remuneration, commission and other benefits to the same extent as the would be eligible under schedule XIII to the Act.

Authority is being delegated to the Board of Directors of the company to fix the remuneration of Mr. Bipin M. Manek within the limits as may be prescribed from time to time by the Government in regard to the payment of remuneration to the managerial personnel. As per the existing scale of remuneration Mr. Bipin M. Manek is eligible upto the following scale of remuneration :

1. PERIOD OF APPOINTMENT:

5 Years from 1st November, 1999

2. REMUNERATION:

The Managing Director is at present entitled to remuneration upto the maximum as may be permitted under Schedule XIII of the Companies Act, 1956 or any modifications or re-enactment thereof as in force for the period under the agreement or on the basis of such other law/modification as may be permissible or applicable, so however the total remuneration shall not exceed a salary of Rs. 50,000/- per month and applicable perquisites and commission of 2% on the net profit. The monthly salary is proposed to be increased to Rs. 1,25,000/- as permitted under Schedule XIII. The commission and perquisites remaining unchanged.

3. OVERALL LIMIT:

The remuneration referred to in Clause 2 hereof is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% on the remuneration of all the Managing Directors of the Company.

4. In the event of absence or inadequacy of profits during the aforesaid period, the remuneration to the Managing Director by way of salary, dearness allowance, perquisites and other allowances shall be restricted to the ceiling prescribed in Section II of Part II of Schedule XIII.

5. He shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committee thereof.

6. OTHER FACILITIES:

He will be eligible for all other facilities including perquisites, privileges and amenities as may be applicable from time to time to the Senior Management Cadre Executives of the Company.

Your Directors recommend the Resolution for your approval. Except for Shri Bipin M. Manek, Smt. Pravina B. Manek, Shri Naresh L. Modi and Smt. Alka N. Modi, none of the Directors are interested in the Resolution.

This Explanatory Statement together with Resolution under serial No 6 to be accompanying Notice is and should be treated as Abstract under Section 302 of the Companies Act, 1956.

ITEM NO. 7

Mr. Naresh L. Modi was appointed as the Joint Managing Director of the Company for a period of five years with effect from 1st of November, 1999 on the basis of the resolution passed by the Members of the Company at the Annual General Meeting held on 30th September, 2000. Thereafter, the Central Government has modified the provisions relating to the appointment of managerial personnel of a public limited company by scaling up the permissible remuneration in Schedule XIII. The terms of appointment of Mr. Naresh L. Modi were on the basis of the scale of remuneration, allowances and benefits as applicable to the Joint Managing Director of a limited company at the time when the appointment

was made. In view of the modification in the provisions relating to the appointment of managerial personnel and the provisions relating to payment of remuneration to them, it is proposed to modify the terms of appointment of Mr. Naresh L. Modi in so far as they apply to the payment of remuneration, commission and other benefits to the same extent as he would be eligible under Schedule XIII to the Act.

Authority is being delegated to the Board of Directors of the company to fix the remuneration of Mr. Naresh L. Modi within the limits as may be prescribed from time to time by the Government in regard to the payment of remuneration to the managerial personnel and the provisions relating to payment of remuneration to them, it is proposed to modify the terms of appointment of Mr. Naresh L. Modi in so far as they apply to the payment of remuneration, commission and other benefits to the same extent as the would be eligible under schedule XIII to the Act.

1. PERIOD OF APPOINTMENT:

5 Years from 1st November, 1999

2. REMUNERATION:

The Joint Managing Director is at present entitled to remuneration upto the maximum as may be permitted under Schedule XIII of the Companies Act, 1956 or any modifications or re-enactment thereof as in force for the period under the agreement or on the basis of such other law/modification as may be permissible or applicable, so however the total remuneration shall not exceed a salary of Rs. 50,000/- per month and applicable perquisites and commission of 2% on the net profit. The monthly salary is proposed to be increased to Rs. 1,25,000/- as permitted under Schedule XIII. The commission and perquisites remaining unchanged.

3. OVERALL LIMIT:

The remuneration referred to in Clause 2 hereof is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% on the remuneration of all the Joint Managing Directors of the Company.

4. In the event of absence or inadequacy of profits during the aforesaid period, the remuneration to the Joint Managing Director by way of salary, dearness allowance, perquisites and other allowances shall be restricted to the ceiling prescribed in Section II of Part II of Schedule XIII.

5. He shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committee thereof.

6. OTHER FACILITIES:

He will be eligible for all other facilities including perquisites, privileges and amenities as may be applicable from time to time to the Senior Management Cadre Executives of the Company.

Your Directors recommend the Resolution for your approval. Except for Shri Naresh L. Modi, Smt Alka N. Modi, Shri Bipin M. Manek and Smt. Pravina B. Manek, none of the Directors are interested in the Resolution.

This Explanatory Statement together with Resolutions under serial No 6 and 7 to be accompanying Notice is and should be treated as Abstract under Section 302 of the Companies Act, 1956.

By Order of the Board  
For Vidhi Dyestuffs Manufacturing Limited

Bipin M. Manek  
Chairman & Managing Director

Place : Mumbai,  
Dated: 29th June, 2002



**VIDHI DYESTUFFS MANUFACTURING LIMITED****DIRECTORS' REPORT**

To,

The Members,

**VIDHI DYESTUFFS MANUFACTURING LIMITED**

Your Directors have pleasure in presenting 9th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2002.

**FINANCIAL RESULTS:**

	Current Year Rs. In Lakhs	Previous Year Rs. In Lakhs
Profit/(Loss) for the year before providing for Depreciation	389.07	280.59
Less: Depreciation	61.99	55.06
Profit/(Loss) after Depreciation	327.08	225.53
Less: Provision for Taxation	27.29	8.50
Prior Period Adjustments	0.80	4.83
Profit/(Loss) after Tax	300.59	221.86
Less/Add: (Loss)/ Profit brought forward from previous year	369.88	286.53
	670.47	508.39
<b>APPROPRIATIONS :</b>		
Interim Dividends	137.35	99.88
Corporate Dividends Tax	14.01	16.93
Transfer to General Reserve	29.98	21.70
Balance Profit Carried to Balance Sheet	489.13	369.88
<b>TOTAL</b>	<b>670.47</b>	<b>508.39</b>

**DIVIDEND:**

Your Directors have already declared 1st interim dividend at Rs. 1.25 per share on 26th November, 2001 and 2nd interim dividend at Rs. 1.50 per share on 19th March, 2002 amounting to a total dividend of Rs. 2.75 per share each for the year ended 31st March, 2002. In order to conserve resources, your directors do not recommend any final dividend for the year.

**OPERATIONS:**

During the year under review your Company has achieved a turnover of Rs. 17.93 Crores compared to Rs. 12.69 Crores in the earlier year registering a growth of 41.29%.

During the year under review your Company has earned a net profit of Rs. 3.27 crores as compared to Rs. 2.25 crores in the earlier year registering a growth of 45.33%.

The Company has manufactured 627 tons of Food colours against 462 tons in the earlier year.

On account of the well patronized customers and persistent marketing efforts, the company was able to utilise the capacity to the extent of 90% as compared to 66% in the earlier year. Your Company continues to maintain its lead position in export of Food Colours.. This has resulted in economies of scale and your company has been able to earn higher profits.

In the current year, there are continuous orders flowing in from international customers due to the continuous efforts of the marketing team and your Directors are of the opinion that better utilisation of capacity can be expected with still better results.

**DIRECTORATE:**

Shri Vijay K. Atre and Shri Premnath Pandit retires at the ensuing Annual General Meeting. Being eligible, offer himself, for reappointment as Director. 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 and stocks are adequately insured.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the Directors have prepared the Annual Accounts on a going concern basis.

**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 wish to place on record their appreciation for the continued support received from shareholders, financial institutions and bankers of the Company. The Directors also wish to record their appreciation of the employees at all levels for their unstinted efforts and contribution to the growth of the Company.

By order of the Board  
For Vidhi Dyestuffs Manufacturing Limited

Place: Mumbai  
Dated: 29th June, 2002

Bipin M. Manek  
Chairman & Managing Director

**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	12,65,326	8,58,880
	TOTAL AMOUNT	48,76,620	34,98,173
	RATE PER UNIT	3.85	4.07
b. LDO / Furnace Oil	LITRES	7,48,370	6,40,280
	TOTAL AMOUNT	65,21,041	65,08,211
	RATE PER LITRE	8.71	10.16

**B. Details of consumption per Unit of Production :**

PER KILO OF DYES			
Electricity	UNITS	2.01	1.85
LDO / Furnace Oil	LITRES	1.19	1.38

**2. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

	(Rs. in Lakhs)
FOB VALUE OF EXPORTS	1551.23
EXPENDITURE IN FOREIGN EXCHANGE	34.35
	1003.33
	28.59

On behalf of the Board of Directors

Place : Mumbai  
Dated : 29th June, 2002

BIPIN M. MANEK  
Chairman & Managing Director



To The Members of.

We have audited the attached Balance Sheet of M/s. Vidhi Dyestuffs Manufacturing Limited, as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

**We report as follows:**

- 1) As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board, in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 & 5 of the said Order.
- 2) Further to our comments in the Annexure referred to in paragraph 1 above :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of the written representations received from the Directors as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2002 from being appointed as Director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002 ; and
    - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date.

For **Bhuta Shah & Co.**  
*Chartered Accountants*

**S. J. Parmar**  
*Partner*

Mumbai, 29th June.2002

## ANNEXURE TO THE AUDITORS REPORT

ANNEXURE referred to in paragraph (1) of our report of even date on the Accounts for the year ended 31st March 2002 of VIDHI DYESTUFFS MANUFACTURING LIMITED.

1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The fixed assets of the company have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on verification.
2. None of the fixed assets have been revalued during the year.
3. The stock of finished goods, stores, spare parts and raw materials of the company have been physically verified by the management at reasonable intervals.
4. In our opinion and according to the information and explanations given to us, the procedures of verification of stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.