



Vidhi Dyestuffs Manufacturing Limited

**17TH Annual
Report
2009 - 2010**





**VIDHI DYESTUFFS MANUFACTURING LIMITED
SEVENTEENTH ANNUAL REPORT 2009 - 2010**

BOARD OF DIRECTORS

DIRECTORS	:	MR. BIPIN M. MANEK <i>Chairman & Managing Director</i>
	:	MR. NARESH L. MODI (resigned w.e.f. 27 th April 2010)
	:	MRS. PRAVINA B. MANEK
	:	MR. VIJAY K. ATRE
	:	MR. PRAFULCHANDRAA. SHAH
	:	MR. CHETAN P. BAVISHI
	:	MR. NIREN D. DESAI
	:	MR. MIHIR B. MANEK
AUDITORS	:	M/s. BHUTA SHAH & CO. <i>Chartered Accountants</i>
BANKERS	:	VIJAYA BANK BANK OF INDIA
REGISTERED OFFICE	:	E/27, COMMERCE CENTRE, 78, TARDEO ROAD, MUMBAI - 400 034.
FACTORY	:	59-B, MIDC, DHATAV, ROHA, DIST. RAIGAD, MAHARASHTRA.
REGISTRAR & SHARE TRANSFER AGENT	:	SHAREX DYNAMIC (INDIA) PVT. LTD. BRANCH OFFICE : UNIT 1, LUTHRA INDUSTRIAL PREMISES, ANDHERI KURLA ROAD, SAFEED POOL, ANDHERI (EAST), MUMBAI - 400 072. TEL. NO. : 2851 5606 / 5644



NOTICE

To,

The Members

VIDHI DYESTUFFS MANUFACTURING LIMITED

Notice is hereby given that the **Seventeenth Annual General Meeting** of the Shareholders of **VIDHI DYESTUFFS MANUFACTURING LIMITED** will be held on Thursday, the 9th September 2010 at 5.30 P.M. at E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at the 31st March 2010 and the Profit & Loss Account of the Company for the year ended on that date, together with the Report of Directors and the Auditors thereon.
2. To re-appoint Mrs. Pravina B.Manek as Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To re-appoint Mr. Chetan P. Bavishi as Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the provisions of the Companies Act, 1956 and such other approvals and sanctions as may be necessary, Mr. Mihir B.Manek be and is hereby appointed as the Joint Managing Director of the Company for a period of five years with effect from 15th July 2010, not liable to retire by rotation, so long as he holds office as the Joint Managing Director on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the draft of the Agreement (the particulars of which are enumerated in the Explanatory Statement Annexed to the Notice), placed before this Meeting and initialed by the Chairman for the purpose of identification, which agreement hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement and that the Board of Directors of the Company be and is hereby authorized to enter into an Agreement with Mr. Mihir B.Manek in terms of the said draft of the Agreement with such modifications as may be agreed to and acceptable to the Board of Directors and to Mr. Mihir B.Manek."

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

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 and other applicable Acts, if any, the Company shall pay Guarantee Commission @ 0.75% per annum to Mr. Bipin M. Manek, the Managing Director of the Company, on the amount of personal guarantee given by him to the Bank for securing repayment of the Working Capital Facility and various other financial assistances availed by the Company.

RESOLVED FURTHER THAT the draft Guarantee Commission Agreement to be executed with the Managing Director, including the terms and conditions of the payment of Guarantee Commission as placed before this meeting and initialed by the Independent Directors for the purpose of identification be and is hereby approved.

RESOLVED FURTHER THAT any Independent Director of the Company be and is hereby authorized to sign and execute the said agreement for and on behalf of the Company.

RESOLVED FURTHER THAT any Director of the Company be and is hereby authorized to digitally sign the e-form 23 to be filed with the Registrar of Companies, Mumbai and to comply with all the needful formalities in this regard.

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 Tuesday, the 31st August 2010 to Tuesday, the 7th September 2010 (both days inclusive).
3. An explanatory statement pursuant to Section 173 of the Companies Act, 1956, relating to Item No. 5 and 6 is annexed hereto.
4. Members are requested to:
 - (i) Immediately intimate change of address, if any, to the Company/Registrar and Share Transfer Agent quoting reference to their Registered Folio Number.
 - (ii) Members are requested to send all share transfer lodgments (Physical mode) / correspondence to the Registrar and Share Transfer Agent at the following address upto the date of book closure:

M/s Sharex Dynamic (India) Private Limited

Unit No. 1, Luthra Ind. Premises, Andheri-Kurla Road, Safed Pool,

Andheri (East), Mumbai- 400 072 Tel No: 2851 5606, 2851 5644 Fax No: 2851 2885



VIDHI DYESTUFFS MANUFACTURING LIMITED

- (iii) Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31st March 2010, so as to enable the Company to keep the information ready.
- (iv) Quote Registered Folio Number or DP ID/ Client ID in all the correspondence.
- (v) Furnish bank account details to the R&TA / Depository Participant to prevent fraudulent encashment of dividend warrants.
5. Members/Proxies should bring the attendance slips sent herewith duly filled in, for attending the Meeting.
6. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode in the Stock Exchanges.
7. 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.
8. Consequent upon amendment to Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of refund pertaining to share application money out of public issue remaining unpaid or unclaimed for a period of seven years from the date of transfer to Refund Account of the Company has been transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.
- Members who have not yet encased their dividend warrant(s) for the financial year ended 31st March 2003, 31st March 2004 and 31st March 2005 are requested to make their claims to the Company accordingly, without any delay.
9. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company / Share Transfer Agents along with the relevant Share Certificates for consolidation of such Folios in one Folio.
10. Mrs.Pravina B. Manek and Mr.Chetan P. Bavishi, Directors retires by rotation, being eligible, offer themselves for re-appointment. Mr. Mihir Manek, Whole-time Director has been appointed as the Joint Managing Director of the Company. The particulars of appointment and re-appointment of Directors are given in the Annexure to the Notice and the Corporate Governance Section of the Annual Report.
11. 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
Date: 15th July, 2010

Annexure to Item Nos. 2, 3 and 5 of the Notice

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (in pursuance of revised Clause 49 of the Listing Agreement).

Name of the Director	Pravina B. Manek	Chetan P. Bavishi	Mihir B. Manek
Date of Birth	29 th February, 1956	29 th February, 1960	8 th March, 1982
Date of Appointment on the Board	19 th January, 1994.	6 th January 2003	31 st July 2006
Qualifications	B.A.	B.Com.	B.Sc.
Experience	15 years of rich experience in the Business of food colour.	25 years of rich experience in the business of Iron & Steel Industry.	5 years of experience in the business of procurement of imported raw materials and distribution of various chemicals
Shareholding in the Company	1,55,33,667	NIL	NIL
List of Directorships held in other Companies	NIL	NIL	Arjun Food Colorants Mfg. Private Limited
Committee Membership	Vidhi Dyestuffs Mfgs. Ltd. (Member of Audit Committee, Remuneration Committee and Chairperson of Share Transfer cum Shareholders/Investors Grievance Committee)	Vidhi Dyestuffs Mfgs. Ltd. (Member of Share Transfer cum Shareholders/Investors Grievance Committee)	Vidhi Dyestuffs Mfgs. Ltd. (Member of Audit Committee)

For Vidhi Dyestuffs Manufacturing Limited

Bipin M. Manek
Chairman & Managing Director

Place: - Mumbai
Date: - 15th July, 2010



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 5**

The Board of Directors at their Meeting held on the 15th July 2010 has appointed Mr. Mihir Manek as the Joint Managing Director of the Company for a period for 5 years with effect from 15th July 2010 on the terms and condition mention herein below, subject to the approval of the members and subject to all other necessary approvals/sanctions.

On recommendation of the Remuneration Committee, the Board of Directors of the Company, on 15th July 2010, unanimously approved the appointment of Mr. Mihir B. Manek as the Joint Managing Director pursuant to the provisions of Section 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the Act'), for a period of five years with effect from 15th July 2010, not liable to retire by rotation, so long as he holds office as the Joint Managing Director on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as set out in the draft Agreement, which is available for inspection of members at the registered office of the Company on all working days during the business hour of the Company, which agreement hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement.

Mr. Mihir B. Manek was appointed as the Whole-time Director of the Company with effect from 31st July 2006 and approval of members was obtained in the Annual General Meeting held on 30th September 2006. Mr. Mihir B. Manek is a B. Sc. in Industrial Chemistry. He is well versed with the task of new product development and other Research & Development activities, current process validation, and inventory management of the Company. He has taken up the task for enhancing the Brand Name of the Company by promoting the products of the Company via different advertising media and creating new customers & markets for the Company

The Board considers that the services of Mr. Mihir B. Manek as the Joint Managing Director of the Company will be valuable for the growth of the Company.

The terms and conditions for the appointment of Mr. Mihir B. Manek as the Joint Managing Director are mentioned below:

1. PERIOD OF APPOINTMENT:

5 Years with effect from 15th July 2010.

2. REMUNERATION:

The Joint Managing Director shall be 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/modifications as may be permissible or applicable, so however, at present the Board has approved the total remuneration of not exceeding a salary of Rs.1,25,000/- per month and applicable perquisites and commission of 2% on the net profit of the Company subject to the review of Remuneration Committee from time to time.

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

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 to the overall limit of 10% on the remuneration of all the Managing Directors of the Company.

4. OTHER FACILITIES:

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

The draft agreement for appointment of Mr. Mihir B. Manek as the Joint Managing Director is available for inspection of members at the registered office of the Company on all working days during the business hours of the Company.

Your Directors recommend the Resolution for your approval to be passed as the Special Resolution.

None of the Directors except Mr. Bipin M. Manek being father, Mrs. Pravina B. Manek being mother and Mr. Mihir B. Manek, himself are interested in the Resolution.

Copies of the relevant resolutions passed by the Board of Directors and other relevant documents relating to the aforesaid appointment of Mr. Mihir B. Manek are available for inspection by the Members of the Company during business hours on any working day of the Company.

Information pursuant to Clause 49IV(G)(i) of the Listing Agreement have been annexed to the Notice.

This Explanatory Statement together with Resolution under Item No. 5 in the accompanying Notice is and should be treated as abstract and memorandum of concern or interest under Section 302 of the Companies Act, 1956.

ITEM NO. 6:

The Board in its meeting held on 27th May, 2010 has approved the payment of Guarantee Commission @ 0.75% per annum to Mr. Bipin M. Manek, the Managing Director of the Company, on the amount of personal guarantee given by him to Vijaya Bank Ltd. for securing repayment of Working Capital Facility taken by the Company amounting to Rs.15,00,00,000/- (Rupees Fifteen Crores Only) .

The draft agreement for payment of Guarantee Commission to Mr. Bipin M. Manek, Managing Director of the Company, is available for inspection of members at the registered office of the Company on all working days during the business hours of the Company.

Your Directors recommend the Resolution for your approval to be passed as a Special Resolution.

None of the Directors except Mr. Mihir B. Manek being son, Mrs. Pravina B. Manek being wife and Mr. Bipin M. Manek, himself are interested in the Resolution.

By Order of the Board
For Vidhi Dyestuffs Manufacturing Limited

Bipin M. Manek
Chairman & Managing Director

Place: - Mumbai
Date: 15th July, 2010



VIDHI DYESTUFFS MANUFACTURING LIMITED

DIRECTORS' REPORT

To,
The Members,

VIDHI DYESTUFFS MANUFACTURING LIMITED

Your Directors have pleasure in presenting 17th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March 2010.

FINANCIAL RESULTS

	Current Year 2009-10 Rupees Lakhs	Previous year 2008-09 Rupees Lakhs
Profit for the year before providing for Depreciation		
Depreciation	546.65	347.53
Less : Depreciation	99.52	96.09
Profit after Depreciation	447.13	251.44
Less : Provision for Taxation		
Current Year	175.13	104.64
Earlier year	2.95	6.25
Deferred Tax	(16.24)	(21.71)
	161.84	89.18
Profit After Tax	285.29	162.26
Add : Profit brought forward from Previous year	1,289.21	1,126.95
	1,574.50	1,289.21
APPROPRIATION :		
Interim Dividend	-	-
Corporate Dividend Tax	-	-
Transfer to General Reserve	-	-
Balance Profit Carried to Balance Sheet	1,574.50	1,289.21

OPERATIONS:

During the year under review your Company has achieved a turnover of Rs.7113.88 Lakhs as compared to Rs.3928.94 Lakhs of previous year registering a growth of 81.06%. The net profit after tax has also gone up from Rs. 162.26 Lakhs to Rs. 285.29 Lakhs recorded an increase of 75.82% as compared to previous year.

The Company has manufactured 1083.285 M. Tons of Food colors against 994.147 M. Tons in the previous year.

Your Company has increased its export market share as well local sales on account of persistent marketing efforts.

Your Company is currently undergoing an expansion doubling its production capacity in the 1st phase, the new production facility is scheduled to come in production in September 2010.

Your Directors assure to strive for a bright future for your Company.

DIVIDEND:

In order to conserve resources, your Directors do not recommend any dividend for the year 2009-2010.

DIRECTORS:-

In accordance with the requirements of the Companies Act, 1956 and Articles of Association of the Company:

Mrs. Pravina B. Manek retires at the ensuing Annual General Meeting and being eligible, offers herself, for re-appointment as a Director.

Mr. Chetan P. Bavishi retires at the ensuing Annual General Meeting and being eligible, offers himself, for reappointment as a Director.

Your Directors recommend their reappointment as Directors.

Mr. Naresh Modi, Non-Executive Director has resigned from the Board with effect from 27th April 2010 due to his pre-occupation. The Board places on record its appreciation for the valuable services and guidance given by Mr. Naresh Modi to the Company during his tenure as the Director of the Company.

Mr. Mihir Manek has been appointed as the Joint Managing Director of the Company with effect from 15th July 2010. Mr. Mihir Manek is a B.Sc. in Industrial Chemistry. He is well versed with the task of new product development and other Research & Development activities, current process validation, and inventory management of the Company. He has taken up the task for enhancing the Brand Name of the Company by promoting the products of the Company via different advertising media and creating new customers & markets for the Company. He is also entrusted with the import/ export management of the Company. Your Directors recommend his appointment as Joint Managing Director of the Company.



The particulars of the Directors to be appointed or re-appointed are given in the Annexure to the Notice and Corporate Governance Section of this Annual Report.

CORPORATE GOVERNANCE:

As per the Listing Agreement with the Stock Exchanges, the Company has successfully implemented and complied with all the requirements and disclosures of the Code of Corporate Governance as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A report on Corporate Governance as stated above, along with a Certificate from the Statutory Auditors confirming compliance of the conditions of Corporate Governance is attached to the Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as mandated under the Code of Corporate Governance, is enclosed as a part of the Annual Report.

AUDITORS:

M/s. Bhuta Shah & Co, Chartered Accountants, Auditors, Mumbai of the Company having Firm Registration No. 101474W, retire at the ensuing Annual General Meeting however, being eligible, offer themselves for re-appointment as the Statutory Auditors of the Company at remuneration to be decided by the Board of Directors. The Company has received a letter from them to that effect that their re-appointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956

AUDITORS REPORT:

There are no qualifications contained in the Auditor's Report and therefore no further explanation is required to be provided.

The notes to the accounts are referred in the auditors report are also self - explanatory and, therefore do not call for any further comments.

COMPLIANCE CERTIFICATE:

The Board of Directors appointed M/s. Hemanshu Kapadia & Associates, Company Secretary in Whole-time Practice, to inspect the books, registers and records of the Company and to report us whether the Company has complied with all the provisions of the Companies Act, 1956. The Compliance Certificate u/s 383A of the Companies Act, 1956, received from M/s. Hemanshu Kapadia & Associates is attached herewith.

POSTAL BALLOT:

During the financial year 2009-2010, the Company has passed ordinary resolutions through postal ballot for increasing the borrowing limits of the Company and authorization for mortgage of assets of the Company.

During the financial year 2010-11, the Company has passed special resolution for the alteration of the main object of the Company to diversify its business activities to undertake construction and realty business activity in addition to current main object of the Company.

FIXED DEPOSIT:

The Company has not accepted Fixed Deposits from public during the year under review.

PARTICULARS OF THE EMPLOYEES:

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

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

The information as per Section 217 (1) (e) 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 is environment conscious and the products manufactured by the Company require the consent from Maharashtra Pollution Control Board (MPCB) for manufacturing. The Company's plant situated at Roha has provided full-fledge facilities to control pollution under Water Act and Air Act. Your Company has taken necessary approval and consent from the MPCB. Further your Company is also member of Common Effluent Treatment Plant (CETP), which is situated at Roha.

INSURANCE:

All the properties and insurable interest of the Company are adequately insured.

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the confirmation and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956.

- 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 judgment 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.

ACKNOWLEDGEMENTS:

Your Director takes this opportunity to place on record their deep sense of gratitude and appreciation to the Banks, Financial Institution, Central and State Government Authorities for their guidance and support. Your Directors are also grateful to the customers, suppliers and business associates of the Company for their continued co- operation and support. Your Directors also wish to record their appreciation for the employees for their commitment, dedication and hard work put by them at all levels in contributing to the Company's growth. Your Directors are also deeply grateful to the shareholders of the Company for their confidence shown in them.

For and on behalf of the Board

Bipin M. Manek
Chairman & Managing Director

Place: Mumbai

Dated: 15th July, 2010



VIDHI DYESTUFFS MANUFACTURING LIMITED

ANNEXURE TO THE DIRECTORS REPORT

Disclosure of particulars with respect to conservation of energy, technology absorption, adaptation, innovation 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	17,44,774	15,91,169
	: TOTALAMOUNT	92,32,840	77,91,160
	: RATE PER UNIT	5.30	4.90
b. Furnace Oil	: LITRES	1,74,960	1,67,148
	: TOTALAMOUNT	40,15,794	37,69,502
	: RATE PER LITRE	22.95	22.55
c. Coal	: KILOGRAM	18,80,980	17,82,221
	: TOTALAMOUNT	76,06,344	78,11,484
	: RATE PER KGS.	4.04	4.38
B) Details of consumption per unit of production			
PER KILO OF DYES			
Electricity	: UNITS	1.61	1.60
Energy Charges:- (Furnace Oil / Coal)	: LITRES / KILOGRAM	1.90	1.96

2) TECHNICAL ABSORPTION, ADAPTATION & INNOVATION :

1. No technology has been imported by the Company.
2. Efforts are being made to further improve quality of the products.
The Company strives to achieve innovations in its operations.

3) FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company's total exports sales during the year under review have amounted to Rs.40.95 Crores.

(Rs. In Lakhs)

FOB VALUE OF EXPORTS	3721.62	3368.33
EXPENDITURE IN FOREIGN EXCHANGE	3768.52	1248.12

For and on behalf of the Board

Place: Mumbai
Dated: 15th July,2010

Bipin M. Manek
Chairman & Managing Director



COMPLIANCE CERTIFICATE

CIN of the Company: L24110MH1994PLC076156

Nominal Capital: Rs. 6,00,00,000/-

To
The Members,
VIDHI DYESTUFFS MANUFACTURING LIMITED
E-27, Commerce Centre,
78, Tardeo Road,
Mumbai - 400 034

We have examined the registers, records books and papers of **Vidhi Dyestuffs Manufacturing Limited** as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, within the time prescribed/with additional fees under the Companies Act, 1956 and the rules made thereunder. However no forms or returns were required to be filed with the Regional Director, Central Government, Company Law Board or other authorities.
3. The Company being a Public Limited Company comments are not required.
4. The Board of Directors duly met Six (6) times respectively on 20th May 2009, 30th June 2009, 31st July 2009, 30th October 2009, 23rd January 2010 and 29th January 2010 in respect of which meetings, proper notices were given and the proceedings were properly signed and recorded in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members from Wednesday, 23rd September 2009 to Wednesday, 30th September 2009 for the purpose of 16th Annual General Meeting to be held on 30th September 2009 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2009 was held on 30th September 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred in the Section 295 of the Act during the financial year.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificate during the financial year.
13. (i) The Company has delivered the certificate on lodgment thereof for transfer in accordance with the provisions of the Act. However, there was no allotment/ transmission of securities during the financial year under review.
- (ii) The Company was not required to deposit any amount in separate Bank Account as no dividend was declared during the financial year under review.
- (iii) The Company was not required to post warrants to any Member of the Company as no dividend declared during the financial year under review.
- (iv) The Company has transferred unclaimed dividend amount of Rs.50,400/- towards the Investor Education and Protection Fund which has remained unclaimed or unpaid for the period of seven years. Except for the above the Company was not required to transfer any other amount to the Investor Education and Protection Fund as there was no application

money due for refund, matured deposits, matured debentures and the interest accrued thereon.

- (v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancy during the financial year under review.
15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. Since the Company has not issued any Preference Shares or Debentures, there was no redemption of Preference Shares or Debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the Rights to Dividend, Rights Shares and Bonus pending registration of transfer of Shares during the financial year.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed from Banks during the financial year ending 31st March 2010 are within the borrowing limits of the Company and that necessary resolutions as per section 293 (1) (d) of the Act have been passed in duly conducted postal ballot.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the financial year and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share capital of the Company during the year under scrutiny.
30. The Company has not altered its Article of Association during the financial year.
31. There was no prosecution initiated against or show cause notice received by the Company and no fine or penalty or any other punishment was imposed on the Company during the financial year, for offence under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For Hemanshu Kapadia & Associates

Hemanshu Kapadia

C. P. No.: 2285

Place: Mumbai

Date: 15th July 2010**Annexure A****Registers as maintained by the Company****Statutory Registers**

1. Register of Members u/s 150 (maintained by RTA)
2. Register of Beneficial Owners u/s 152A
3. Register of Charge u/s 143
4. Register of Directors, Managing Director, Manager and Secretary u/s 303
5. Register of Directors Shareholding u/s 307



VIDHI DYESTUFFS MANUFACTURING LIMITED

6. Register of Particulars of Contracts in which Directors are interested u/s 301
7. Register of Application & Allotment u/s 75
8. Books of Minutes of Board & General Meetings u/s 193
9. Books of Accounts u/s 209
10. Register of Share Transfer u/s 108 (maintained by RTA)
11. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960
12. Register of Investment u/s 49(7)

Other Registers

1. Register of Directors' Attendance
2. Register of Shareholders Attendance
3. Register of Proxies
4. Register of Fixed Assets

Note: The Company has not maintained the following registers as it was informed that there were no entries / transactions to be recorded therein:

1. Register of Debenture holders' u/s 152
2. Register of Deposits under Rule 7 of the Companies (Acceptance of Deposits) Rules, 1975
3. Register of Securities Bought Back u/s 77A
4. Foreign Registers of Members or Debenture holders' u/s 157

Annexure B

Forms and Returns filed by the Company with Registrar of Companies during the financial year ending **31st March 2010**.

Sr. No	Form No./ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
1.	Form 1 of INV	205C read with rule 3 of IEPF (Awareness and Protection of Investor) Rules 2001	Deposits to Investor Education and Protection Fund	12-05-2009	Yes	N.A.
2.	Form 20B	159(1)	Annual General Meeting held on 30 th September 2009.	14-11-2009	Yes	N.A.
3.	Form 23AC & 23ACA	220	Financial year ended 31 st March 2009.	30-10-2009	Yes	N.A.
4.	Form 62	---	Submission of documents with Registrar.	28-01-2010	Yes	N.A.
5.	Form 17	138	Satisfaction of Charge	08-02-2010	Yes	N.A.
6.	Form 8	125	Creation of Charge	09-03-2010	No	Yes
7.	Form 23	192	Registration of Resolution and Agreement	19-03-2010	Yes	N.A.

Chief Executive Officer (CEO) / Chief Financial Officer (CFO) Certification

To,

Board of Directors,

Vidhi Dyestuffs Manufacturing Limited

I, Bipin Manek, Managing Director of Vidhi Dyestuffs Manufacturing Limited, to the best of my knowledge and belief certify that:

- a. I have reviewed the Balance sheet and Profit & Loss Account (Consolidated and Stand alone) and all the schedules and notes on accounts, as well as cash flow statements, Directors' Report.
- b. Based on my knowledge & information, these statement do not contain any untrue statement of a material facts or omit to state any material fact necessary to make the statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the statement made.
- c. I accept responsibility for establishing and maintaining internal controls for financial Reporting and I have evaluated the effectiveness of the Internal Control systems of the Company pertaining to Financial Reporting the same have disclosed to the auditors and the Audit Committee. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- d. I have indicated to auditors and Audit Committee that:
 - i. There have no significant changes in internal control over financial reporting during the year under reference;
 - ii. There have been no significant changes in Accounting policies during the year requiring disclosure in the notes to the Financial Statements; and
 - iii. I am not aware of any instance during the year of significant fraud with involvement therein of the Management or an employee having a significant role in the Company's internal control system over Financial Reporting.

For Vidhi Dyestuffs Manufacturing Limited

Place: Mumbai
Dated: 15th July 2010

Bipin M. Manek
Chairman & Managing Director

Declaration regarding Code of Conduct:

Pursuant to Clause 49 I D (ii) of the Listing Agreement

I hereby declare that in compliances with the regulatory requirements and effective implementation of corporate governance practices, the Company has adopted the following codes of governance in accordance with the applicable regulations of Securities and Exchange Board of India: -

- Code of Conduct for prevention of Insider Trading; or regulating the dealings of the Directors and Employees of the Company possessing or likely to possess price sensitive information, in the securities of the Company;
- Code of Conduct for Board of Directors and Senior Management

For Vidhi Dyestuffs Manufacturing Limited

Place: Mumbai
Dated: 15th July 2010

Bipin M. Manek
Chairman & Managing Director

