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VIDHI DYESTUFFS MANUFACTURING LIMITED

**6th Annual
Report
1998-99**

CERTIFIED THAT THIS IS THE
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AS PER TRADE NOTICE No.
95/AM-03 DT 7-12-03.

FOR VIDHI DYESTUFFS MFG. LTD.

DIRECTOR.

SIXTH ANNUAL REPORT 1998-99**BOARD OF DIRECTORS**

DIRECTORS : SHRI BIPIN M. MANEK
Chairman & Managing Director
: SHRI NARESH L. MODI
Joint Managing Director
: SMT. PRAVINA B. MANEK
: SMT. ALKA N. MODI
: SHRI VIJAY K. ATRE
: DR. PREMKUMAR PANDIT

AUDITORS : M/s. BHUTA SHAH & CO.
Chartered Accountants

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. NITIN & MIHIR
Chartered Accountants

VIDHI DYESTUFFS MANUFACTURING LIMITED**NOTICE :**

NOTICE IS HEREBY GIVEN that the 6th Annual General Meeting of the Members of **VIDHI DYESTUFFS MANUFACTURING LIMITED** will be held on Thursday 30th September, 1999 at 3.00 p.m. at E/27, Commerce Centre, Tardeo Road, Mumbai. - 400 034. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account of the Company for the year ended on that date and Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Pravina B. Manek who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Smt. Alka N. Modi who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :**SPECIAL RESOLUTION**

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

"RESOLVED that pursuant to the provisions of section 31 and other applicable provisions, if any, of the Companies Act 1956, the Articles of Association of the Company be and are hereby amended in the manner following.

- a) Re-number the existing Article 50 as Article 50 (a).
- b) Insert the following after the Article 50 (a).

50 (b) Notwithstanding anything contained in Article 50 (a) and / or other Article, a member has a right to nominate one or more persons as his / her nominee(s) to be entitled to the rights and privileges as may be permitted under the law to such member in the event of death of the said member/s subject to the provisions of the Companies Act, 1956 and other applicable laws"

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 23rd September, 1999 to 30th September, 1999 (both days inclusive).
3. Members are requested to
 - I) immediately intimate the change of address, in any, to the company quoting the reference to their Registered Folio no.,
 - II) write to the Company for any information about accounts at least 10 days in advance of the Annual General Meeting.
4. Members / Proxies are requested to bring the copy of their Annual Report along with them and to produce their attendance slip at the entrance of the Meeting Hall.

On behalf of the Board of Directors

BIPIN MANEK
CHAIRMAN & MANAGING DIRECTOR

Dated : 31st May, 1999.
Place : Mumbai

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ANNEXURE TO THE NOTICE

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

ITEM NO: 5.

The newly introduced Sections 109A and 109B of the Companies Act provide for the nomination facility to those investing in the Shares of the Company. It is proposed to amend the Company's Articles of Association to incorporate this feature in the manner stated in the Special Resolution proposed at item No.5 of the accompanying notice. Your Directors recommend passing of this resolution. Directors of the Company may be considered to be interested in the passing of this resolution to the extent of their Shareholdings in the Company.

A copy each of the existing and amended Articles of Association are open for inspection at the Registered Office of the Company on any working day upto and including the date of the Annual General Meeting between 10 a.m and 3 p.m.

On behalf of the Board of Directors

BIPIN MANEK

CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai

Dated : 31st May, 1999.

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VIDHI DYESTUFFS MANUFACTURING LIMITED**DIRECTORS' REPORT**

TO,

The Members,
Vidhi Dyestuffs Manufacturing Limited.
Mumbai.

Your Directors have pleasure in presenting the 6th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March 1999.

FINANCIAL RESULTS:

	Current Year (Rs. Lakhs)	Previous Year (Rs. Lakhs)
Profit for the year before providing for Depreciation and taxation	127.16	19.08
Less : Depreciation	26.43	24.36
Provision for Taxation	5.50	NIL
	31.93	24.36
Profit / (Loss) after tax	95.23	(5.28)
Add : Profit / (Loss) brought forward from previous year	(14.06)	(8.77)
Amount available for appropriation	81.17	(14.05)
Add : Prior Period Adjustment	(0.33)	0.01
	80.84	(14.06)
APPROPRIATION :		
Proposed Dividend	NIL	NIL
Balance carried to Balance Sheet	80.84	(14.06)

DIVIDEND :

Your Directors are of the opinion that the profit is required to be ploughed back into the company, in view of the future expansion and hence do not recommend a dividend for the year.

OPERATIONS:

During the year under review the total commercial production of Food Colours / Synthetic Organic Dyestuffs at the Company's plant at Roha was at 232.16 M.T.

During the year under review, the overall turnover has increased substantially to Rs. 891.58 lakhs as compared to Rs. 289.12 lakhs on account of 76% capacity utilisation and overall robust demand. The Company has earned a cash profit of Rs. 127.16 lakhs.

EXPANSION / FUTURE PROSPECTS :

In the international scenario, there are few countries manufacturing food colours which are based in U.K., USA & Japan. Asian countries like Indonesia, Malaysia, Thailand, Philippines, Korea, Pakistan etc. do not produce these food colours and in fact are always buyers of them. Even China, Taiwan, Russia etc. also do not produce and are buyers in the International Market. In short, the aforesaid three countries are the suppliers to the whole world.

Your Company has an agent/stockist or a bunch of customers in major countries all over the world, and the products of the company have been gradually gaining popularity on account of its assured quality where the company is procuring repetitive orders. Moreover countries manufacturing food colours in the world, are facing a tough time on account of increasing cost of overheads esp. pollution control cost. These manufacturers have slowly started cutting down their production capacity in order to reduce pollution control cost which has resulted in imbalance in the production schedule which has affected their operating margins. Moreover high labour cost is an additional overhead.

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This situation has given a tremendous boost to Indian Manufacturers which again are handful, to install sophisticated plants with modern & computerised testing equipment's to control and match the quality as per the International Standards. Your Company has a very modern plant equipped with the computerised testing equipment's. In fact, Your Company on account of its dedication to quality and customer satisfaction has been able to surpass the quality standards as required by U.S.F.D.A.

In order to establish its presence in the local market, Company introduced its products in August 1998 with a view to sell 20% of the production in the local market by appointing dealers, agents, stockist nation-wide. Only within a period of 3 months, since commencement of commercial production the products received a good response in the local market and presently 20% to 25% production can be sold in the local Market. Due to the above penetration strategy followed by your Company in local as well as international market, the company has been always experiencing tight delivery Schedules and shortfall in quantities to supply even a single month's orders. Hence your Company has decided to expand since its present capacity is totally insufficient to meet the demand and only by doubling the capacity, it will be possible to meet with the increasing demand and servicing of new customers which are inquiring regularly with the increasing popularity of the products.

The Company has already approached Sicom Ltd. / Vijaya Bank for necessary financial assistance to finance the expansion. The expansion is expected to complete before December 1999.

YEAR 2000 CRISIS

Your Company's operations are not critically dependent on any computer hardware or software which would be affected on account of year 2000 crisis.

DIRECTORS :

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION 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 the Annexure forming part of this report.

POLLUTION CONTROL :

The Company has taken steps to control pollution through 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.

PARTICULARS OF THE EMPLOYEES :

There were no employees who have drawn remuneration in excess of Rs. 6,00,000 p.a. or Rs. 50,000 or more p.m. for disclosure as required u/s.217 (2A) of the Companies Act, 1956.

DEPOSITS :

The Company has not accepted any deposits from the public.

INSURANCE :

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

AUDITORS :

The retiring auditors M/s. Bhuta Shah & Co., Chartered Accountants, beings eligible, are recommended for reappointment.

ACKNOWLEDGEMENTS :

The Directors wish to place on record their appreciation of the devoted and efficient services rendered by all employees, staff, workers and Bankers of the Company.

On behalf of the Board of Directors

BIPIN MANEK
CHAIRMAN & MANAGING DIRECTOR

VIDHI DYESTUFFS MANUFACTURING LIMITED**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
1. Electricity			
Purchased and consumed	: UNITS	4,57,840	2,94,622
	: TOTAL AMOUNT	19,65,069	13,76,768
	: RATE PER UNIT	4.29	4.67
2. LDO	: LITRES	3,42,760	2,08,320
	: TOTAL AMOUNT	32,85,144	19,07,749
	: RATE PER LITRE	9.58	9.15

B. Details of Consumption per Unit of Production :**PER KILO OF FOOD COLOURS/DYES :**

Electricity	UNITS	1.97	2.98
LDO	LITRES	1.48	2.11

2. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	(Rs. in Lakhs)	
FOB VALUE OF EXPORTS	711.88	245.06
EXPENDITURE IN FOREIGN EXCHANGE	8.58	9.94

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On behalf of the Board of Directors

BIPIN MANEK
CHAIRMAN & MANAGING DIRECTOR