



VIDHI DYESTUFFS MANUFACTURING LIMITED

**7th Annual
Report
1999-2000**



**VIDHI DYESTUFFS MANUFACTURING LIMITED
SEVENTH ANNUAL REPORT 1999-2000**

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. PREMKUMAR 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 - 400103. TEL.: 8918257 / 8937793.

VIDHI DYESTUFFS MANUFACTURING LIMITED

NOTICE

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of the Members of VIDHI DYESTUFFS MANUFACTURING LIMITED will be held at "E/27, COMMERCE CENTRE, TARDEO ROAD, MUMBAI - 400034, on SATURDAY the 30TH SEPTEMBER, 2000 AT 5.00 P. M. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 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 appoint a Director in place of Shri VIJAY KATRE who retires by rotation under the Articles of Association of the Company but being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri PREMKUMAR PANDIT who retires by rotation under the Articles of Association of the Company but being eligible, offers himself for reappointment.
4. To appoint Auditors 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 an ORDINARY RESOLUTION:

ORDINARY RESOLUTION :

"RESOLVED THAT Shri BIPIN M MANEK be and is hereby re-appointed by the Shareholders in this General Meeting to be the Managing Director of the Company for a period of five years from 1st November, 1999, being not liable to retire by rotation, so long as he holds the office as such Managing Director."

"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, Shri Bipin M Manek be and is hereby re-appointed as the Managing Director of the Company for a period of 5 years with effect from 1st November, 1999 not liable to retire by rotation so long as he holds office as 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 initialled 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 re-appointment and/or agreement and that the Board of Directors of the Company be and is hereby authorised to enter into an Agreement with Shri Bipin M 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 Shri Bipin M Manek."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised 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 an ORDINARY RESOLUTION:

ORDINARY RESOLUTION :

"RESOLVED THAT Shri NARESH L MODI be and is hereby re-appointed by the Shareholders in this General Meeting to be the Joint Managing Director of the Company for a period of five years from 1st November, 1999, being not liable to retire by rotation, so long as he holds the office as such Joint Managing Director."

"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, Shri Naresh L Modi be and is hereby re-appointed as the Joint Managing Director of the Company for a period of 5 years with effect from 1st November, 1999 not liable to retire by rotation so long as he holds office as 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 initialled 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 re-appointment and/or agreement and that the Board of Directors of the Company be and is hereby authorised to enter into an Agreement with Shri Naresh L Modi 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 Shri Naresh L Modi."

"RESOLVED FURTHER THAT the Board of Directors be and are 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:

SEVENTH ANNUAL REPORT 1999-2000**ORDINARY RESOLUTION :**

"RESOLVED THAT pursuant to Article 23 of the Articles of Association of the company, the Board of Directors be and are hereby authorized to forfeit the shares whose allotment money are in arrears as on the date of this Annual General Meeting."

"FURTHER RESOLVED THAT pursuant to Article 27 of the Articles of Association of the Company and Clause 23 (a) of the Listing Agreement with the Stock Exchanges, the Board of Directors be and are hereby authorized to sell the aforesaid forfeited shares to the employees of the company at a face value of Rs. 10/- per share".

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 23rd September 2000 to Saturday, the 30th September, 2000 (both days inclusive).
4. Members are requested to immediately intimate change of address, if any, to the Company quoting reference to their Registered Folio Number.

By order of the Board
For **VIDHI DYESTUFFS MANUFACTURING LIMITED**

BIPIN M. MANEK
CHAIRMAN & MANAGING DIRECTOR.

Place : Mumbai.

Date : 30th June, 2000.

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

The Board of Directors have at their Meeting held on 30th October, 1999 approved the re-appointment of Shri Bipin M Manek as the Managing Director of the Company for a period of 5 years on the terms and conditions mentioned herein below, subject to the approval of the Shareholders and subject to all other necessary approvals/sanctions. Shri Bipin M Manek is presently the Managing Director of the Company and his term of appointment expired on 30th October, 1999. The Board considers that the services of Shri Bipin M Manek continuing as the Managing Director of the Company will be very valuable for the growth of the Company.

The re-appointment of Shri Bipin M Manek as the Managing Director of the Company would be pursuant to the provisions of Section 269 read with Schedule XIII to the Companies Act, 1956.

The Terms and conditions for the re-appointment of Shri Bipin M Manek as the Managing Director are mentioned below:

1. **PERIOD OF APPOINTMENT** : 5 Years from 1st November, 1999
2. **REMUNERATION** :
The 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/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.
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 of Committee thereof.

VIDHI DYESTUFFS MANUFACTURING LIMITED

6. 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.

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 is interested in the Resolution.

This Explanatory Statement together with Resolution under serial No. 5 to the accompanying Notice is and should be treated as abstract under Section 302 of the Companies Act, 1956.

The Draft of the Agreement is open for inspection by the Shareholders at the Registered Office of the Company during the office hours from Saturday, 23rd September 2000 to Friday, the 29th September, 2000 (both days inclusive).

ITEM NO. 6

The Board of Directors have at their Meeting held on 30th October, 1999 approved the re-appointment of Shri Naresh L Modi as the Joint Managing Director of the Company for a period of 5 years on the terms and conditions mentioned herein below, subject to the approval of the Shareholders and subject to all other necessary approvals/sanctions. Shri Naresh L Modi is presently the Joint Managing Director of the Company and his term of appointment expired on 30th October, 1999. The Board considers that the services of Shri Naresh L Modi continuing as the Joint Managing Director of the Company will be very valuable for the growth of the Company.

The re-appointment of Shri Naresh L Modi as the Joint Managing Director of the Company would be pursuant to the provisions of Section 269 read with Schedule XIII to the Companies Act, 1956.

The Terms and conditions for the re-appointment of Shri Naresh L Modi as the Joint Managing Director are mentioned below:

1. **PERIOD OF APPOINTMENT** : 5 Years from 1st November, 1999

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/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.

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 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 of Committee thereof.

6. **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.

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 is interested in the Resolution.

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

The Draft of the Agreement is open for inspection by the Shareholders at the Registered Office of the Company during the office hours from Saturday, 23rd September 2000 to Friday, the 29th September, 2000 (both days inclusive).

Item No 7

The Board of Directors have decided to forfeit the shares in respect of which the allotment money is in arrears and reissue the same at its face value of Rs. 10/- per share to the employees of the company. The above resolution is required to be passed by the Shareholders at their Meeting in pursuance of Clause 23(a) of the Listing Agreement with the Stock Exchanges.

By order of the Board
For VIDHI DYESTUFFS MANUFACTURING LIMITED

BIPIN M MANEK
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai.

Date : 30th June, 2000.

SEVENTH ANNUAL REPORT 1999-2000**DIRECTORS' REPORT**

To,

The Members,

VIDHI DYESTUFFS MANUFACTURING LIMITED

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2000.

FINANCIAL RESULTS:

	Current Year (Rs. Lakhs)	Previous Year (Rs. Lakhs)
Profit for the year before providing for Interest and Depreciation	269.89	151.06
Less: Interest (Net)	18.57	23.90
Depreciation	36.85	26.43
Profit before tax	214.47	100.73
Provision for tax	8.70	5.50
Profit after tax	205.77	95.23
Add: Prior period Adjustment	(0.08)	(0.33)
Add: Profit brought forward from previous year	80.84	(14.06)
Amount available for appropriation	286.53	80.84
APPROPRIATIONS:		
Balance carried to Balance Sheet	286.53	80.84

DIVIDEND:

Your Directors are of the opinion that in view of the enhancement in production capacity there would be additional requirement of funds and hence the profit should be ploughed back into the company and hence do not recommend a dividend for the year ended 31st March 2000.

Looking to the growth during the current year, Your Directors have declared an interim dividend @ 10 % on 29th May 2000 for the financial year 2000-01.

REVIEW OF OPERATIONS:

The company has successfully commissioned the enhanced capacity in May 2000. In spite of competitive markets and the volatility in the price of raw materials the company has been able to report a satisfactory performance. The company is concentrating on exports to meet the needs of international customers.

A) PRODUCTION & SALES:

During the year under review the Company has achieved a turnover of Rs. 1060.41 lacs as compared to 891.58 lacs in last year. The production during the year was at 348.01 M.T. as compared to 232.16 M.T. in the earlier year. In spite of a difficult year for the Indian economy the Company has been able to sustain and has progressed in the creation the infrastructure for enhancing the production capacity from 302 M.T. to 350 M.T.

B) NET PROFIT

Profit after tax has increased by 116% from Rs.95.23 lakhs to Rs.205.77 lakhs. The performance is better as compared to last year. This is mainly due to the cost saving on account of increased production.