

25th

ANNUAL REPORT 2017-2018



VIDHI



COLOURS

You Can Trust For
Your Food



25th Annual Report - 2017 - 18

BOARD OF DIRECTORS

Mr. Bipin M. Manek (DIN: 00416441)
Chairman & Managing Director

Mr. Mihir B. Manek (DIN: 00650613)
Joint Managing Director

Mrs. Pravina B. Manek (DIN: 00416533)
Non-Executive Director

Mr. Vijay K. Atre (DIN: 00416853)
Non-Executive Director

Mr. Prafulchandra A. Shah (DIN: 00417022)
Independent Director

Mr. Chetan P. Bavishi (DIN: 01978410)
Independent Director (resigned w.e.f. 13.06.18)

Mr. Nirenbbhai D. Desai (DIN: 01978382)
Independent Director

Mr. Rahul C. Berde (DIN: 06981981)
Independent Director

Mr. Anil Kumar Dhar (DIN: 01524239)
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Mitesh D. Manek

COMPANY SECRETARY

Ms. Kalika V. Dabholkar
Compliance Officer

STATUTORY AUDITORS

M/s. JMR & Associates
Chartered Accountants

SECRETARIAL AUDITORS

M/s. Hemanshu Kapadia & Associates
Practicing Company Secretary

INTERNAL AUDITORS

M/s. Rahul Gondhiya & Associates
Chartered Accountants

BANKERS

HDFC Bank
Vijaya Bank
HSBC Bank

REGISTRAR & SHARE TRANSFER AGENTS (R & TA):

Sharex Dynamic (India) Private Limited
Unit -1, Luthra Industrial Premises, 1st floor, 44-E,
M. Vasanti Marg, Andheri Kurla Road, Safed Pool,
Andheri (East) Mumbai – 400072.
Tel: 022-2851 5606 / 5644
Fax : 022-28512885
E-mail: sharexindia@vsnl.com

REGISTERED OFFICE:

Vidhi Specialty Food Ingredients Limited
(Formerly known as Vidhi Dyestuffs Manufacturing Limited)
CIN: L24110MH1994PLC076156
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400034
Tel: + 91 22 6140 6666
Fax: + 91 22 2352 1980
E-mail: info@vidhifoods.com
Website: www.vidhifoodcolour.com

CORPORATE OFFICE:

Vidhi Specialty Food Ingredients Limited
(Formerly known as Vidhi Dyestuffs Manufacturing Limited)
E/28 & 29, Commerce Centre,
78, Tardeo Road, Mumbai – 400034
Tel: + 91 22 6140 6615

LOCATIONS OF PLANTS:

Factory I:
Plot No. 59/B, M.I.D.C Dhatav - Roha,
Dist. Raigad, Maharashtra – 402 116

Factory II:
Plot No. 68, M.I.D.C Dhatav - Roha,
Dist. Raigad, Maharashtra – 402 116

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About Us:

Established in 1994, Vidhi Specialty Food Ingredients Limited (Formerly known as 'Vidhi Dyestuffs Manufacturing Limited') ['Vidhi'] is a leading manufacturer of Superior Synthetic and Natural Food Grade Colours; providing customers with world class color solutions in applications of Foods & Beverages, Confectionaries, Pharmaceuticals, Feeds, Cosmetics, Inkjet Inks and Salt Free Colors. Our colors are being distributed and consumed in over 80 countries across 6 continents.

At Vidhi, we have a transcendental combination of highly experienced and young and dynamic force of qualified chemists dedicated towards partnering the efforts of our discerning customers in developing superior colour solutions for their products. A fully equipped & functional laboratory accredited by The Bureau of Indian Standards forms the core of Quality Control Department. Our technical team works closely with the end user, right from the stage of envisioning the product to commercial production and after sales support. Stringent procedures and fail-safe methods of testing are adopted, right from the stage of sampling of all raw materials, in process checks at various stages of the reactions and thorough testing of all finished products is carried out by our team of highly qualified and trained chemists. We share up to date information and news developments, regarding regulatory procedures and new standards being implemented across all global markets thereby securing the interests of our valued customers.

Our manufacturing facilities are spread over an area of 1,76,000 square feet, located in Dhatav Village of Raigad District in the state of Maharashtra - India. Today Vidhi is an ISO 9001:2000, ISO 22000:2005 and HACCP certified company. Our Manufacturing facilities have been audited and found satisfactory by the U.S. FDA. All our products carry HALAL and Kosher certification. Vidhi is steadfastly working towards adoptions of standards like CEDEX and GFSI compliance.

Product Portfolio:

Synthetic Water Soluble Colours: (European Commission & JECFA Approved)

Available in microfine powder, fine plating grade powder & in granular forms.

Aluminum Lakes: (European Commission & JECFA Approved)

Food grade insoluble pigments available in microfine powder form.

FD&C Colours: (U. S. FDA Approved)

Available in microfine powder, fine plating grade powder as well as granular forms.

FD&C Lakes: (U. S. FDA Approved)

Food grade insoluble pigments available in microfine powder form.

D&C Colours: (U. S. FDA Approved)

Available in microfine powder for drug & cosmetic applications.

Blends: (European Commission, JECFA & U. S. FDA Approved)

Useful for acquiring any desired shade.

Co-Blended Lakes & Co-Blended Granules: (European Commission, JECFA & U. S. FDA Approved)

To achieve custom blended shades.

Natural Colours: (European Commission, JECFA & U. S. FDA Approved)

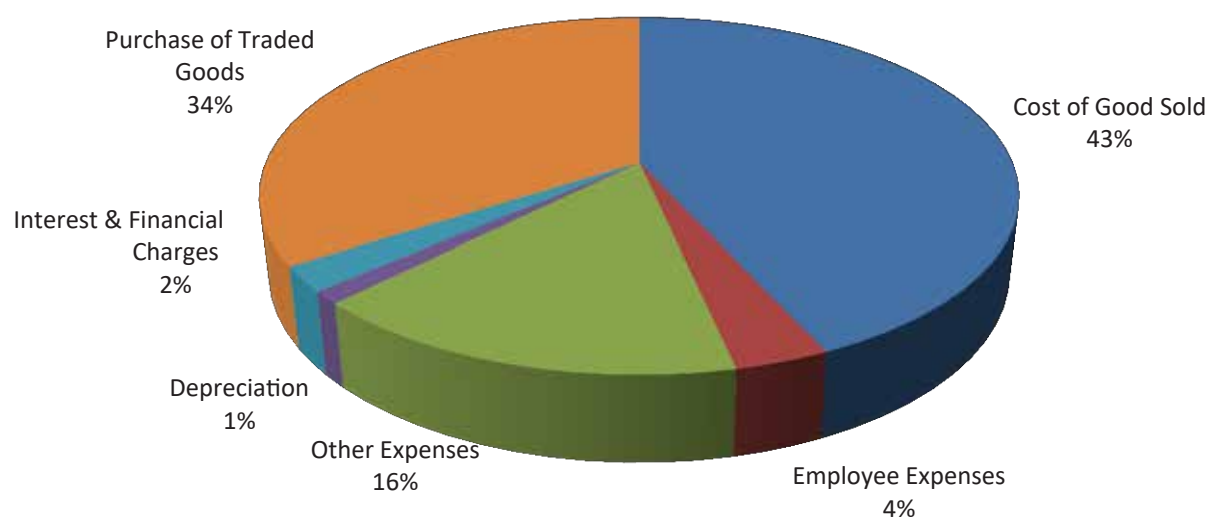
Natural colour formulations tailor made to suit any product applications.

Financial Highlights & Performance

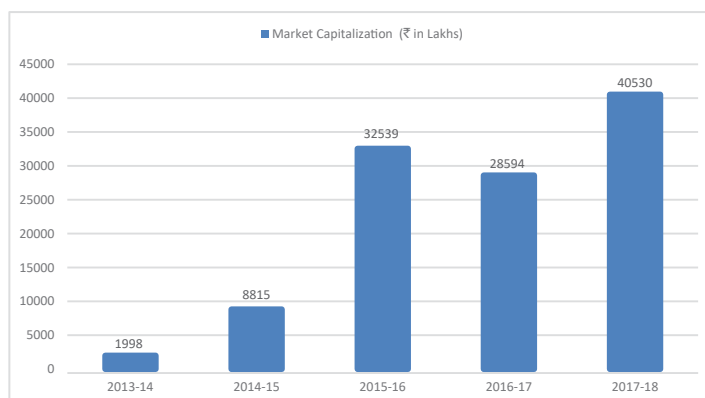
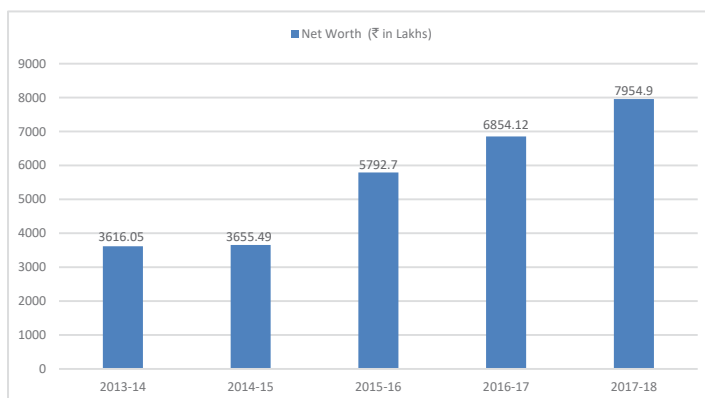
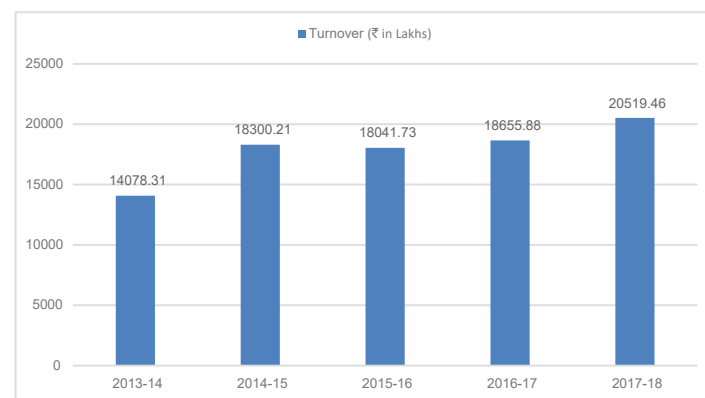
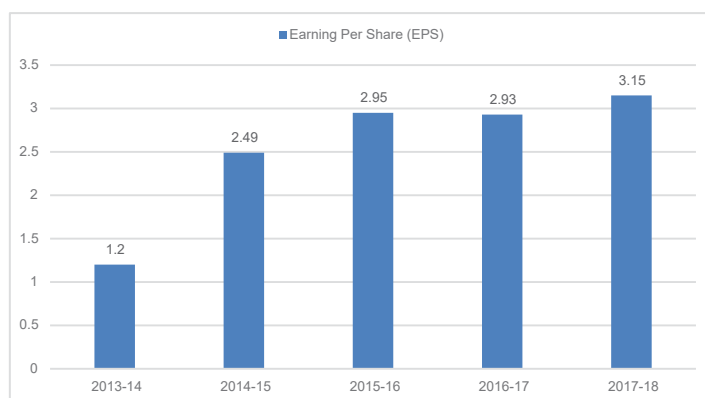
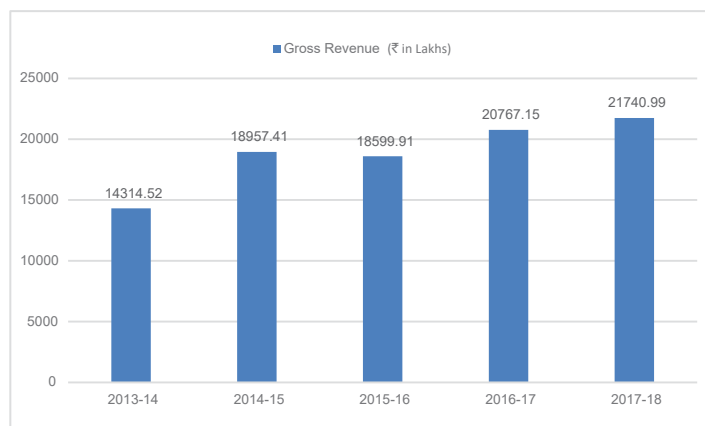
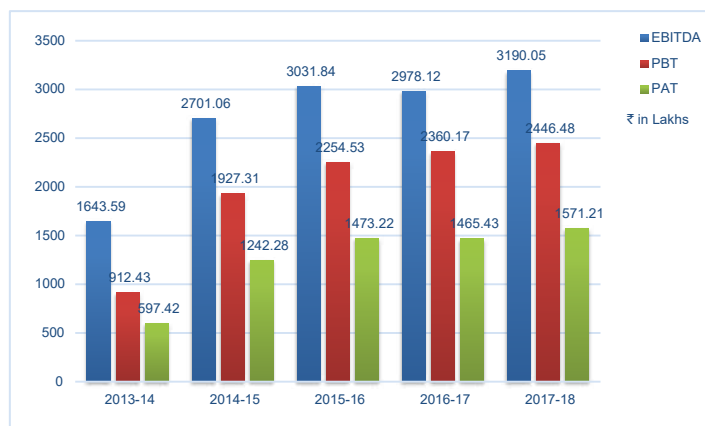
Key Figures

	(₹ in Lakhs)				
Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Results of Operations					
Total Revenue	14,314.52	18,957.41	18,593.49	20,767.15	21,740.99
Earnings before interest, Taxes, Depreciation & Amortisation (EBITDA) & Exceptional Items	1,643.59	2,701.06	3,031.24	2,978.12	3,190.05
Profit/(loss) before Tax	912.43	1,927.31	2,254.53	2,360.17	2,446.48
Net Profit/ (Loss)	597.42	1,242.28	1,473.22	1,465.43	1,571.21
Financial Position					
Equity Share Capital	500.20	500.20	500.20	500.20	500.20
Reserves and Surplus	3,091.66	4,021.82	5,011.34	6,110.10	7,198.25
Net Worth	3,591.86	4,522.02	5,511.54	6,610.30	7,698.45
Earnings per Share (in ₹)	1.19	2.49	2.95	2.93	3.15

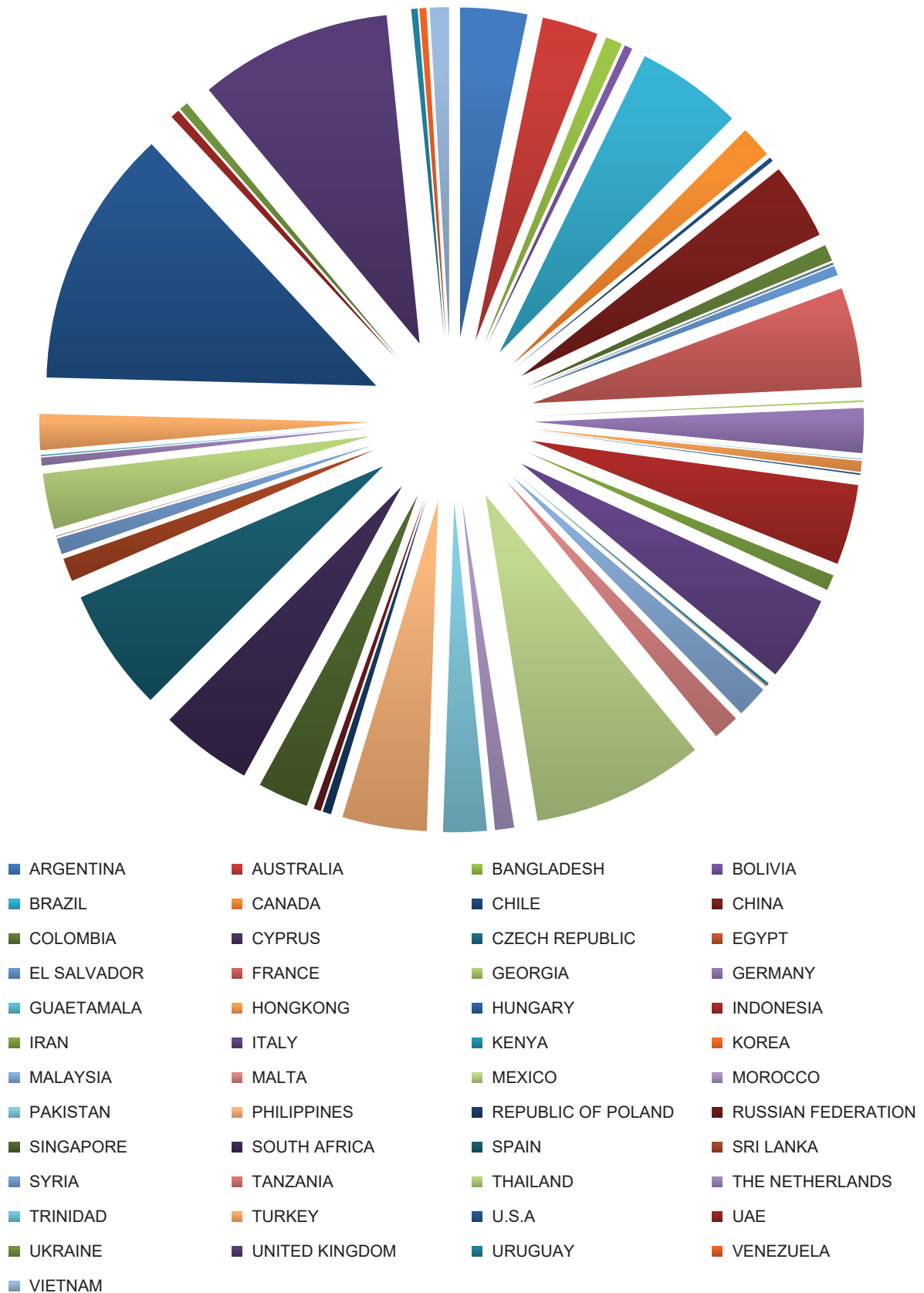
Distribution of Revenue



Performance Indicators



Country wise Break Up In Sales



Message from the Chairman and Managing Director

Dear Shareholders,

World growth strengthened in 2017 to 3.8%, with a rebound in global trade led by advanced economies. India too witnessed growth as government initiatives to revive the economy increased Gross Domestic Product (GDP) in the last two quarters. While most sectors gradually recovered from GST and demonetization, climbing crude oil prices is an area of concern.

In my last year's message, I highlighted how your Company is moving towards a more profitable and sustainable growth. You would be pleased to know that we further expanded our business with sales increasing by 4.91% on a comparable basis (adjusted for GST and Excise) to ₹ 21,700.24 lakhs. To ensure seamless delivery of services and smooth transition for customers, we were ready for GST implementation from day one. In spite of uncertain environment both in India and Global markets, the Company through its leadership excellence, increasing focus on high margin products and support of employees at all levels has managed to deliver good results. Our financial performance continues to improve. Considering the improved operational and financial performance, your Company has recommended a dividend payment of ₹ 0.20/- per equity share of ₹ 1/- each (i.e. 20%) for the financial year 2017-18.

As far as financial year 2018-19 is concerned, Net Profit reflected in Q1 results up by 115.41% as compared to previous year and looking forward to the overall market situation, your Management is expecting to close the financial year on positive note. You will be pleased to note that the Company made further progress during the year in implementing planned key initiatives to better its performance. Manufacturing efficiency and capacity utilisation were improved was enhanced over the previous year.

Although manufacturing efficiency and output improved during 2017-18, there is still a lot to be done to sustain performance. The Company has identified key initiatives to ensure consistency in manufacturing performance and higher capacity utilisation to be achieved throughout the year. At the same time, the Company is exploring investments in new value added product(s) in its chosen areas with relatively low investments so that it does not become highly leveraged.

Moving ahead, we expect to experience a sustained growth in coming years, where our focus will be on improving our profitability levels. We look forward to a great year ahead with increase in yields due to higher margins in domestic sales and exports.

As we look into the future, we would continue our focus on maintaining profitable and sustainable growth. We see that customers and stakeholders are aligning with Companies making advancements towards reducing impact on environment and climate change. This trend will make sustainable chemistry a reality, placing your Company at a strategic advantage. Our sharp focus on customer centricity and digitization will help us continue leading the industry. On behalf of the Board of Directors, I thank you all for your valuable trust and continued support.

With warm regards,



Bipin M. Manek
Chairman and Managing Director

BOARD OF DIRECTORS



Mr. Bipin M. Manek

Executive Chairman & Managing Director

- ♦ One of the Promoters of the Company
- ♦ Actively associated with the Company since its inception
- ♦ Acknowledged as a thought leader in transforming the Company from a small food color manufacturing Company to the Asia's 2nd largest food color manufacturing Company
- ♦ Played a key role in bringing the Company to its present heights
- ♦ A Commerce Graduate
- ♦ Over 32 years of experience in the field of Imports & Exports in food colour industries and Business Management

Mrs. Pravina B. Manek

Woman Director
Non-Executive

- ♦ One of the Promoters of the Company
- ♦ Associated with the Company since its inception
- ♦ An Arts Graduate from University of Mumbai
- ♦ Over 16 years of experience and expertise in food colour business



Mr. Mihir B. Manek

Executive Joint Managing Director

- ♦ A Science Graduate from University of Mumbai with a major in Industrial Chemistry
- ♦ Associated with the Company for more than eleven years
- ♦ Played a significant role in leading multiple initiatives to accelerate production and sales of the Company
- ♦ An experience and expertise in the business of procurement of imported raw materials and distribution of various chemicals for over 12 years

BOARD OF DIRECTORS



Mr. Vijay K. Atre

Director

Non-Executive

- ♦ Holder of Masters Degree in Science from University of Mumbai
- ♦ Over 40 years of rich experience in the field of food colors manufacturing unit
- ♦ Associated with the Company for more than 23 years

Mr. Anil Kumar Dhar

Director

Non-Executive & Independent

- ♦ Former Indian Revenue Service – IRS - Officer with 23 years' experience in the Government of India in senior positions of Customs, Central Excise and Service Tax in Mumbai, Delhi and Bangalore
- ♦ Former Additional Director, DRI Maharashtra and Goa
- ♦ Over 35 years of specialized experience; both in Government and Private Sectors, in the field of Indirect Taxation of which about 10 years in revenue intelligence
- ♦ Msc. (Physics); MBA (Finance) J.Bajaj Institute; MSc. Fiscal studies, Bath University UK
- ♦ Awarded the Presidential Award for SPECIALLY DISTINGUISHED RECORD OF SERVICE in the year 1998
- ♦ Holds Directorship in Chandan Steels Limited as an Independent Director since 2007
- ♦ Appointed as an Independent Director in Manas Properties Limited w.e.f. January 14, 2017



BOARD OF DIRECTORS



Mr. Prafulchandra A. Shah

Director

Non-Executive & Independent

- ♦ An Engineering Graduate in Mechanical and Electricals
- ♦ His areas of strength include industrial Constructions & Project Works
- ♦ Over 58 years of experience in Construction Industry
- ♦ Associated with the Company for more than 15 years

Mr. Nirenbhai D. Desai

Director

Non-Executive & Independent

- ♦ An Engineering Graduate in Mechanicals and Machine Tools
- ♦ Associated with the Company since 2005
- ♦ A dynamic experience of 38 years in the field of Indirect Industrial Hardware & Machine Tools



Mr. Rahul C. Berde

Director

Non-Executive & Independent

- ♦ A Science Graduate from Mumbai University and holds the Masters Degree in Analytical Chemistry
- ♦ Associated with Vidhi Specialty Food Ingredients Limited for 3.5 years
- ♦ Formerly associated with Water's India Limited as a Senior Marketing Manager