

26th

ANNUAL REPORT 2018-2019



VIDHI



COLOURS

You Can Trust For
Your Food

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26th Annual Report - 2018 - 19

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

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

Mr. Ashit K. Doshi (DIN: 08486679)
Additional Independent Director (appointed w.e.f. 20.06.2019)

Mr. Anil Kumar Dhar (DIN: 01524239)
Independent Director (resigned w.e.f. 22.03.19)

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

CHIEF FINANCIAL OFFICER

Mr. Mitesh D. Manek

COMPANY SECRETARY

Ms. Sherry A. Jain
Compliance Officer
(appointed w.e.f. 12.02.2019)
Ms. Kalika V. Dabholkar
Compliance Officer
(resigned w.e.f. 13.11.18)

STATUTORY AUDITORS

M/s. JMR & Associates
Chartered Accountants

SECRETARIAL AUDITORS

M/s. Hemanshu Kapadia & Associates
Practicing Company Secretaries

INTERNAL AUDITORS

M/s. Rohit Gondhiya & Associates
Chartered Accountants

BANKERS

HDFC Bank
Vijaya Bank
HSBC Bank

REGISTRAR & SHARE TRANSFER AGENTS (R & TA):

Sharex Dynamic (India) Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.
Tel: 022- 28515644/5606

REGISTERED OFFICE:

Vidhi Specialty Food Ingredients Limited
CIN: L24110MH1994PLC076156
E/27, Commerce Centre,
78, Tardeo Road, Mumbai - 400034
Tel: + 91 22 6140 6666
Fax: + 91 22 2352 1980
E-mail: mitesh.manek@vidhifoodcolour.com
Website: www.vidhifoodcolour.com

CORPORATE OFFICE:

E/28 & 29, Commerce Centre,
78, Tardeo Road, Mumbai - 400034

LOCATIONS OF PLANTS:

Factory I:

Plot No. 59/B, M.I.D.C Dhatav - Roha,
Dist. Raigad, Maharashtra - 402116

Factory II:

Plot No. 68, M.I.D.C Dhatav - Roha,
Dist. Raigad, Maharashtra - 402116



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.

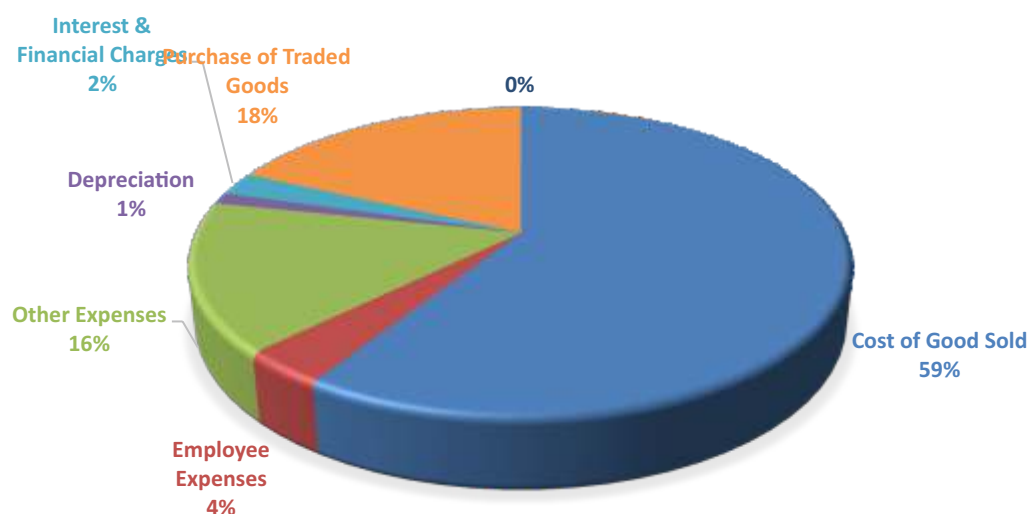


Financial Highlights & Performance

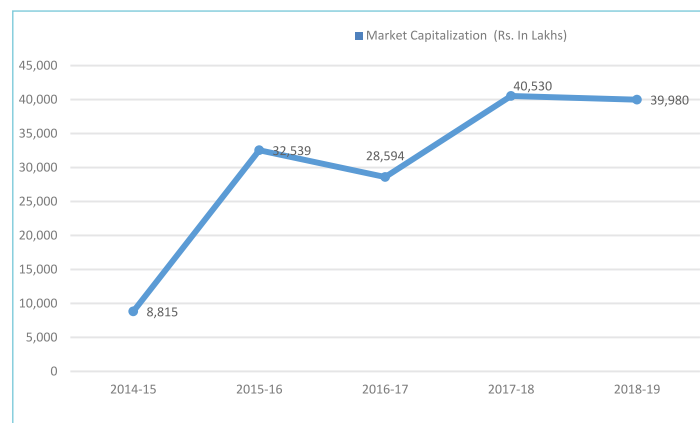
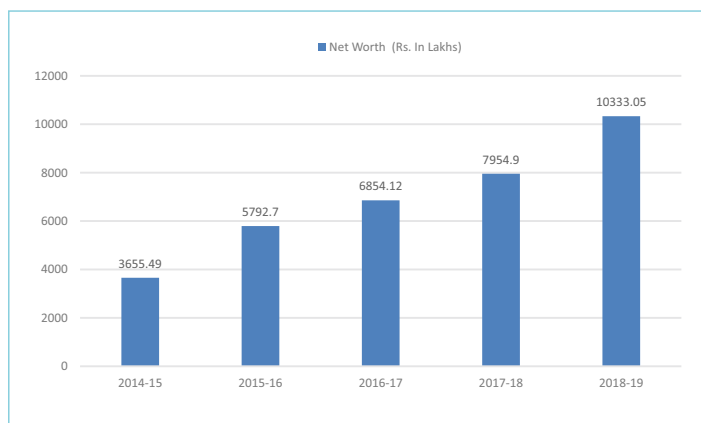
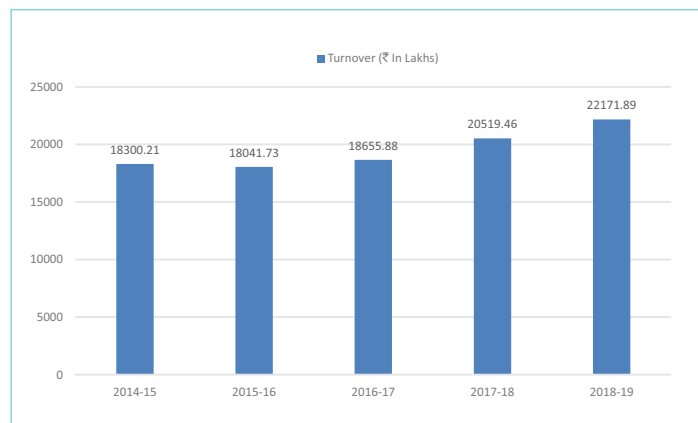
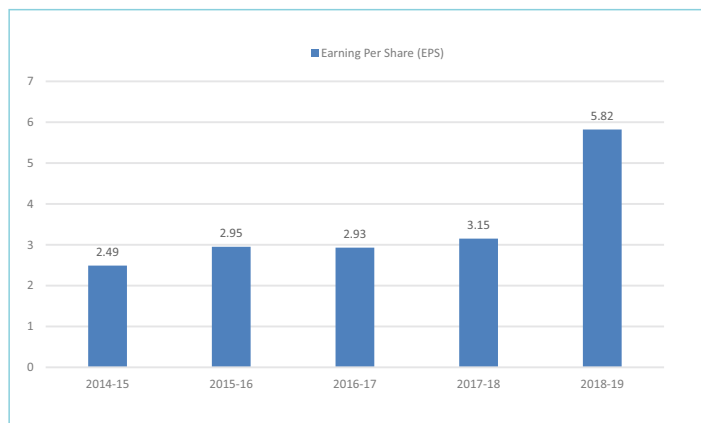
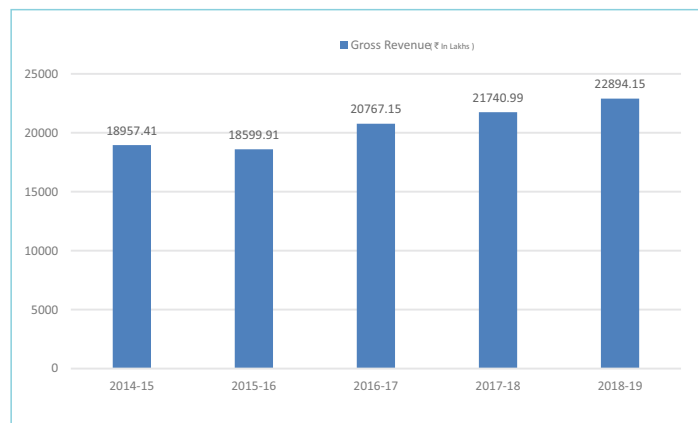
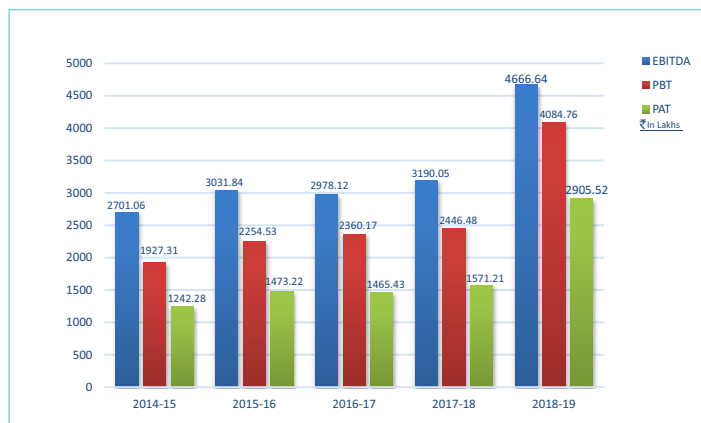
Key Figures

					(₹ in Lakhs)
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Results of Operations					
Total Revenue	18,957.41	18,593.49	20,767.15	21,740.99	22,894.15
Earnings before interest, Taxes, Depreciation & Amortisation (EBITDA) & Exceptional Items	2,701.06	3,031.24	2,978.12	3,190.05	4,666.64
Profit/(loss) before Tax	1,927.31	2,254.53	2,360.17	2,446.48	4,084.76
Net Profit/ (Loss)	1,242.28	1,473.22	1,465.43	1,571.21	2,905.52
Financial Position					
Equity Share Capital	500.20	500.20	500.20	500.20	500.20
Reserves and Surplus	4,021.82	5,011.34	6,110.10	7,198.25	9,599.80
Net Worth	4,522.02	5,511.54	6,610.30	7,698.45	10,100.00
Earnings per Share (in ₹)	2.49	2.95	2.93	3.15	5.82

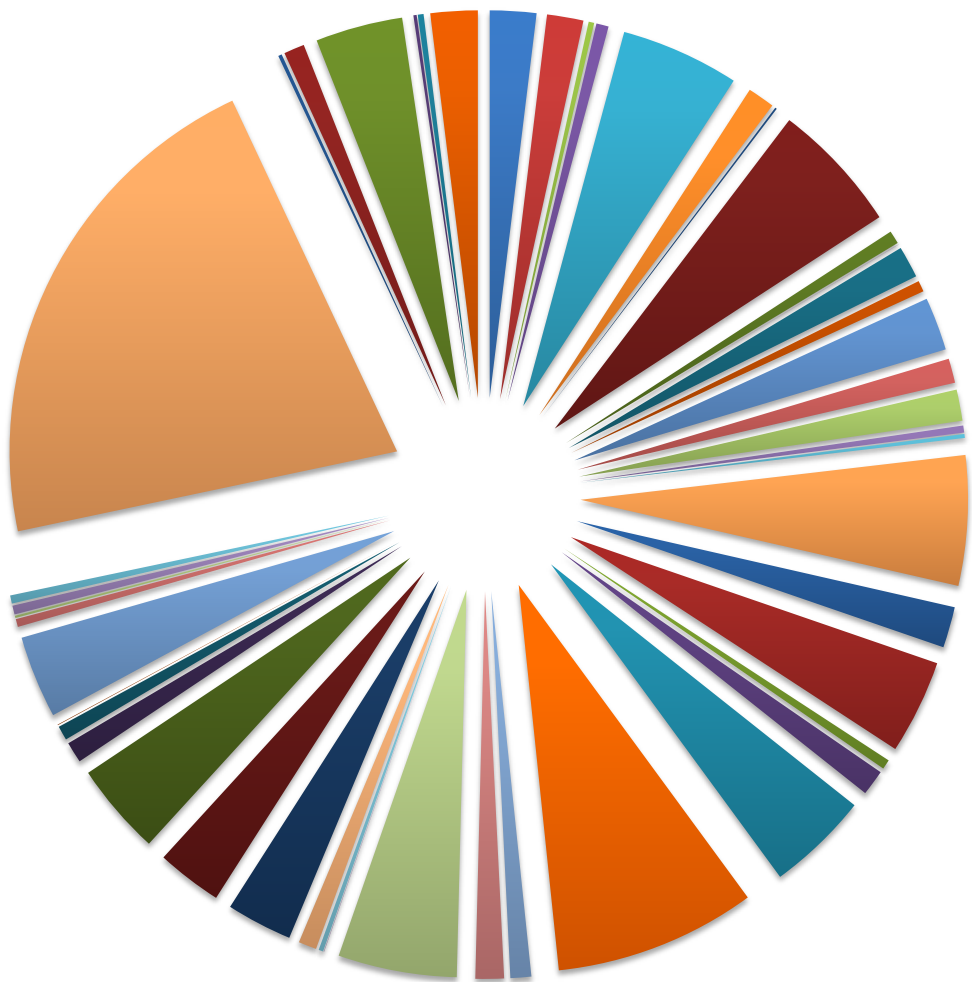
DISTRIBUTION OF REVENUE



Performance Indicators



Country wise Break Up In Sales



- | | | | |
|----------------------|-------------------|---------------|----------------|
| ■ ARGENTINA | ■ AUSTRALIA | ■ BANGLADESH | ■ BOLIVIA |
| ■ BRAZIL | ■ CANADA | ■ CHILE | ■ CHINA |
| ■ COLOMBIA | ■ CZECH REPUBLIC | ■ EGYPT | ■ EL SALVADOR |
| ■ FRANCE | ■ GERMANY | ■ GUAETAMALA | ■ HONGKONG |
| ■ HUNGARY | ■ INDONESIA | ■ IRAN | ■ ITALY |
| ■ KENYA | ■ MALAYSIA | ■ MALTA | ■ MEXICO |
| ■ MOROCCO | ■ PAKISTAN | ■ PHILIPPINES | ■ POLAND |
| ■ REPUBLIC OF POLAND | ■ RUSSIA | ■ SINGAPORE | ■ SOUTH AFRICA |
| ■ SPAIN | ■ SRI LANKA | ■ SYRIA | ■ TANZANIA |
| ■ THAILAND | ■ THE NETHERLANDS | ■ TRINIDAD | ■ TURKEY |
| ■ U.A.E | ■ U.S.A | ■ UAE | ■ UKRAINE |
| ■ UNITED KINGDOM | ■ URUGUAY | ■ VENEZUELA | ■ VIETNAM |

Message from the Chairman and Managing Director

Dear Shareholders,

I am privileged to inform that FY 2018-19 was a good year for 'Vidhi' in terms of performance in our core business of manufacturing synthetic colours. We have also completed the acquisition of Arjun Food Colorants Private Limited which will be value accretive to us.

I am delighted to share with you all that the Company has earned net profit after tax of ₹ 2905.52 lakhs in FY 2018-19 which is the highest ever net profit in the history of the Company and it is expected to grow every year.

In F.Y. 2018-19, the Company's performance with regard to the export manufacturing sales volumes, improved to 76% of total sales from 56% of total sales in previous year. Domestic manufacturing sales grew by 3%. Further, the EBITDA of the company increased considerably by 47%. Considering the improved operational and financial performance, your Company has declared three Interim Dividend each of Rs. 0.20/- per equity share of ₹ 1/- each (totaling to ₹ 0.60/- per share) during the financial year 2018-19 and also recommended a dividend payment of ₹. 0.20/- per equity share of ₹ 1/- each (i.e. 20%) for the financial year 2018-19.

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 and enhanced over the previous year.

Success of any business can be possible if its employees and peoples who put in persistent efforts to rise to their excellence level are taken together. I would like to iterate that your Company's employees are its valuable assets and it is entirely due to their hard works, firmness, commitment and dedication that your Company has been able to deliver sustainable growth and value creation.

While we march ahead towards our business goals, we also make conscious efforts towards making active contributions to society and environment. We have invested in adequate pollution control equipment's as we believe in sustainable environment. Our regular contributions and initiatives towards uplifting several people in various aspects are our humble endeavor to make our world a better place.

I would like to assure you that your Company will strive to capitalize by remaining focused on operational excellence and to remain committed to deliver strong growth and enhance shareholders and other stakeholders' values in every possible ways.

We expect to keep performing and delivering sustainable growth going forward with focus on profitability. I am thankful to the Board of Directors, for their continued support and guidance towards taking the Company ahead. We also need to credit our success to our employees, financial institutions, vendors, customers & shareholders.

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 33 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 18 years of vast 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 13 years



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 24 years

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 16 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 5 years
- Formerly associated with Water's India Limited as a Senior Marketing Manager
- 14 years of experience as a manager of Biotage India Private Limited



Mr. Ashit Doshi

Additional Director Non-Executive & Independent

- A remisier in equity market since last 20 years
- Associated with Mansi Shares and Stock Advisors Private Limited as a remisier past 10 years
- Formerly associated with Setu Securities as a remisier for 10 years
- A SYBcom graduate