



# FORM B

1.	Name of the company	M/s. Vipul Dychem Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit qualification	<p><b>Qualified that:</b></p> <p>(i) Dividend Distribution Tax of Rs. 1464.48 ('000) and profession tax of Rs 35.13 ('000) are outstanding for payment;</p> <p>(ii) The Company has disputed the demand of Rs. 55 ('000) raised by the Income Tax Department in respect of Assessment Year 2002-03 and has made an appeal before the Income Tax Appellate Tribunal, Mumbai and for Rs 316 ('000) Income Tax in respect of Assessment year 2011-12 which is Appeal with Commissioner of Income Tax, Mumbai.</p>
4.	Frequency of qualification	Appearing since financial year 2008-2009
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Refer Point (ix) of Annexure of Auditors' Report on page no. 34 and the management's response for the same can be referred in the point "Auditors" in Director's Report on page no. 14 of Annual Report of the Company.
6.	Additional comments from the board/audit committee chair:	-
7.	To be signed by-	 Vipul P Shah
	• Managing Director	




- CFO

  
Dr. S. N. Sahai

- Auditor of the company

For J. A. Rajani & Co.  
Chartered Accountants  
FRN 108331 W



  
P.J. Rajani  
Proprietor  
Membership no 116740

- Audit Committee Chairman

  
Prasannakumar B. Gawde



**VIPUL DYE CHEM LTD.**

Infinite possibilities ●●●

**ISO : 9001:2008 CERTIFIED COMPANY**





<b>Board of Directors:</b>	Mr. Pravinchandra B. Shah Mr. Vipul P. Shah Dr. S. N. Sahai Mr. Arvind J. Patel Mr. Jagdeep Mehta Mr. Prasannakumar B. Gawde Mrs. Trupti Shah	- Chairman - Managing Director - Whole Time Director & CFO - Director - Director - Director - Director (w.e.f. 1 <sup>st</sup> June, 2014)
<b>Auditors:</b>	M/s. J. A. Rajani & Co. Chartered Accountants Mumbai	
<b>Bankers:</b>	Vijaya Bank Mandvi Branch, Mumbai	
<b>Registered Office:</b>	102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai – 400053 Tel. No.: 022 - 66139999 Fax No.: 022 – 66139977/75 Email ID: info@vipuldyes.com	
<b>Administrative office:</b>	339/341, Rawal Chambers, Samuel Street, Masjid Bunder, Mumbai 400003	
<b>Plant Location:</b>	Plot No. 11, Survey No. 35 Diwan & Sons Industrial Estate, Village – Aliyali, Palghar (West) Dist. Thane – 401404	
<b>Registrar and Share Transfer Agents:</b>	Plot No. A/14, MIDC, A.M.P. Road, Ambernath (West) Dist. Thane – 421501 Bigshare Services Pvt. Ltd. E 2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai 400072 Tel. No.: 022-40430294 Fax No.: 022 28475207 Email ID: <a href="mailto:kirti@bigshareonline.com">kirti@bigshareonline.com</a>	



### NOTICE

Notice is hereby given that the next Annual General Meeting of the members of **VIPUL DYECHAM LIMITED** will be held on Tuesday, the 30<sup>th</sup> day of September, 2014 at 4.30 p.m. at Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai - 400058 to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended on 31<sup>st</sup> March, 2014.
3. To appoint a Director in place of Mr. Pravinchandra B. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. J. A. Rajani & Co. Chartered Accountants, Mumbai (having FRN:108331W) as Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting up to the conclusion of 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 an **Ordinary Resolution**:  
“**RESOLVED THAT** Mrs. Trupti Shah (having DIN : 06884295), who was appointed as an Additional Independent Director of the Company w.e.f. 1<sup>st</sup> June, 2014 pursuant to the provisions of Section 161(1) of Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the Articles of Association of the Company and in respect of whom the Company has received a notice in writing along with requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose her candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 to hold office as such up to 31<sup>st</sup> May, 2019, who shall not be liable to retire by rotation.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Jagdeep Mehta (DIN: 00332523), Independent Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a shareholder as required under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Jagdeep Mehta as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.”
7. 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 Sections 196, 197, 203 and Schedule V and all other applicable provisions, in any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the re-appointment of Dr. S. N Sahai as Whole-Time Director (re-designated as Whole time Director and Chief Financial Officer) of the Company for a further period of one year with effect from 1<sup>st</sup> April, 2014 till 31<sup>st</sup> March, 2015 on the following terms and conditions be and is hereby approved:

#### Remuneration payable:

- (a) Salary: Rs. 47,500/- (Rupees Forty Seven Thousand Five Hundred Only) per month;
- (b) Perquisites: The Whole Time Director shall be entitled to the perquisites in accordance with the Company's policies, practices and procedures over and above the salary;
- (c) The Company shall reimburse the expenses incurred by Whole Time Director for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.



**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Dr. S. N. Sahai, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be required from time to time in this regard."

8. 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 Sections 196, 197, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the revision in remuneration payable to Mr. Vipul P. Shah, Managing Director of the Company with effect from 1<sup>st</sup> April, 2014 for the remaining period of his tenure be and is hereby approved as follows:

1. **Remuneration payable:**

(A) Salary: Rs. 3, 00,000/- (Rupees Three Lacs only) per month.

(B) Perquisites:

The Managing Director shall be entitled to the following perquisites in accordance with the Company's policies, practices and procedures over and above the salary:

- a) Company based accommodation or house rent allowance;
- b) Education allowance;
- c) Chauffeur driven Company car;
- d) Reimbursement of medical benefit incurred for self and family;
- e) Leave travel allowance;
- f) Company's contribution to Keymans' Insurance Policy, Provident Fund;
- g) Superannuation Scheme, benefits of Gratuity, earned leave and encashment of leave as per rules of the Company.

2. Car for use on Company's business, telephone and other communication facilities at residence will not be considered as perquisites.
3. The Company shall reimburse the Managing Director expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of Mr. Vipul P. Shah, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things as may be required from time to time in this regard."

9. 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 14 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the new set of Articles of Association, be and is hereby approved and adopted as new Articles of Association of the Company in the place and exclusion of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps and actions for the purposes of making all such filings and registrations as may





be required in relation to the aforesaid amendment to the Articles of Association and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

10. 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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and the Articles of Association of the Company and subject to such approvals, sanctions and consents (hereinafter referred to as the “Approvals”) as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or be duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution), consent of the members of the Company be and is hereby accorded to the Board to borrow in any manner from time to time any sum or sums of moneys at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the moneys already borrowed or to be borrowed (apart from temporary loans and other credit facilities obtained or to be obtained from the Company’s bankers in the ordinary course of its business), whether secured or unsecured, will or may exceed the aggregate of the paid up capital and free reserves that is to say, reserves not set apart for any specific purpose, provided that the maximum amount of money so borrowed and outstanding at any one time shall not exceed the sum of Rs. 25 Crores (Rupees Twenty Five Crores only).

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, matters, deeds and things as may be deemed necessary to give effect to this resolution.”

11. 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 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or be duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution) to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company or to create charge to secure any loan taken by other entities/bodies corporate, on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time so secured/mortgaged, shall not exceed the limit as approved under Section 180(1)(c) of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, the remuneration



payable to M/s. Y. S. Gokhale & Associates, Cost Accountants, Mumbai, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2015 of Rs. 50,000/- (Rupees Fifty Thousand Only) plus service tax and out-of-pocket expenses be and is hereby approved and ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be required to carry on the purpose of the aforesaid resolution."

13. 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 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and as per the revised Clause 49 of the Listing Agreement, the agreements for purchase / sale of goods and providing services, etc., entered into with the following parties in which directors of the Company are interested, for the period and the values as detailed in below table be and are hereby approved:

Name of the Related parties	Period of Contract and Estimated Value		
	07.09.2013 to 31.05.2014	01.06.2014 to 31.05.2015	01.06.2015 to 31.05.2016
M/s. Amar Trading Corporation	Rs. 500 Lacs	Rs. 500 Lacs	Rs. 500 Lacs
M/s. Ganesh Tiles & Marble Industries	Rs. 2,500 Lacs	Rs. 3,000 Lacs	Rs. 3,500 Lacs
M/s. Jayshree Chemicals	Rs. 250 Lacs	Rs. 350 Lacs	Rs. 450 Lacs
M/s. Standardcon Pvt. Ltd.	Rs. 500 Lacs	Rs. 500 Lacs	Rs. 500 Lacs

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be required to carry on the purpose of the aforesaid resolution."

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 181 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to contribute, donate, subscribe or otherwise provide assistance from time to time to anybody, institution, society, person, trust or fund for any charitable or other purposes upto a total amount of Rs. 50Lacs(Rupees Fifty Lacs only) or 5% of the Company's average net profits for the three immediately preceding financial years, whichever is higher.

**By Order of the Board of Directors**

Place : Mumbai  
Date : 12<sup>th</sup> August, 2014

**Pravinchandra B. Shah**  
**Chairman**

**Registered Office:**  
102, Andheri Industrial Estate,  
Off. Veera Desai Road,  
Andheri (West), Mumbai – 400 053





**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses is annexed hereto and forms part of this notice.
3. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting.
4. Brief resume of Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting in terms of Clause 49 of the Listing Agreement is annexed to the Notice.
5. Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 29<sup>th</sup> September, 2014 to Tuesday, 30<sup>th</sup> September, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if approved by the shareholders at the ensuing Annual General Meeting.
6. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between 7<sup>th</sup> October, 2014 and 10<sup>th</sup> October, 2014 to those members whose names shall appear on the Company's Register of Members on 30<sup>th</sup> September, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
7. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account Details along with self-attested document proof. Members holding shares in the electronic form may update such details with their respective Depository Participants.
8. Members/Proxy are requested to bring their Attendance Slip along with their copy of Annual Report at the time of the Meeting.
9. In case of joint holders attending the meeting, the joint holder with highest in order of names will be entitled to vote.
10. Members are requested to address all correspondences, including NECS mandates, etc. to the Registrar and Share Transfer Agents – Big share Services Private Limited, Unit - Vipul Dyechem Limited, E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 072.
11. Any member seeking information with regards to accounts of the Company is requested to write at least 7 days before the meeting to enable the Company to keep the information ready.
12. The Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI) have advised all listed Companies mandatorily to use the National Electronic Clearing Services (NECS) facility wherever possible for dividend payment to the shareholders. In view of this stipulation, the Company proposes to implement the NECS facility. Members who wish to avail the NECS facility may provide the Company with ECS mandate for creating the future dividend payments directly to their respective bank accounts.



13. The balance amount lying in Unpaid Dividend Account for the financial year 2006-2007 is due for transfer to the IEPF administered by the Central Government during the month of October, 2014 as per the provisions of Section 124 of the Companies Act, 2013 read with Companies (Declaration & Payment of Dividend) Rules, 2014. The shareholders whose dividend remained unclaimed for the aforesaid financial year and subsequent financial years are requested to claim it immediately from the Company.
14. Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card etc., having photo identity) while attending the meeting.
15. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules, 2014, the Company is required to update its Register of members by incorporating certain additional details of the members. You are thus requested to submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning this form by post. The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.
16. The Notice of the AGM, Assent/ Dissent Form and instructions for e-voting, along with the Attendance slip and Proxy Form, are being sent by courier.

**Brief resume of directors being re-appointed (in pursuance Clause 49 of the Listing Agreement):**

Name of the Director	Mr. Pravinchandra B. Shah	Dr. S. N. Sahai	Mrs. Trupti Shah	Mr. Jagdeep Mehta
Date of Birth	24 <sup>th</sup> March, 1940	2 <sup>nd</sup> August, 1945	28 <sup>th</sup> September, 1965	14 <sup>th</sup> September, 1967
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board	21 <sup>st</sup> June, 1972	10 <sup>th</sup> December, 1993	1 <sup>st</sup> June, 2014	15 <sup>th</sup> December, 2005
Designation	Chairman	Wholetime Director and CFO	Independent Director	Independent Director
Qualification	Science Graduate	Ph. D. in Technology process	Post Graduate in Biochemistry Nutrition and Dietetics	Commerce Graduate
Experience/ Expertise	47 years of experience in the Dyestuff and Chemical and Business.	More than 34 years of experience in Marketing and Techno commercials	Diet Expert	More than 18 years experience in field of accounts, finance Dyes and Chemical intermediates business
Shareholding in the Company	2,47,100 Equity Shares	-	-	-



<b>Directorships in other Companies</b>	1.Jayapriya Chemical Industries Limited 2.Standardcon Private Limited 3. VIP Chem Private Limited 4.Sudoku Chemical Services Private Limited	1.Jayapriya Industries Limited	NA	NA
<b>Membership in Committees</b>	Member of Shareholders' / Investors', Grievance Committee of the Company.	Member of Share holders' / Investors' Grievance of the Company.	NA	NA
<b>Relationship with existing Directors of the Company</b>	Mr. Pravinchandra B Shah is father of Mr. Vipul P Shah, Managing Director of the Company	Not related	Not related	Not related

#### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

##### Item No. 5

Mrs. Trupti Shah was appointed as an Additional Independent Director of the Company w.e.f. 1<sup>st</sup> June, 2014. Pursuant to provisions of Section 161(1) of the Companies Act, 2013, Mrs. Trupti Shah holds office upto the date of this Annual General Meeting. The Company has received a notice from a shareholder of the Company along with the requisite deposit under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Independent Director.

In terms of the provisions of Section 149 and 152 of the Companies Act, 2013, an Independent Director of a Company can be appointed for a term of 5 consecutive years and she shall not be liable to retire by rotation.

Mrs. Trupti Shah has given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

In the opinion of the Board, Mrs. Trupti Shah proposed to be appointed as an Independent Director fulfills the conditions specified in the Act and the rule made thereunder and is independent of the management.

Brief resume of Mrs. Trupti Shah as stipulated under Clause 49 of the Listing Agreement is given in the Notice.

The Board recommends passing of the Ordinary Resolution as set out at item no. 5 of the notice.

Except, Mrs. Trupti Shah, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

##### Item No. 6

Mr. Jagdeep Mehta was appointed as an Independent Director of the Company on 15<sup>th</sup> December, 2005. His office is liable to retire by rotation at the Annual General Meeting of the Company as per his terms of appointment.



In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1<sup>st</sup> April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and he shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Jagdeep Mehta as an Independent Director of the Company to hold office as such for a period upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.

Mr. Jagdeep Mehta has given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013, to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notice along with requisite deposit under section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director.

In the opinion of the Board, Mr. Jagdeep Mehta proposed to be appointed as an Independent Director fulfills the conditions specified in the Act and the rules made thereunder and is independent of the management.

Brief resume of Mr. Jagdeep Mehta, proposed to be appointed as stipulated under the Clause 49 of the Listing Agreement, is given in the annexure to the Notice.

The Board recommends the Resolution as set out at item no. 6 of the Notice for your approval.

Except, Mr. Jagdeep Mehta, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

#### **Item No. 7**

The tenure of Dr. S. N. Sahai, Whole time Director of the Company expired on 31<sup>st</sup> March, 2014. Taking in view his long association with the Company and vast experience and as recommended by the Remuneration Committee, the Board of Directors of the Company at its meeting held on 25<sup>th</sup> March, 2014 re-appointed and re-designated him as Whole Time Director and Chief Financial Officer of the Company and further at its meeting held on 30<sup>th</sup> May, 2014 revised his remuneration with effect from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015 on the terms and conditions as detailed in the resolution as set out in item no. 7 of this notice, subject to approval of members of the Company.

Your Board of Directors recommends passing of the Special Resolution as set out at item no. 7 of the Notice.

Except Dr. S. N. Sahai, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolutions.

#### **Item No. 8**

Mr. Vipul P. Shah is associated with the Company since more than two decades. Mr. Vipul P. Shah being Managing Director of the Company shoulders a huge responsibility. Considering his experience, knowledge and contributions made in the growth of the Company and as recommended by Remuneration Committee, the Board of Directors in their meeting held on 30<sup>th</sup> May, 2014, revised the remuneration payable to him w.e.f. 1<sup>st</sup> April, 2014 upto the remaining period of his tenure as specified in the resolution set out at Item No. 8 of the notice subject to approval of members of the Company.

Your Board of Directors recommends passing of the Special Resolution as set out at item no. 8 of the notice.

Except Mr. Pravinchandra B. Shah and Mr. Vipul P. Shah, none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

#### **Item No. 9**

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and with the enforcement of the Companies Act, 2013, various provisions of the Companies Act, 1956 have



become ineffective and in view of the same the Article of Association of the Company needs to be re-aligned as per the provisions of the new act.

The Board of Directors at its meeting held on 12<sup>th</sup> August, 2014 decided to incorporate/substitute/alter certain provisions as per the latest amendments of the Companies Act, 2013. As this would result in a number of changes in the existing AoA of the Company, it was decided to adopt a new set of AoA in place of and in exclusion to the existing Articles of Association of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the members by way of Special Resolution is required for adoption of new set of AoA of the Company.

Copy of the proposed new set of AoA of the Company would be available for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting and during the Annual General Meeting.

The Board recommends the Special Resolution as set out in item no. 9 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are in any way, deemed to be concerned or interested in the said resolution.

**Item Nos. 10 and 11:**

In order to meet the future requirements of funds, which may arise on account of the plans/programs/business, the Company may require further loans/borrowings from time to time from financial institutions, banks and other entities. Further, to secure such borrowings, the Company may be required to create charge/mortgage/hypothecation on all or any of its movable and immovable assets, both present and future as and when required from time to time.

In terms of the provisions of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, the Company needs to take approval of members of the Company for increasing the borrowing powers and authority to create charge / mortgage on the assets of the Company to secure the money (ies) borrowed from financial institutions, banks and others financial entities from time to time. Hence it is proposed to take your approval for a limit up to Rs. 25 Crores.

The Board recommends the Special Resolutions as set out at item nos. 10 and 11 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company and relatives of Directors/ Key Managerial Personnel is concerned or interested in the said resolutions.

**Item No. 12:**

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Y. S. Gokhale & Associates, Cost Accountants, Mumbai as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2015 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus service tax and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors needs to be ratified by the Members of the Company.

Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at item no. 12 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2015.

The Board recommends the Ordinary Resolution as set out at item no. 12 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company and relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

**Item No. 13:**

The Company has entered into agreements for purchase/ sale of goods and providing services with M/s. Amar Trading Corporation, M/s. Ganesh Tiles and Marble Industries, M/s. Jayshree Chemicals and M/s. Standardcon Pvt. Ltd. in which Directors of the Company are interested. The Company has also obtained necessary approvals from the Regional Director, Western Region, Mumbai for entering into these agreements under Section 297 of the Companies Act, 1956.

As per the provisions of section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and revised Clause 49 (effective from 1<sup>st</sup> October, 2014) of the Listing Agreement, prior approval of shareholders by passing a Special Resolution is required for all the material related party transactions. However, all existing material related party contracts or arrangements as on the date of circular no. CIR/CFD/POLICY CELL/2/2014 dated 17<sup>th</sup> April, 2014 issued by Securities and Exchange Board of India, which are likely to continue beyond 31<sup>st</sup> March, 2015 shall be placed for approval of the shareholders.

The details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are given herein below:

a.	Name of the related party	M/s Amar Trading Corporation, Partnership Firm	M/s. Ganesh Tiles & Marble Industries, Partnership Firm	M/s Jayshree Chemicals, Partnership Firms	M/s Standardcon Pvt Ltd
b.	Name of the Directors and KMP who is related	1)Mr. Pravinchandra B. Shah 2)Mr. Vipul P Shah	1) Mr. Pravinchandra B. Shah 2) Mr. Vipul P Shah	1) Mr. Vipul P Shah 2) Mrs. Jaylaxmi P Shah	Mr. Pravinchandra B. Shah
c.	Nature of Relationship	Directors are partners in firm	Directors are partners in firm	Directors and relative of Directors are partners in firm	Director is a Director in the Company
d.	Nature of contract	Purchase / sale of goods	Purchase / sale of goods & jobwork	Purchase / sale of goods	Purchase / sale of goods & Jobwork
e.	Terms and monetary value of contract				
	07.09.2013 – 31.05.2014	Rs. 500 lacs	Rs. 2,000 lacs	Rs. 150 lacs	Rs. 500 lacs
	01.06.2014 – 31.05.2015	Rs. 500 lacs	Rs. 2,500 lacs	Rs. 250 lacs	Rs. 500 lacs
	01.06.2015 - 31.05.2016	Rs. 500 lacs	Rs. 3,000 lacs	Rs. 350 lacs	Rs. 500 lacs

The Board recommends the Special Resolution as set out at item no. 13 to the Notice for your approval.

Except, Mr. Pravinchandra B Shah, Chairman, Mr. Vipul P Shah, Managing Director and Mrs. Mita V Shah, Marketing Manager(International), none of the Directors, Key Managerial Personnel of your Company or relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

**Item No. 14:**

Your Company in view of its obligation to the society at large, feels that it should contribute and / or subscribe from time to time for charitable or other purposes. In terms of the provisions of Section 181 of the Companies Act, 2013, any amount contributed to any charitable or other funds in excess of 5% (five) of the company's average net profits during the three immediately preceding financial years need prior approval of





the members of the Company. It is therefore necessary to obtain approval of the members of the Company for the contributions to be made by the Company in excess of the limits prescribed under the said section.

Approval of the members is sought for making such contributions from time to time as may be decided by the Board.

The Board recommends the Ordinary Resolution as set out at item no. 14 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company and relatives of Directors/ Key Managerial Personnel are concerned or interested in the said resolution.

#### **ADDITIONAL INFORMATION FOR ITEM NOS. 7 AND 8**

The details as required under Clause (A) of Part II Section II of Schedule V of the Companies Act, 2013 are given below:

<b>I General Information</b>		
	(1) Nature of Industry	The Company is engaged in the business of manufacturing of Dye intermediates.
	(2) Date or Expected date	The company is an existing company and is in operation of commercial production since 1972.
	(3) In case of new companies, expected date of the commencement of activity as per project approved by the financial institution appearing in the prospectus	N.A.
	(4) Financial performance based on given indicators.	EPS:Rs.1.18 / Return of Networth: 5.08%
	(5) Foreign investments or collaborators, if any	NIL
<b>II Information about the appointee</b>		
<b>A. Mr. Vipul P. Shah</b>		
	(1) Background details	Mr. Vipul P. Shah aged 48 years is a chemical engineer. Having more than 26 years of experience in chemical dye stuff and pharmaceutical industry. He is associated with the Company from more than two decades. He is entrusted with overall management of the Company under the supervision of the Board of Directors.
	(2) Past Remuneration	Rs. 2,50,000/- per month as Managing Director since 1 <sup>st</sup> October, 2012.
	(3) Recognition or awards	Under the guidance of Mr. Vipul P. Shah, the Company has received "FIRST AWARD" for the 'Outstanding Export Performance' under the Dyes, Dye Intermediates and Pigment Panel by Export Promotion Council- Chemexcil, Government of India on 6 <sup>th</sup> January, 2011.
	(4) Job profile and his suitability	He is actively involved in the business of the Company and manages day to day affairs. He provides his expertise in different areas of business of the Company. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.



	(5) Remuneration proposed	Rs.3,00,000/- per month
	(6) Comparative remuneration size of Company, profile of the position and person	At par with the industry standards in which the profile with respect to industry, Company operates.
	(7) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any.	Mr. Vipul P. Shah is son of Mr. Pravinchandra B. Shah, Chairman and Promoter of the Company.
<b>B. DR. S. N. SAHAI</b>		
	(1) Background details	Dr. S. N. Sahai aged 69 years is Ph. D. in Technology process and having more than 34 years of experience in marketing and Techno commercial.
	(2) Past Remuneration	Rs. 42,500/- per month as Whole time Director since 1 <sup>st</sup> April, 2013.
	(3) Recognition or awards	Dr. Sahai is Ph. D in Technology process
	(4) Job profile and his suitability	He is actively involved in the business of the Company and manages day to day affairs. He provides his expertise in different areas of business of the Company. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.
	(5) Remuneration proposed	Rs. 47,500/- per month as Whole time Director since 1 <sup>st</sup> April, 2014.
	(6) Comparative remuneration profile with respect to industry, size of Company, profile of the position and person.	At par with the industry standards in which the Company operates.
	(7) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any	No relationship with any promoter, Director or Key Managerial Personnel of the Company.
<b>III Other information</b>		
	(1) Reasons of loss or inadequate profits	Due to unfavorable market conditions the Company could not achieve high levels of profits.
	(2) Steps taken or proposed to be taken for improvement	The Company has taken cost cutting measures to improve profitability.
	(3) Expected increase in productivity and profits in measurable terms	The Company hopes increase in revenue and profits by improved margins in coming years.

Place: Mumbai  
Date: 12<sup>th</sup> August, 2014

**Registered Office:**  
102, Andheri Industrial Estate,  
Off. Veera Desai Road,  
Andheri (West),  
Mumbai – 400 053

**By order of the Board of Directors**

**Pravinchandra B. Shah**  
Chairman

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting herewith Annual Report together with the Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2014.

**Financial highlights:**

(Rupees in Lacs)

Particulars	Year ended 31 <sup>st</sup> March, 2014	Year ended 31 <sup>st</sup> March, 2013
Total revenue	4,421.39	3,429.71
Less: Expenditure Except Finance Cost & Depreciation	4,225.89	3,259.77
Profit before Finance Cost, Depreciation & Tax	195.50	169.94
Less: Finance Cost	56.33	48.00
Less: Depreciation	42.75	32.48
Profit before tax	96.42	89.46
Less: Provision for Tax	32.05	26.58
Profit After Tax	64.37	62.88
Balance brought forward from previous year	255.24	246.28
Profit available for appropriation	319.61	309.16
Tax Adjustments	2.93	2.01
Proposed Dividend	43.80	43.80
Tax on Dividend	7.42	8.11
Surplus carried to Balance Sheet	271.32	255.24

**Operations:**

The Company earned revenue from operations of Rs. 4,421.39 Lacs during the year as compared to Rs. 3,429.71 Lacs during the previous year. The Profit before tax has been increased to Rs. 96.42 Lacs from Rs. 89.46 Lacs in the previous year. After considering the provision for taxation of Rs. 32.05 Lacs (previous year Rs. 26.58 Lacs), your Company could achieve a net profit of Rs. 64.37 Lacs during the year (previous year Rs. 62.88 Lacs).

**Dividend:**

Considering financial performance of the Company, your Directors recommend the payment of dividend @ Re. 0.80(8%) [Previous year Re. 0.80 (8%)] for the financial year ended 31<sup>st</sup> March, 2014. The dividend on Equity shares, if approved by the members, would involve an outflow of Rs. 43.8 Lacs towards dividend and Rs. 7.42 Lacs towards dividend tax, resulting in a total outgo of Rs. 51.22 Lacs.

**Public Deposits:**

Your Company has not accepted/renewed any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 read with Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

**Directors:**

The Board of Directors of the Company re-appointed Dr. S. N. Sahai as Whole time Director (re-designated as Whole time Director & Chief Financial Officer) of the Company for a further period of one year w.e.f. 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2015.

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Pravinchandra B Shah, Chairman of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors of the Company appointed Mrs. Trupti Shah as an Additional Independent Director of the Company w.e.f. 1<sup>st</sup> June, 2014. In terms of the provisions of Section 161 of the Companies Act, 2013, Mrs. Trupti Shah holds office as such upto the date of the ensuing Annual General Meeting of the Company. The Board recommends the appointment of Mrs. Trupti Shah as an Independent Director of the Company for a period of 5 years w.e.f. 1<sup>st</sup> June, 2014 till 31<sup>st</sup> May, 2019.

Further, in terms of the provisions of Section 149 and 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 which became effective from 1<sup>st</sup> April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation. To comply with these provisions, it is proposed to appoint Mr. Jagdeep Mehta as an Independent Director of the Company to hold office as such upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.

The Company has received notices from member under section 160 of the Companies Act, 2013 together with necessary deposits proposing their candidature for the office of Director of the Company. The Company has also received declaration from Mr. Jagdeep Mehta and Mrs. Trupti Shah confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered with Stock Exchanges. The Board recommends the appointment of Mr. Jagdeep Mehta and Mrs. Trupti Shah as Independent Directors of the Company in terms of the provisions of the Companies Act, 2013.

Your Board also recommends for re-appointment of Dr. S. N. Sahai and Mr. Pravinchandra B Shah.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under the Clause 49 of the Listing Agreement with Stock Exchanges are given in the Notice convening the Annual General Meeting.

**Auditors:**

M/s J. A. Rajani & Co., Chartered Accountants, Mumbai (FRN:108331W), the Statutory Auditors of your Company hold office as such, upto the conclusion of the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Company has received a letter from them to the effect that they are willing to continue as Statutory Auditors and their re-appointment, if made, would be within the limits prescribed under Rule 4(c) of Section 139 of the Companies Act, 2013 and they are not disqualified for being appointed as Auditors.

Your Directors recommend the re-appointment of M/s J. A. Rajani & Co., Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting upto the conclusion of next Annual General Meeting of the Company and to audit financial accounts for the financial year 2014-15.

**Auditor's Report:**

With regard to observation made by the Auditors' in their report, your Directors would like to state that:



1. Regarding the non-payment of dividend distribution tax of Rs. 14.64 Lacs and Profession Tax of Rs. 0.35 Lacs, we state that the Company is in process of making payment of the same.
2. The Company has disputed the demand of Rs. 0.55 Lacs raised by the Income Tax Department in respect of Assessment Year 2002-03 and for Rs. 3.16 Lacs in respect of Assessment Year 2011-12 for which appeal is filed with the Income Tax Appellate Tribunal, Mumbai and Commissioner of Income Tax, Mumbai respectively. The Company is hopeful of winning the appeal.

**Cost Auditors:**

Pursuant to the provisions of Section 233B of Companies Act, 1956 and in terms of Circular No. F. No. 52/26/CAB-2010 dated 30<sup>th</sup> June, 2011 and 52/26/CAB-2010 dated 24<sup>th</sup> January, 2012 issued by the Ministry of Corporate Affairs, Cost Audit Branch, the Company has appointed M/s. Y. S. Gokhale & Associates, Cost Accountants, Mumbai, as Cost Auditors of the Company for Audit of the cost accounting records for the financial year 2013-14.

As per the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of the Company has appointed M/s. Y. S. Gokhale & Associates, Cost Accountants, Mumbai, as Cost Auditors of the Company to conduct the cost audit for the financial year 2014-15, at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only) plus service tax and out of pocket expenses. The approval of Shareholders is sought for payment of remuneration to the said Cost Auditors.

**Directors' Responsibility Statement:**

In accordance with the provisions of Section 217(2AA) of Companies Act, 1956, your Directors confirm that:

- a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2014 and of the profits of the Company for the period ended on that date;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) they have prepared the annual accounts on a "Going Concern" basis.

**Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange:**

As required under the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, particulars regarding conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo for the year under review are annexed to this report and marked as "Annexure A".

**Subsidiary Company and Consolidated Financial Statements:**

Shree Ambika Naturals Private Limited is a subsidiary of the Company which is engaged in the business of manufacturing and trading of Natural Chemicals, Colours and Organic and Inorganic Dye stuff.

A statement containing brief financial details of the Company's subsidiary for the year ended 31<sup>st</sup> March, 2014 is annexed to this report and marked as "Annexure B".

The Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated 8<sup>th</sup> February, 2011 have granted general exemption from attaching the Balance Sheet of subsidiary company with the holding Company's Balance Sheet, if the holding company presents in its Annual Report the Consolidated Financial Statements duly audited by its Statutory Auditors. The Company is publishing Consolidated Financial Statements in the Annual Report, hence the Balance Sheet of subsidiary company is not attached with the Company's Balance Sheet.



The annual accounts of the above referred subsidiary company and the related detailed information shall be made available to the shareholders of the Company and the subsidiary company on request and will also be kept open for inspection at the Registered Office of the Company and of the subsidiary company during the office hours on all working days and during the Annual General Meeting and also on the Company's website i.e. [www.vipuldyes.com](http://www.vipuldyes.com).

**Corporate Governance Report:**

Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges, the following have been made a part of the Annual Report and are attached to this report:

- Management Discussion and Analysis Report
- Corporate Governance Report
- Auditors' certificate regarding compliance of conditions of Corporate Governance

**Particulars of Employees under Section 217(2A) of the Companies Act, 1956**

During the year under review, no employee was in receipt of remuneration exceeding the limit prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, hence your directors have nothing to report in this regard.

**Delisting of Equity Shares of the Company:**

During the year under review, the Company has applied for delisting its Equity Shares from the Ahmedabad Stock Exchange Limited and The Delhi Stock Exchange Association as the listing fees paid to both these Stock Exchanges is disproportionate to the shares dealt in. The Directors bearing in mind the benefit of Company and Shareholders decided to delist the Equity shares of the Company from these Stock Exchanges.

The Equity Shares of the Company will continue to be listed on BSE Limited.

**Acknowledgements:**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Financial Institution, Banks, Government Authorities, Vendors and Shareholders and all organizations connected with its business during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of executives, staff and workers of the Company.

**For and on behalf of the Board of Directors**

**Place: Mumbai**  
**Date : 12<sup>th</sup> August, 2014**

**Pravinchandra B. Shah**  
**Chairman**



**“ANNEXURE A” TO THE DIRECTORS’ REPORT**

**ADDITIONAL INFORMATION AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTOR’S REPORT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2014:**

**CONSERVATION OF ENERGY:**

The Company is conscious about the energy conservation and has kept constant supervision so as to avoid any leakage, stripping, etc. The power meters are also regularly checked. However, the management, wherever possible, shall try to replace machinery which is found defective by upto date innovated machinery, even generating sets are provided and the Company started using diesel oil since last 9 years.

**FORM – A**

	2013-14	2012-2013
<b>A. POWER AND FUEL CONSUMPTION:</b>		
(i) ELECTRICITY		
(a) Purchased units (KWH)	3,55,383	3,52,076
(b) Total Amount (Rs.)	28,17,630	27,46,190
(c) Rate per unit (Rs.)	7.93	7.80
(ii) FUEL OIL - DIESEL		
(a) Qty – units (LTR)	69,421	1,58,515
(b) Total Amount (Rs.)	29,74,257	68,46,933
(c) Average Rate (Rs.)	42.84	43.19
(iii) BRIQUETTE		
(a) Qty – units (KGS)	18,325	-
(b) Total Amount (Rs.)	1,10,021	-
(c) Average Rate (Rs.)	6.00	-
(iv) FIREWOOD		
(a) Qty – units (KGS)	6,55,220	-
(b) Total Amount (Rs.)	31,97,492	-
(c) Average Rate (Rs.)	4.88	-
(iii) OTHERS / INTERNAL GENERATION	NIL	NIL
<b>A. CONSUMPTION PER UNIT OF PRODUCTION:</b>		
Products: Dye intermediates		
(a) Electricity (KWH/KG.)	7.93	0.73
(b) Fuel Oil (LTRS./KG.)	0.17	0.33
(c) Briquette	0.05	-
(d) Firewood	1.64	-

**B. TECHNOLOGY ABSORPTION AND ADAPTATION:**

The Company has not acquired any foreign technology so far as the technical know-how is concerned. The technology for the Company’s activities is available easily in India. The question of absorption and adaptation does not arise.

**C. RESEARCH AND DEVELOPMENT:**

The Company has no separate division as such of carrying out Research and Development since the Company has been using so far the standardized methods of manufacturing Dyes and Chemicals. However, a small laboratory is in function for quality control. The Company has therefore not spent any expenditure on Research and Development during the year under review.

**D. FOREIGN EXCHANGE INFLOW / OUTGO:**

(Rs. in Lacs)

Particulars	2013-14	2012-2013
Foreign Exchange earned	4,02,039.36	302715.34
Foreign Exchange used	4,524.79	4507.40



## ANNEXURE B TO THE DIRECTORS' REPORT

Information as required under General Circular No. 2/2011 No. 51/12/2007-CL-III dated 8<sup>th</sup> February, 2011 issued by the Ministry of Corporate Affairs (MCA) relating to Subsidiary Company for the year ended 31<sup>st</sup> March, 2014 under Section 212 of the Companies Act, 1956:

(Rs. in Lacs)	
Particulars	Shree Ambika Naturals Pvt. Ltd.
Share Capital	4.55
Reserves	33.29
Total Assets	83.86
Total Liabilities	112.61
Investments (Except in Subsidiary Companies)	-
Turnover	13.39
Profit/(Loss) before Taxation	13.39
Provision for Taxation	5.06
Profit/(Loss) after Taxation	8.27
Proposed dividend	-



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Industrial Scenario:

Presently India, China, Korea, Taiwan and Indonesia are the main producers for the Dyestuffs and Pigments. The manufacturers of Europe and USA have almost shifted the production base to these Asian Countries. The main reason for this is the low cost of production and ample manpower within Asian Countries.

Dyestuff Industry mainly depends on the Textile Industry and in fiscal 2013-14, Textile Ministry is confident to achieve the export target of USD 55 Billion inspite of slowdown of demand and presently most of the Asian Countries are encouraging their textile business which used to be their core business once upon a time. Lots of incentives have been provided to the textile industries in India and other countries and presently all these textiles are being exported to Europe, USA and other Western Countries. So, definitely with the improved textile industry, Dyestuff Industry is bound to grow.

Dyestuff Industry has gone into a tremendous change during last ten years as manufacturing activities in European countries have been stopped due to the environmental and pollution problems. Today, the global market of dyestuffs, pigments and intermediates is around USD 40 Billion with dyestuffs and pigments market is approximately around USD 27.50 Billion and the intermediates is about USD 17.50 Billion. India's share in the global market is about 9 to 9.5%.

African Continent with a population of 1 Billion is growing at a fairly good growth (Say 8% P.A.) and India's Trade with Africa has reached nearly \$49.5 billion. We are tapping this market by deputing our Technical cum marketing team frequently to increase our market share.

Today India is the second largest producer of Dyestuff after China. Though the Chinese products are very cheap and economical, Indian products are always preferred because of the consistent quality and timely delivery. To this effect now in China also the cost of production is increasing and hence the price difference between Indian products and the Chinese products has reduced. So, definitely in the very near future the price difference between Indian products and the Chinese products will no longer exist.

#### China –to lose competitive advantage:

The biggest competition for our industry is from China. Presently Chinese pigments manufacturers are more economical because of economies of large scale. But following table will explain why China is going to lose its competitive advantage vis a vis India:-

Country	China	India
Subsidies	Chinese Govt. is gradually reducing the subsidies granted.	In India, for exports no subsidies exist. Duty drawback is only incentive available to exporters which works out to just 1% and even if withdrawn will have insignificant impact.
Energy Cost	Energy cost which was almost zero earlier, is now becoming expensive.	Energy cost in India is at peak now. Govt. of India is taking number of initiatives to generate and supply uninterrupted power without further increase in cost.
Labour Cost	Labour is getting more expensive in China	Labour is still very cost effective. Besides normal 10% to 12% increase p.a. there is no further addition to cost.
Stringent pollution control norms	Earlier there were no specific norms to follow. But, nowadays every factory in China has to fulfill certain basic norms to be pollution control.	In India, in general and specifically in the states of Maharashtra and Gujarat, where there is concentration of Chemical Industries, there are already strict requirements in relation to follow. In many industrial areas common effluent treatment plants have come up where effluent treatment is done at very nominal cost. Hence, no threat from Pollution Control norms.

Apart from these, if you are exporter manufacturer than the charges like Excise, Sales Tax does not form part of Cost of Sales. With the GST rollout in sight, further simplification of tax laws is expected.



Considering all the above factors in coming 2 to 3 years, Chinese prices of pigments will be at par with that of Indian manufacturers of pigments. Indian manufacturers have got a great opportunity on hand to capture the market presently controlled by Chinese, the process of which has already started. Two years back, it was almost impossible to export organic pigments out of India but slowly and steadily Indian organic pigments manufacturer have started creating market for their own products worldwide.

**Domestic demand push:**

Indian GDP is expected to grow @ less than 6.25% for the fiscal 2014-2015. Indian government is planning to spend more than Rs. 1 trillion on infrastructure development in next 10 years. Therefore, there is a growth in all infrastructural related industries. New roads are being laid out, huge townships have been planned and constructed across India in 4 metros as well as tier 2 and other medium size cities. Demand for plastic is increasing day by day, Textile Industries are doing better, Indian exports of textiles especially home furnishing to Europe and USA are increasing. With all these end-user industries doing well, demand for pigments is going to increase manifold in the years to come. As a result, there is wide scope for growth of pigment in ink industry in India.

**2. Outlook:**

In view of the above circumstances, it is expected that the Dyestuff Industry will continue to grow once conditions improve.

**3. Risk factors and threats:**

Risk involved in economics and working of industries are greatly influenced by the various policies fabricated by the Central and State Governments. If the policies of any nature are framed with utmost transparencies and in frequent intervals, coupled with a definite all time performance on the part of management, growth and development of industries is certain. Flexibility on the managerial behavior with flexibility on the needs of the customers is also taken as an important factor.

**4. Utilization of the Products:**

It is always dangerous if the products manufactured by the Company utilized only by a specific industry. In view of this, the management always tries to have multiple products having end use in multiple industries. Accordingly, the products manufactured by the Company have been utilized successfully in the following industries:

**a) Textile Dyeing and Printing:**

As mentioned above, with a growing textile industry, the management is sure to have substantial growth by utilization of the concerned products within the textile industry.

**b) Paint and Printing Ink:**

The Company is producing Pigments since last four years. Pigments are utilized widely for Paint and Printing Ink industries. With the increase of application related to printing such as Media, Newspapers, etc., there are huge possibilities for the sales of this product within the Printing Ink Industry and with the growing infrastructure, construction, automobile industry; the Paint Industry & Rubber Industry is also doing well, wherein the Company is selling its products. Pigment Dispersions have found good scope for Textile Printing and Coating Industry.

**5. Opportunities:**

In recent times, we have increased the Customer Base. Besides exporting to develop countries, such as USA, EEC, JAPAN, we are exporting even to the remote places like Guatemala, Uruguay, and Vietnam. Exports to Latin American Countries such as Brazil, Argentina, Colombia, Chile and Peru have also increased. Profitability is much more in the exports to these countries compared to highly competitive European and other Far East Asian Market. The customer base has been very broadly increased to WANA Countries so that the momentum can be continued.

Distributors' and Dealers' Network has been established in certain areas within India to develop the domestic sales. Agents have been appointed in Indore, New Delhi, Nagpur, Hyderabad etc. and slowly this network



shall be expanded, The Company has also acquired an industrial land at Tarapur wherein the manufacturing activity of the Pigments shall be expanded by nearly four-fold.

Natural / Herbal Extracts: - Shree Ambika Naturals Private Limited, a subsidiary of Vipul Dyechem Limited, with the intension of diversify from the traditional Dyes and Pigment Business and considering the growth in the food, Pharmaceuticals and Cosmetic Industries, has started producing successfully Herbal Extracts Phyto Chemicals and Natural colours at Ahmednagar (Maharashtra) and exported to developed market like USA, Europe and Latin America. This Company is more than two years old. After initial teething problems, we have come out from this with improved quality of new products, which have a very good potential in International Market such as USA, Canada and European Union. So we anticipate substantial growth, with fairly good profit margin. We have added few New Products which will substantiate company's revenue during the current year.

This project is speeding in the right direction and during the current financial year we hope to achieve better growth as we have added some new products in this range.

#### **6. Internal Control and its Adequacy:**

Management Team available especially for the Company's production activities is so very highly experienced, that at every stage of production from availability of quality materials till the outcome of production as per ISO 9001:2008, they provide their expertise to such an extent that the Company's products have achieved their due importance in the local and international markets.

Systems of internal controls adopted by the management team is adequate to ensure that all the assets are guarded and protected against loss from unauthorized and unethical use of such assets. Whenever the assets are disposed off, the transaction cannot go without authorization.

#### **7. Discussion on financial performance with respect to operational performance:**

The Company earned revenue from operations of Rs. 4,414.71 lacs during the year as compared to Rs. 3,424.83 lacs during the previous year, The Profit before tax has been increased to Rs.96.42 lacs from Rs.89.46 lacs in the previous year. After considering the provision for taxation of Rs.32.058 lacs (previous year Rs.26.58 lacs), your Company could achieve a net profit of Rs. 64.37 lacs during the year (previous year Rs.62.88 lacs).

#### **8. Human Resource Management:**

The Company provides necessary training to all its employees and equip them to manage critical business process to face the challenge of competitive global market. As on 31<sup>st</sup> March, 2014, the Company had total 23 (previous year 27 employees).

#### **9. Cautionary Statement:**

Any Statement made in this Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be a forward-looking within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that might make the difference to the Company's operations include availability of materials and prices, cyclical demand and pricing in the Company's principal markets, changes in the Government regulations, taxation and commitments for market development in India and abroad.

**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively.

The Company's philosophy on Corporate Governance is aimed at strengthening the confidence of the shareholders in the Company and building a long term relationship of trust with them by maintaining transparency and periodical disclosures. The Company believes in maintaining high standards of quality and ethical conduct in its operations.

**2. BOARD OF DIRECTORS****A) Composition**

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board has a Non-Executive/Non-Independent Chairman and five other directors. Out of these, two directors are Executive Directors and three are Non – Executive/Independent Directors. The Company complies with the norms prescribed under Clause 49 of the Listing Agreement for constitution of Board of Directors.

**B) Board Procedure**

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairman of other Committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents are circulated well in advance of the meeting.

Matters discussed at Board meetings generally relate to Company's business operations, quarterly results of the Company, review of the reports of the Audit Committee and compliance with their recommendation, suggestion, non-compliance of any regulatory, statutory or listing requirements etc.

**C) Attendance at Meetings**

During the year under review, the Board of Directors met 6 (six) times on 23<sup>rd</sup> April, 2013, 30<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013, 13<sup>th</sup> February, 2014 and 25<sup>th</sup> March, 2014. As stipulated, the gap between two meetings did not exceed four calendar months.

Details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2013-14 and at the last Annual General Meeting, their directorships in other Companies and membership / chairmanship in committees are as follows:

Director	Category	No. of Board Meeting attended		Attendance at last AGM held on 27 <sup>th</sup> Sept., 2013	No. of Directorship held in other public companies <sup>1</sup>	Committee position in the other companies <sup>2</sup>	
		Held	Attended			Chairman	Member
Mr. Pravinchandra B. Shah	Promoter / Chairman / Non-Executive	6	6	Present	1	-	-
Mr. Vipul P. Shah	Promoter / Managing Director	6	4	Present	1	-	-
Dr. S. N. Sahai	Whole Time Director	6	5	Present	1	-	-
Mr. Arvind J. Patel	Non-Executive / Independent Director	6	-	Absent	-	-	-
Mr. Jagdeep Mehta	Non-Executive / Independent Director	6	6	Present	-	-	-
Mr. Prasannakumar B. Gawde	Non-Executive	6	6	Present	2	2	2



**Note:**

1. Directorships in respect of private limited companies, Section 25 companies and foreign companies have not been included.
2. Position in Audit Committee and Shareholders' Grievance Committee are considered for the purpose.
3. None of the directors hold directorships in more than 15 public limited companies, membership in more than 10 committees and chairmanship in more than 5 committees.

**3. BOARD COMMITTEES****A) Audit Committee**

The Committee comprises of two independent and one executive director having financial background and knowledge in the areas of business of the Company. The Committee comprises of Mr. Prasannakumar B. Gawde (Chairman of the Committee), Mr. Jagdeep Mehta and Mr. Vipul P. Shah. During the year under review, 5 (five) meetings of the Audit Committee were held on 30<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013, 13<sup>th</sup> February, 2014 and 25<sup>th</sup> March, 2014.

The composition of the committee and the number of meetings attended by each member during the year ended 31<sup>st</sup> March, 2014 is as under:

Name of the Member	Designation	No. of Meetings	
		Held	Attended
Mr. Prasannakumar B. Gawde	Chairman	5	5
Mr. Jagdeep Mehta	Member	5	5
Mr. Vipul P. Shah	Member	5	3

The terms of reference of the Committee are wide. The members have access to all the required information from the Company. The brief descriptions of terms of reference are as follows:

- Reviewing the performance of the Company as reflected in the financial statements, as also compliance with accounting policies and practices, regulatory requirements concerning the said financial statements.
- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment / re-appointment / removal of statutory auditors, fixation of audit fees and also approval of payments for any other services.
- Review with management the quarterly/half yearly and annual financial statements with the primary focus on accounting policies and practices, compliances with accounting standards and with the stock exchange and legal requirements concerning the financial statements.
- Reviewing with management, Statutory and internal auditors adequacy of the internal control systems in the Company.
- Discussing with internal and statutory auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- Reviewing the Company's financial and risk management policies.

The Compliance Officer acted as Secretary of the Committee.

**B) Shareholders' /Investors' Grievance Committee (now known as Stakeholders' Relationship Committee)**

During the year under review, the Shareholders'/Investors' Grievance Committee met 4 (four) times on 30<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013 and 13<sup>th</sup> February, 2014.

The Compliance Officer acted as secretary of the Shareholders'/Investors' Grievance Committee.

The composition of the committee and the number of meetings attended by each member during the year ended 31<sup>st</sup> March, 2014 is as under:

Name of the Member	Designation	No. of Meetings	
		Held	Attended
Mr. Pravinchandra B. Shah	Chairman	4	4
Dr. S. N. Sahai	Member	4	4
Mr. Vipul P. Shah	Member	4	2

The Committee meets as and when required, to deal with the matters relating to transfer/ transmission of shares and monitors redressal of complaints from shareholders relating to transfer, non-receipt of balance sheet, dematerialization of shares etc.

During the year, 4 complaints were received from the shareholders and both of them were replied/resolved to the satisfaction of the shareholders as on 31<sup>st</sup> March, 2014 and no complaint was pending at the end of the year.

The Compliance Officer acted as Secretary of the Committee.

**C) Remuneration Committee (now known as Nomination & Remuneration Committee)**

During the year under review, the Remuneration Committee met 2(two) times on 30<sup>th</sup> May, 2013 and 25<sup>th</sup> March, 2014.

The composition of the committee and the number of meetings attended by each member during the year ended 31<sup>st</sup> March, 2014 is as under:

Name of the Member	Designation	No. of Meetings	
		Held	Attended
Mr. Prasannakumar B. Gawde	Chairman	2	2
Mr. Arvind J. Patel	Member	2	-
Mr. Jagdeep Mehta	Member	2	2

The Compliance Officer acted as Secretary of the Committee.

The details of remuneration paid to the directors during the year ended 31<sup>st</sup> March, 2014 and their shareholding is as follows:

(Amount in Rs.)

Name of the Directors	Salary & Perquisites	Performance / Incentive / Bonus	Commission	Sitting Fees	Total	No. of Shares held
Mr. Pravinchandra. B. Shah	-	-	-	-	-	2,47,100
Mr. Vipul P. Shah	30,00,000	-	-	-	30,00,000	7,26,100
Dr. S. N. Sahai	5,00,000	-	-	-	5,00,000	-
Mr. Arvind J. Patel	-	-	-	-	-	-
Mr. Jagdeep Mehta	-	-	-	-	-	-
Mr. Prasannakumar B. Gawde	-	-	-	-	-	-



Presently, the Company does not have any scheme to grant stock options either to the Whole-time directors or employees.

No remuneration/compensation is paid to non-executive directors.

**Name and designation of Compliance officer:**

Dr. S. N. Sahai – Wholetime Director & Chief financial Officer is Compliance Officer of the Company.

**4. SUBSIDIARY COMPANY**

As on 31<sup>st</sup> March, 2014, the Company has one subsidiary company i.e. 'Shree Ambika Naturals Private Limited' which does not fall under the norms prescribed in Clause 49 of the Listing Agreement for "Material non-listed Indian Subsidiary".

**5. GENERAL BODY MEETINGS**

Details of location, date and time where last three Annual General Meetings were held are given below:

Financial Year	Date	Time	Venue
2012 – 13	27 <sup>th</sup> September, 2013	3.30 P.M	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058.
2011 – 12	28 <sup>th</sup> September, 2012	3.30 P.M	
2010 - 11	30 <sup>th</sup> September, 2011	3.30 P.M	

**Special Resolutions passed in last 3 Annual / Extra Ordinary General Meetings:**

Date of AGM / EOGM	Particulars of Special Resolution
27 <sup>th</sup> September, 2013	Special Resolution was passed for 1) Revision in remuneration payable to Mr. Vipul P. Shah, Managing Director w.e.f. 1 <sup>st</sup> October, 2012 for the remaining period of his tenure. 2) Re – appointment of Mr. Vipul P. Shah as Managing Director of the Company for the further period of three years w.e.f 15 <sup>th</sup> July, 2013 till 14 <sup>th</sup> July, 2016.
28 <sup>th</sup> September, 2012	Special Resolution was passed for revision in remuneration payable to Mr. Vipul P. Shah, Managing Director w.e.f. 1 <sup>st</sup> October, 2011 for the remaining period of his tenure.
30 <sup>th</sup> September, 2011	Special Resolution was passed for alteration of Articles of Association of the Company.

During the year under review, no resolution was passed by means of Postal Ballot. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.



## 6. DISCLOSURES

**A) Related party transactions:** None of the related party transactions was in conflict with the interests of the Company. Details on materially significant related party transactions are given in the appended financial statement under notes to the accounts.

**B) Code of Conduct:** The Board of Directors has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. All Board members have affirmed their compliance with the Code of Conduct. A declaration by the Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31<sup>st</sup> March, 2014 by the members of the Board, as applicable to them, is also annexed separately in this Annual Report.

**C) Compliance by the Company:** The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. The Stock Exchanges, SEBI or any statutory authority on any matter relating to capital markets imposed no penalties or strictures on the Company.

**D) Disclosure of Accounting Treatment:** In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**E) Disclosures of Risk Management:** The Board discussed the risk assessment and minimization procedure and the same has been laid before the Board from time to time.

**F) CEO / CFO Certification:** A certification in the terms of Clause 49(v) of the Listing Agreement from Mr. Vipul P. Shah, Managing Director and Dr. S. N. Sahai, Whole Time Director and CFO of the Company, in respect of financial year ended 31<sup>st</sup> March, 2014 was placed before the Board.

**G) Review of Directors' Responsibility Statement:** The Board in its report has confirmed that the annual accounts for the year ended 31<sup>st</sup> March, 2014 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

**H) Whistle Blower Policy:** The Company has not adopted any formal Whistler Blower Policy, however it takes cognizance of complaint made and suggestions given by the employees and whenever necessary, suitable corrective steps are taken for it. No employee was denied to access the audit committee for the same purpose.

**I) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:** The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant sections of this report.

## 4. MEANS OF COMMUNICATION

- A. At present half yearly report on accounts is not being sent to each household of shareholders.
- B. The quarterly/half yearly and yearly results are published in Business Standard and Mahanayak.
- C. At present, the Company has not made presentation to Institutional Investors and Analysts.
- D. The Company has its own website [www.vipuldyes.com](http://www.vipuldyes.com)
- E. The Management Discussion and Analysis is given separately in this Annual Report.

## 5. GENERAL INFORMATION FOR SHAREHOLDERS

### A) Annual General Meeting:

Day	:	Tuesday
Date	:	30 <sup>th</sup> September, 2014
Time	:	4.30 p.m.
Venue	:	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058



- B) Financial Calendar: (2014-2015):**  
 Result for the quarter ending 30<sup>th</sup> June, 2014 – by 14<sup>th</sup> August, 2014  
 Result for the quarter ending 30<sup>th</sup> September, 2014 – by 14<sup>th</sup> November, 2014  
 Result for the quarter ending 31<sup>st</sup> December, 2014 – by 14<sup>th</sup> February, 2015  
 Audited Result for the year ending 31<sup>st</sup> March, 2015 – by 30<sup>th</sup> May, 2015
- C) Date of Book Closure:**  
 Monday, 29<sup>th</sup> September, 2014 to Tuesday, 30<sup>th</sup> September, 2014 (both days inclusive)
- D) Dividend Payment Date:** Credit/ Dispatch between 7<sup>th</sup> October, 2014 and 10<sup>th</sup> October, 2014
- E) Listing on Stock Exchanges:**  
 BSE Limited  
 The Ahmedabad Stock Exchange Limited\*  
 The Delhi Stock Exchange Association\*  
 \*Applied for de-listing.  
 The Company has paid the necessary listing fees of the BSE Limited for the year 2014–2015.
- F) Stock Code:** BSE: 530627
- G) ISIN for NSDL & CDSL:** INE834D01018
- H) Market Price Data and comparison with BSE Sensex:** The monthly high and low quotations of shares traded on the BSE Limited and BSE Sensex during each month in last financial year are as follows:

Month	Company's Share Price at BSE*		BSE Sensex*	
	High(Rs.)	Low(Rs.)	High	Low
April, 2013	12.36	10.59	19622.68	18144.22
May, 2013	10.50	9.98	20443.62	19451.26
June, 2013	11.17	9.84	19860.19	18467.16
July, 2013	10.56	10.06	20351.06	19126.82
August, 2013	10.73	9.40	19569.20	17448.71
September, 2013	9.87	8.57	20739.69	18166.17
October, 2013	11.00	9.08	21205.44	19264.72
November, 2013	11.14	10.10	21321.53	20137.67
December, 2013	12.10	9.44	21483.74	20568.70
January, 2014	12.02	10.00	21409.66	20343.78
February, 2014	12.60	10.24	21140.51	19963.12
March, 2014	13.48	10.82	22467.21	20920.98

\* Source: [www.bseindia.com](http://www.bseindia.com)

- I. Share Transfer System:** All shares sent for transfer in physical form are registered by the Company's Registrar and Share Transfer Agents within a maximum period of 15 days of the lodgment, except in some cases, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are promptly processed and confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CSDL) within 21 days.

**J. Shareholding pattern as at 31<sup>st</sup> March, 2014:**

Sr. No.	Category of Holders	No. of Shares held	% of Shares held
1.	Promoter and Promoter group	29,60,100	54.07
2.	Mutual Funds/UTI	22,700	0.41
3.	Banks / Financial Institutions / Insurance Companies (Central/ State Govt. / Non Govt. institutions.)	-	-
4.	Venture Capital Funds	-	-
5.	FII's	-	-
6.	Bodies Corporate	5,67,484	10.37
7.	Individuals < Rs. 1 Lac > Rs. 1 Lac	10,18,117 8,74,831	18.60 15.98
8.	Clearing Member	1,568	0.03
9.	NRI/OCBs	29,700	0.54
10.	Trust	-	-
11.	Foreign Corporate Bodies	-	-
	<b>TOTAL</b>	<b>54,74,500</b>	<b>100.00</b>

**K) The Distribution of Shareholding as at 31<sup>st</sup> March, 2014:**

Slab of Shares Holding (in Rs.)		Share Holders	Percentage (%)	Amount (Rs.)	Percentage (%)
From	To				
1	5000	2551	87.2137	3957640	7.2292
5001	10000	155	5.2991	1326700	2.4234
10001	20000	70	2.3932	1124010	2.0532
20001	30000	37	1.2650	986550	1.8021
30001	40000	21	0.7179	765380	1.3981
40001	50000	15	0.5128	706610	1.2907
50001	100000	35	1.1966	2537660	4.6354
100001	500000	27	0.9231	6721690	12.2782
500001	1000000	7	0.2393	5812260	10.6170
1000001	5000000	5	0.1709	13939500	25.4626
5000001 and above		2	0.0684	16867000	30.8101
<b>TOTAL</b>		<b>2925</b>	<b>100.00</b>	<b>54745000</b>	<b>100.00</b>

**L) Dematerialization of shares and liquidity :** As on 31<sup>st</sup> March, 2014 about 91.76% of the Company's Equity Shares have been dematerialized. The Equity Shares of the Company are actively traded on the BSE Ltd., Mumbai.





**M) Outstanding ADRs, GDRs, Warrants or any convertible instruments, conversion date and impact on Equity:** As on 31<sup>st</sup> March, 2014, the Company did not have any outstanding ADRs, GDRs, Warrants or any convertible instruments.

**N) Registrar and Share Transfer Agents:**

**Bigshare Services Pvt. Ltd.**

**Unit: Vipul Dyechem Limited**

E – 2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka,

Andheri (East), Mumbai – 400 072

Tel. No. : 022-40430294 Fax No. : 022- 2847 5207

Email ID: kirti@bigshareonline.com

**O) Plant Location:**

Plot No. 11, Survey No. 35,  
Diwan & Sons Industrial Estate,  
Village Aliyali, Palghar (West),  
Dist. Thane – 401404

Plot No. A/14, MIDC,  
A.M.P. Road, Ambernath (West),  
Dist. Thane - 421501

**P) Address for Investor Correspondence:**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of Address, non-receipt of dividend or any address, non-receipt of dividend or any other query relating to shares please write to:

**Bigshare Services Pvt. Ltd.**

Unit – Vipul Dyechem Ltd.

E – 2/3, Ansa Industrial Estate,

Saki Naka, Andheri (East),

Mumbai – 400 072

Tel. No. : 022-40430294

Fax No. : 022- 2847 5207

Email ID: kirti@bigshareonline.com

**Compliance Officer**

Dr. S. N. Sahai

102, Andheri Industrial Estate,

Off Veera Desai Road,

Andheri (West),

Mumbai – 400 053

Tel No. : 022 66139999

Fax No.: 022 66139975

Email ID: [admin@vipuldyes.com](mailto:admin@vipuldyes.com)

#### DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

I, Vipul P. Shah, Managing Director of the Company, confirm that all the Directors and Key Managerial Personnel of the Company have affirmed compliance with the code of conduct during the year ended on 31<sup>st</sup> March, 2014.

**For Vipul Dyechem Limited**

Place: Mumbai

Date : 30<sup>th</sup> May, 2014

**Vipul P. Shah**  
**Managing Director**



**CERTIFICATE OF COMPLIANCE FROM THE AUDITORS OF THE COMPANY**

To,

The members of **VIPUL DYECHEM LIMITED**

We have examined the compliance of the conditions of Corporate Governance by **VIPUL DYECHEM LIMITED** for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and the representations made by management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement. We state that in respect of Investors' Grievances received, generally no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. J. A. Rajani & Co.**

Chartered Accountants

Firm Reg. No. : 108331W

**P. J. Rajani**

**Proprietor**

Membership No. : 116740

Place: Mumbai

Date: 30<sup>th</sup> May, 2014



## **Independent Auditor's Report**

### **To the Members of Vipul Dyechem Limited Report on the Financial Statements**

We have audited the accompanying financial statements of Vipul Dyechem Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and Statement of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.;
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

**For J. A. Rajani & Co.**

Chartered Accountants

Firm Reg. No. 108331W

**P. J. Rajani**

Proprietor

Membership No. 116740

Place: Mumbai

Date: 30th May, 2014.



**THE ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE OUR REPORT OF EVEN DATE**

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Vipul Dyechem Limited on the financial statements of the company for the year ended 31<sup>st</sup> March, 2014.

- i) In respect of its Fixed Assets.  
Proper records showing full particulars, including quantitative details and situation of fixed assets are maintained.  
As explained to us some of the Fixed Assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. The reconciliation work with the available records is in progress and necessary entries will be passed in the accounts to give to material discrepancies, observed on such reconciliation.  
In our opinion and according to the information and explanations given to us, the company has not made any substantial disposal of Fixed Assets during the year.
- ii) In respect of its Inventories.  
As explained to us, major inventories were physically verified during the year by the Management at reasonable intervals.  
In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the company and the nature of its business. In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) According to the information and explanation given to us:  
The company has not granted loans, secured or unsecured to companies, firms or other parties covered in register maintained u/s 301 of the Companies Act 1956 during the year and yearend balance is Rs. Nil.  
The company has not taken loan from companies, firms or other parties covered in register maintained u/s 301 of the Companies Act 1956.  
The rate of interest and other terms and conditions of loans given and taken by the company are prima facie not prejudicial to the interest of the company as no interest charged or received on any loans taken or given.  
Since no stipulation as to recovery of principal as well as payment of interest are made for loans granted & taken, we can't offer any comments for regularities of payments or overdue amount, if any.
- iv) In our opinion and according to the information and explanation given to us the company has internal control system commensurate with the size of the company and the nature of its business with regards to purchase of inventories, fixed assets and with regards to the sale of the goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal controls system.
- v) To the best of our knowledge and belief and according to the information and explanation given to us particulars of contracts or arrangements referred to in section 301 that need to be entered in the register have been so entered.  
In our opinion and according to the information and explanation given to us, the transaction made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi). In our opinion and according to the information and explanation given to us, the company has not accepted public deposits during the year within the meaning of Section 58A and 58AA. We have been informed that no order has been passed by the Company Law Board or National Company Law Board Tribunal or Reserve Bank of India or any other Tribunal in India.
- vii) In our opinion, the company has internal audit system, commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of accounts maintained by the company in respect of products where, pursuant to the rules made by the central government of India, the maintenance of under section 209(1) (d) of the Companies Act 1956, and are of the opinion that, prima facie, the prescribed



accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- ix) According to the record of the company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it with appropriate authorities except for delays in depositing tax deducted at source, professional tax and service tax.

According to the information and explanations given to us, there are no undisputed amount payable in respect of income tax, wealth tax, custom duty, excise duty and cash which were outstanding, at the end for the period of more than six months from the date they became payable *except dividend distribution tax of Rs. 1464.48 ('000) and profession tax of Rs 35.13 ('000)*.

According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cash which have not been deposited on account of any dispute *except for Rs 55 ('000) Income Tax in respect of Assessment 2002-03 which is Appeal with Income Tax Appellate Tribunal Mumbai and for Rs 316 ('000) Income Tax in respect of Assessment 2011-12 which is Appeal with Commissioner of Income Tax, Mumbai.*

- x) The company neither has accumulated losses at the end of the year, nor incurred cash losses during the financial year covered by our audit and the immediate preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- xii) According to information and explanation given to us company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) Clause (xiii) of the order is not applicable to the Company, as the Company is not chit fund Company or Nidhi / Mutual benefit fund / Society.
- xiv) The company has, in our opinion, maintained proper records and contracts with respect to its investment where timely entries are made in the former. All investment at the end are generally held in the name of the company.
- xv) According to information and explanation given to us the company has not given guarantees for loan taken by others from banks or financial institutions.
- xvi) According to information and explanation given to us the company has not taken term loan during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956 at a price which is not prejudicial to the interest of the Company.
- xix) According to information and explanation given to us Debentures have not been issued by the company during the year.
- xx) During the period, the company has not raised money by public issue.
- xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For J. A. Rajani & Co.**

Chartered Accountants  
Firm Reg. No. 108331W

**P. J. Rajani**

Proprietor  
Membership No. 116740

Place: Mumbai

Date: 30<sup>th</sup> May, 2014



Balance Sheet as on 31<sup>st</sup> March, 2014

	Note No.	31 <sup>st</sup> March 2014		31 <sup>st</sup> March, 2013
		Rupees in thousand	Rupees in thousand	Rupees in thousand
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) SHAREHOLDER'S FUND</b>				
(a) Share capital	3	54,745.00		54,745.00
(b) Reserves and Surplus	4	71,897.02		70,289.47
			<b>126,642.02</b>	<b>125,034.47</b>
<b>(2) NON-CURRENT LIABILITIES</b>				
(a) Long-term borrowings	5	1603.19		2096.91
(b) Deferred tax liabilities	6	1,581.69		951.59
(c) Other Long term Liabilities	7	242.35		354.56
(d) Long-term provisions	8	274.00		274.00
			<b>3,701.23</b>	<b>4,487.06</b>
<b>(3) Current Liabilities</b>				
(a) Short-term borrowings	9	89,683.14		87,207.51
(b) Trade payable	10	112,852.22		96,721.65
(c) Other current liabilities	11	7,899.68		8,227.10
(d) Short-term provision	12	7,637.57		7561.46
			<b>218,072.61</b>	<b>199,717.71</b>
<b>TOTAL</b>			<b>348,415.86</b>	<b>329,239.24</b>
<b>II. Assets</b>				
<b>NON-CURRENT ASSETS</b>				
<b>(1) (a) Fixed assets</b>				
(i) Tangible assets	13	44,620.18		38,240.22
(ii) Capital work-in-progress		688.54		1417.59
(b) Non-current Investments	14	3,042.77		3,042.77
(c) Long-term loans and advances	15	65,832.35		64,392.83
(d) Other non-current assets	16	84.00		96.00
			<b>114,267.84</b>	<b>107,189.41</b>
<b>CURRENT ASSETS</b>				
<b>(2) (a) Investment</b>	17	63,206.94		48,203.95
(b) Trade receivable	18	98,745.33		116,428.95
(c) Cash and Cash equivalents	19	19,625.16		13,855.11
(d) Short term loans and advances	20	52,570.58		43,562.28
(e) Other Current Assets		-		-
			<b>234,148.02</b>	<b>222,049.83</b>
<b>TOTAL</b>			<b>348,415.86</b>	<b>329,239.24</b>

See accompanying notes to the financial statements

In terms of our report attached.

For and on behalf of the Board of Directors

For **J.A.Rajani & Co.**  
Chartered Accountants  
Firm Registration No.108331W

**P. J. Rajani**  
Proprietor  
Membership No.116740

**Pravinchandra B. Shah**  
Chairman

**Vipul P. Shah**  
Managing Director

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

**Dr. S.N. Sahai**  
Wholetime Director & CFO



## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	31 <sup>st</sup> March, 2014 Rupees in thousand	31 <sup>st</sup> March, 2013 Rupees in thousand
I. Revenue from operations	21	441,471.57	342,483.37
II. Other income	22	667.02	487.80
III. Total Revenue (I+II)		442,138.59	342,971.17
IV. Expenses:			
Cost of materials consumed	23	102,192.09	77,617.95
Purchase of Stock-in-Trade	23	234,806.58	187,995.98
Changes in inventories of Stock-in-Trade	24	(11,083.96)	(8,866.95)
Employee benefits expense	25	14,213.42	9,568.99
Finance costs	26	5,632.78	4,799.81
Depreciation and amortization expense	27	4,274.60	3,259.70
Operating Expenses	28	33,126.83	29,831.84
Administrative, Selling and General expenses	29	49,334.32	29,817.31
<b>Total Expenses:</b>		<b>432,496.64</b>	<b>334,024.64</b>
V. <b>Profit before tax (III-IV)</b>		<b>9,641.94</b>	<b>8,946.52</b>
VI. <b>Tax Expense:</b>			
(1) Current Tax		2,575.00	2,410.00
(2) Deferred Tax		630.10	247.61
		3,205.10	2,657.61
VII. <b>Profit for the period after tax (V-VI)</b>		<b>6,436.84</b>	<b>6,288.91</b>
VIII. <b>Earnings per Equity Shares</b>	30		
(1) Basic		1.18	1.15
(2) Diluted		1.18	1.15

See accompanying notes to the financial statements

In terms of our report attached.

For **J.A.Rajani & Co.**  
Chartered Accountants  
Firm Registration No.108331W

**P. J. Rajani**  
Proprietor  
Membership No.116740  
Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**Pravinchandra B. Shah**  
Chairman

**Vipul P. Shah**  
Managing Director

**Dr. S.N. Sahai**  
Wholetime Director & CFO

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	31st March, 2014	31st March, 2013
	Rupees in thousand	Rupees in thousand
<b>A. Cash Flow from Operating Activities:</b>		
Profit Before Tax	9,641.94	8,946.52
Adjustments for:		
Depreciation and Amortization	4,274.60	3,259.70
Interest Expenses (Net)	5,632.78	4,799.81
Dividend Income	(71.35)	(76.82)
Other Income	(595.67)	(410.99)
Bad Debts written off	4,621.63	52.38
Profit/Loss on sale of Fixed Assets	7.32	134.11
	13,869.31	7,758.20
Operating Profit Before Working Capital Changes	23,511.25	16,704.73
(Increase) / Decrease in Long-term and Short term loans and advances	(10,447.82)	(9,273.60)
(Increase) / Decrease in Other Current and Non-current assets	12.00	12.00
(Increase) / Decrease in Inventories	(15,002.99)	(9,543.06)
(Increase) / Decrease in Trade receivables	13,061.53	(37,989.02)
(Decrease) / Increase in Trade payables and liabilities	14,807.11	42,360.92
	2,429.83	(14,432.76)
Cash Generated from Operations	25,941.08	2,271.96
Direct Taxes Paid (including TDS) Net	(2,147.86)	(2,844.59)
Net Cash Flow from Operating Activities - A	<b>23,793.22</b>	<b>(572.63)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Sale/ (Purchase) of Tangible and Intangible Assets	(9,928.15)	(10,450.69)
Investments	-	-
Interest and Dividend Income	667.02	487.80
Net Cash used in Investing Activities - B	<b>(9,261.14)</b>	<b>(9,962.89)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Increase in share Capital / Share Application Received	-	-
(Decrease) / Increase in Borrowings (net)	1,171.91	26,619.67
Dividend Paid	(4,301.16)	(4,232.53)
Interest Paid and Finance Cost	(5,632.78)	(4,799.81)
Net Cash from Financing Activities - C	<b>(8,762.02)</b>	<b>17,587.33</b>
Net Increase/(Decrease) in Cash & Cash Equivalents -A+B+C	<b>5,770.06</b>	<b>7,051.81</b>
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks ##	10,636.54	4,310.77
- Deposits with Banks and Interest Accrued thereon **	8,988.62	9,544.33
	19,625.16	13,855.10
Less: Cash and Cash Equivalents as at the beginning of the year	<b>13,855.10</b>	<b>6,803.30</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>5,770.06</b>	<b>7,051.80</b>

Note:

## This includes Rs. 1013.14 thousands balance in earmarked account (Prev. Yr. includes Rs. 936.312 thousands )

\*\* This Includes Rs.185.6 thousands held in deposit for more than 12 months (Prev. Yr. Rs. Nil )

Figures in bracket denote outflow of cash.



In terms of our report attached.

**For J.A.Rajani & Co.**  
Chartered Accountants  
Firm Registration No.108331W

**P.J.Rajani**  
Proprietor  
Membership No.116740

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

**For and on behalf of the Board of Directors**

**Pravinchandra B. Shah**  
Chairman

**Vipul P. Shah**  
Managing Director

**Dr. S.N. Sahai**  
Whole time Director & CFO



## Notes to the financial statements for the year ended 31st March, 2014

### 1. Corporate Information

The Company is mainly in business of Dyes, Chemicals & Intermediates

### 2. Significant Accounting Policies

#### a. System of Accounting:

The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties. The financial statement have been prepared on the basis of going concern, under historical cost convention, to comply in all Material aspect with applicable accounting principles in India, the Accounting standards issued by the ICAI (except as otherwise stated) and the relevant provision of Companies Act, 1956.

Estimates and Assumptions used in the preparation of the financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the day of the Financial Statements, which may differ from the actual results at a subsequent date.

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Revised Schedule VI to the Companies Act, 1956.

#### b. Fixed Assets, Depreciation And Impairment Loss:

Fixed Assets are stated at cost net of accumulated depreciation. Cost includes expenses related to acquisition and financing cost on borrowing during construction period. Assets acquired on Hire purchase are capitalized to the extent of Principal Value. Depreciation on Fixed Assets has been provided on written down value basis and manner provided in schedule XIV of Companies Act 1956. Additions during the Year are depreciated on pro-rata basis. Leasehold land is shown at cost and no write offs are made in respect thereof.

In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss.

#### c. Investments:

Long-term investments are stated at cost of acquisition less provision for diminution in value other than temporary, if any.

#### d. Prior Period Adjustments:

All items of Income/Expenditure pertaining to prior period (except those not exceeding Rupees One Thousand in each case which is accounted through respective revenue accounts) are accounted through Prior Period Adjustment account.

#### e. Inventories:

Raw Materials are valued at cost.

Finished Goods are valued at lower of cost or net realizable value.

Packing materials, stores and spares are charged to revenue account.

#### f. Revenue Recognition:

Export Sales are accounted on the date of Bill of Lading. Export benefits thereon are accounted on the basis of eligibility in the year of Export.

Sales include Central Excise and other incidental charges.

Dividend from investments in the shares is accounted for on the basis of the date of declaration of dividend falling within the accounting year.

#### g. Deferred Revenue Expenditure:

Shares Issue Expenses are amortized over a period of 10 years.

**h. Retirement Benefits:**

The Company has created an Employees' Group Gratuity Fund, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The

Adequacy of the fund along with the provision is as per the actuarial valuation. Provision for leave entitlement is accrued and provided for at the end of the financial year.

**i. Bonus:**

No provision is made in accounts for bonus payable to employees. The payment is recorded when actual disbursement is made.

**j. Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which this are incurred.

**k. Foreign Currency Transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. At the year-end monetary items denominated in foreign currencies are converted into rupee equivalent at the year-end exchange rates. All exchange differences arising on settlement and conversion on foreign currency transaction are dealt with in profit and loss account, except in cases where they relate to acquisition of fixed assets, in which they are adjusted in the cost of corresponding assets.

**l. Accounting For Tax On Income:**

The provision for current tax has been made in accordance with the Income Tax Law prevailing for the relevant assessment year after considering various admissible reliefs'. Deferred tax for the year is recognized, on timing differences being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax assets and liabilities are measured using the tax rates and tax rules that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable, virtual certainty of its realization.

**m. Research & Development:**

Revenue expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Fixed assets purchased for research and development are treated in the same way as any other Fixed Assets.

**n. Expenditure during Construction and On New Projects:**

In case of new Industrial units and substantial expansion of existing units, all pre- operating expenditure specifically for the project, incurred up to the date of installation, is capitalized and added pro rata to the cost of fixed assets.

**o. Provisions, Contingent, Liabilities and Contingent Assets:**

A provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognized or disclosed in the financial statements.



**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2014**

3	SHARE CAPITAL		31 <sup>st</sup> March, 2014 Rupees in thousand	31 <sup>st</sup> March, 2013 Rupees in thousand
3.1	<b>Authorized :</b> 60,00,000 (P.Y.60,00,000)Equity Shares of 10 each.	<b>Total</b>	<b>60,000.00</b> <b>60,000.00</b>	60,000.00 60,000.00
3.2	<b>Issued, Subscribed and Fully Paid-up Shares:</b> 54,74,500 (P. Y. 54,74,500) Equity Shares of Rs.10 each fully paid up)	<b>TOTAL</b>	<b>54,745.00</b> <b>54,745.00</b>	54745.00 54,745.00
3.3	<b>Reconciliation of the number of shares outstanding at the beginning and at the end of the year.</b>			

	No. of shares (Nos.)		Share capital Rupees in thousand	
	Figures for the current reporting period	Figures for the Previous reporting period	Figures for the current Reporting period	Figures for the Previous reporting period
Balance as at Beginning of Year	<b>54,74,500</b>	5,474,500	<b>54,745.00</b>	54,745.00
Balance as at End of Year	<b>54,74,500</b>	5,474,500	<b>54,745.00</b>	54,745.00

**3.4 Terms / rights attached to equity shares**

- Fully paid equity shares, which have a par value of Rs. 10/-, carry one vote per share and carry a right to dividends.
- Dividends, if recommend by the Board of Directors need approvals from the Shareholders at the Annual General Meeting. The Board of Directors may also declare interim dividends, if in their judgment the position of the Company justifies.
- During the year ended March 31, 2014, the amount of per share dividend recognized as Rs 0.80 (March 31, 2013 Rs. 0.80)
- In the event of winding up / liquidation of the Company, the holder of equity shares will be entitled to receive a residual interest in proportion to the number of shares held by them at that time in the assets of the Company after deducting all of liabilities of the Company.

**3.5 List of shareholders who holds more than 5% of equity shares in the company:**

Name of the shareholders	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013	
		%	(No.s)	%
Pravinchandra B. Shah HUF	472,550	<b>8.63%</b>	472,550	8.63%
Vipul P. Shah	726,100	<b>13.26%</b>	726,100	13.26%
Mihir V. Shah	960,600	<b>17.55%</b>	960,600	17.55%
	<b>2,159,250</b>	<b>39.44%</b>	2,159,250	39.44%



## Notes to the financial statements for the year ended 31st March, 2014

		31 <sup>st</sup> March, 2014 Rupees in thousand	31 <sup>st</sup> March, 2013 Rupees in thousand
<b>4 Reserves and surplus:</b>			
Capital Reserve		6,277.70	6,277.70
Securities Premium Account		29,478.00	29,478.00
General Reserve		9,009.75	9,009.75
Profit and loss account		27,131.56	25,524.02
	<b>Total</b>	<b>71,897.02</b>	<b>70,289.47</b>
<b>4.1 Capital Reserve</b>			
As per Last Balance Sheet		6,277.70	6,277.70
Balance at end of year		6,277.70	6,277.70
<b>4.2 Securities Premium Account:</b>			
Balance at beginning of year		29,478.00	29,478.00
Balance at end of year		29,478.00	29,478.00
<b>4.3 General Reserve</b>			
Balance at beginning of year		9,009.75	9,009.75
Balance at end of year		9,009.75	9,009.75
<b>4.4 Profit and Loss account</b>			
Balance at beginning of year		25,524.02	24,628.56
Add: Profit after Tax for the year		6,436.84	6,288.91
Less: Appropriations:			
Tax Adjustments		292.65	(201.88)
Proposed Dividend – Final		(4,379.60)	(4,379.60)
Corporate Dividend Tax thereon		(742.34)	(811.98)
Balance at end of year		<u>27,131.56</u>	<u>25,524.02</u>
		31 <sup>st</sup> March, 2014 Rupees in thousand	31 <sup>st</sup> March, 2013 Rupees in thousand
<b>5 Long term borrowings:</b>			
<b>5.1 Secured Loans</b>			
Loan from Bank		1,433.04	2,300.94
		<u>1,433.04</u>	<u>2,300.94</u>
<b>5.2 Unsecured Loans</b>			
Loan from Others (Refer Note no 11) **		170.15	605.98
	<b>Sub Total (B)</b>	<b>170.15</b>	<b>605.98</b>
	<b>Total(A)+(B)</b>	<b>1,603.19</b>	<b>2,906.91</b>

\*\* Personal Guarantee of Directors

#### Secured Loans from Banks

Rs. 170('000) (Previous Year Rs.292 ('000) secured by hypothecation of vehicles from Vijaya Bank Ltd. Equal monthly instalments over the period of loan by 28th, February, 2016 and carry interest rate of 10.75 % p.a

Rs. 1263('000) (Previous Year Rs.2009 ('000) secured by hypothecation of vehicles from Axis Bank Ltd. Equal monthly instalments over the period of loan by 15th, September,2016 and carry interest rate of 9.75 % p.a.

#### Secured Loans from Others

Rs. Nil ('000) (Previous Year Rs.292('000) secured by hypothecation of vehicles from Tata Capital Ltd. Equal monthly instalments over the period of loan by 3rd ,September,2013 and carry interest rate of 8 % p.a

**Notes to the financial statements for the year ended 31<sup>st</sup>, March, 2014****Unsecured Loans from Banks**

Repayment of loan from Kotak Mahindra Bank Ltd. in monthly scheduled installments by 1<sup>st</sup> April, 2013 and carry interest rate of 8.86 % p.a.

**Unsecured Loans from Others**

Repayment of loan from Magma Fincorp Ltd. in monthly scheduled instalments by 7<sup>th</sup>, May, 2013 and carry interest rate of 7.31 % p.a. Repayment of loan from Gujrat Industrial Development Ltd. in Quarterly Equal instalments by 30<sup>th</sup> September, 2015 and carry interest rate of 13.5 % p.a.

	<b>31<sup>st</sup>, March, 2014 Rupees in thousand</b>	<b>31<sup>st</sup>, March, 2013 Rupees in thousand</b>
<b>6. Deferred Tax Liability</b>		
Major components of deferred tax are:		
Related to Fixed Assets	<b>1,581.69</b>	951.59
<b>Net Deferred Tax Liability</b>	<b>1,581.69</b>	951.59

Notes to the financial statements for the year ended 31<sup>st</sup>, March, 2014

		31 <sup>s</sup> March, 2014	31 <sup>st</sup> March, 2013
		Rupees in thousand	Rupees in thousand
7	<b>Other Long-term Liabilities:</b>		
	Payables on purchase of Fixed Assets	192.35	304.56
	Deposit from Dealers	50.00	50.00
	<b>Total</b>	<b>242.35</b>	<b>354.56</b>
8	<b>Long-term provisions:</b>		
	Provision for Gratuity	274.00	274.00
	<b>Total</b>	<b>274.00</b>	<b>274.00</b>
9	<b>Short-term borrowings:</b>		
	(a) Loans repayable on demand		
	From banks		
	Secured	89,683.14	87,207.51
	<b>Total</b>	<b>89,683.14</b>	<b>87,207.51</b>
<p>The working capital facilities from Banks are secured by way of Hypothecation of Stock and Book Debts. The above loans also covered by following collateral securities as under:-</p> <p>i) EMDTD of land property &amp; building with machinery/electrical installation situated at Survey no 35, Dewan &amp; Sons Industrial Estate, Palghar</p> <p>ii) Land &amp; Building along with machineries at Plot no.11, Diwan &amp; Sons Industrial Estate, Palghar of M/s VIP Chem Pvt. Ltd.</p> <p>iii) Land &amp; Building at Plot no 10 &amp; 16, Diwan &amp; Sons Ind. Est., Palghar of Jayshree Chemicals</p> <p>iv) Also covered in personal guarantee of 2 directors &amp; corporate guarantees of Jayshree Chemicals &amp; VIP Chem P. Ltd.</p>			
10	<b>Trade payables</b>		
	Sundry Creditors-other than micro and small enterprises	90,016.02	76,276.22
	Acceptances	22,836.20	20,445.43
	<b>Total</b>	<b>112,852.22</b>	<b>96,721.65</b>
11	<b>Other current liabilities:</b>		
	Current maturities of long-term secured loan (See Note 5.1)	913.11	872.43
	Current maturities of long-term unsecured loan (See Note 5.2)	303.59	502.56
	Advance from Customers	2,777.01	1,892.72
	Unpaid Dividends	1,006.88	928.44
	Duties & taxes	2,899.10	4,030.94
	<b>Total</b>	<b>7,899.68</b>	<b>8,227.10</b>
12	<b>Short-term provisions:</b>		
	Provision for Tax	2,515.63	2,369.88
	Proposed Dividend	4,379.60	4,379.60
	Corporate Dividend Tax	742.34	811.98
	<b>Total</b>	<b>7,637.57</b>	<b>7,561.46</b>

Notes to the financial statements for the year ended 31<sup>st</sup> March, 201413 Tangible Assets

Rupees in thousand

	Freehold Factory Land	Office Premises	Buildings	Plant And Machinery	Furniture And Fixtures	Vehicles	Computer	Office Equipments	Total
<b>Cost or valuation</b>									
At 1 <sup>st</sup> , April, 2012	16,020.35	635.48	4,359.56	28,146.81	1,608.63	4,294.99	1,400.83	1,144.24	57,610.89
Additions	-	-	-	6,587.20	21.00	4,686.02	291.63	616.43	12,202.29
Disposals	-	-	-	-	-	(2,097.92)	-	-	(2,097.92)
<b>At 31<sup>st</sup>, March 2013</b>	<b>16,020.35</b>	<b>635.48</b>	<b>4,359.56</b>	<b>34,734.01</b>	<b>1,629.63</b>	<b>6,883.09</b>	<b>1,692.46</b>	<b>1,760.68</b>	<b>67,715.25</b>
Additions	-	-	-	5,455.55	4,374.29	-	254.45	587.50	10,671.79
Disposals	-	-	-	-	-	-	(64.29)	-	(64.29)
<b>At 31<sup>st</sup>, March 2014</b>	<b>16,020.35</b>	<b>635.48</b>	<b>4,359.56</b>	<b>40,189.55</b>	<b>6,003.92</b>	<b>6,883.09</b>	<b>1,882.62</b>	<b>2,348.18</b>	<b>78,322.76</b>
<b>Depreciation</b>									
At 1 <sup>st</sup> , April, 2012	-	102.61	3,243.33	18,661.81	943.35	2,437.68	1,015.68	720.02	27,124.48
Charge for the year	-	26.64	111.62	1,839.23	121.37	827.24	192.52	129.07	3,247.70
Disposals	-	-	-	-	-	(897.1)	-	-	(897.14)
<b>At 31<sup>st</sup>, March 2013</b>	<b>-</b>	<b>129.25</b>	<b>3,354.95</b>	<b>20,501.04</b>	<b>1,064.72</b>	<b>2,367.79</b>	<b>1,208.19</b>	<b>849.09</b>	<b>29,475.04</b>
Charge for the year	-	25.31	100.46	2,328.67	169.49	1,166.57	240.68	231.41	4,262.60
Disposals	-	-	-	-	-	-	(35.06)	-	(35.06)
<b>At 31<sup>st</sup>, March 2014</b>	<b>-</b>	<b>154.57</b>	<b>3,455.41</b>	<b>22,829.71</b>	<b>1,234.21</b>	<b>3,534.35</b>	<b>1,413.81</b>	<b>1,080.51</b>	<b>33,702.57</b>
<b>Net Block</b>									
At 31 <sup>st</sup> , March 2014	16,020.35	480.91	904.14	17,359.85	4,769.71	3,348.74	468.81	1,267.67	44,620.18
At 31 <sup>st</sup> , March 2013	16,020.35	506.23	1,004.61	14,232.97	564.91	4,515.31	484.27	911.58	38,240.22

NOTE-Gross block is at cost



## Notes to the financial statements for the year ended 31st March, 2014

	31 <sup>st</sup> March, 2014 Rupees in thousand	31 <sup>st</sup> , March, 2013 Rupees in thousand
<b>1 Non-current Investments:</b>		
<b>4 (Fully Paid Up, At Cost)</b>		
<b>Trade Investments:</b>		
<b>(a) Investments in Equity Instruments</b>		
<b>Investments in Equity Shares of Subsidiaries:</b>		
Equity Shares of Shree Ambika Naturals Pvt. Ltd. (Unquoted) 2550 (Prev.Yr. 2550) Equity Shares of Rs.100 each.	255.00	255.00
<b>(b ) Investments in Government Securities :</b>		
Government Securities (Unquoted) (Deposited with Government authorities)	1.00	1.00
<b>Non-trade Investments:</b>		
<b>(a) Investments in Equity Instruments</b>		
Equity Shares (Quoted)		
Arvind Mills Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	94.43	94.43
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of Rs.2 Each)	85.35	85.35
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of Rs.10 Each)	146.71	146.71
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev.Yr. 179) Equity shares Fully paid of Rs.2 Each)	7.01	7.01
Hotel Leela Ventures Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.2 Each)	54.72	54.72
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of Rs.10 Each)	155.11	155.11
Kiri Industries Ltd.(500 (Prev.Yr. Nil) Equity shares Fully paid of Rs.10 Each)	82.93	82.93
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	165.93	165.93
Navin Flourine International Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	76.95	76.95
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of Rs.10 Each)	1,014.70	1,014.70
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of Rs.5 Each)	166.92	166.92
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.1 Each)	122.59	122.59
Petronet LNG Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.10 Each)	176.47	176.47
Standard Indistires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of Rs.5 Each)	344.30	344.30
Vijaya Bank Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	52.17	52.17
Equity Shares (Quoted)	2,746.27	2,746.27
<b>(b) Investments in Debentures:</b>		
Debentures (Quoted)	40.50	40.50
<b>Total</b>	<b>3042.77</b>	<b>3042.77</b>

	Cost		Market Value	
	31 <sup>st</sup> March, 2014 Rupees in thousand	31 <sup>st</sup> March, 2013 Rupees in thousand	31 <sup>st</sup> March, 2014 Rupees in thousand	31 <sup>st</sup> March, 2013 Rupees in thousand
Aggregate value of Quoted Investments*	2,746.27	2746.27	4175.97	2051.74
Aggregate value of Unquoted Investments	296.50	296.50	-	-
<b>Total</b>	<b>3042.77</b>	<b>3042.77</b>	<b>4175.97</b>	<b>2051.74</b>



Notes to the financial statements for the year ended 31<sup>st</sup> March, 2014

	31 <sup>st</sup> March, 2014 Rupees in thousand	31 <sup>st</sup> March, 2013 Rupees in thousand
<b>15 Long-term loans and advances:</b>		
<b>(Unsecured and considered good)</b>		
Capital Advances-Related (Refer note 46)	20,475.00	17,875.00
Capital Advances-Others	350.00	2,031.35
Deposits with Government Authorities and Others	33,195.18	33,133.78
Loans and advances to related parties		
- Subsidiaries (Refer Note 46)	11,512.17	9,944.53
- Related Parties (Refer note 46)	-	108.18
Other loans and advances	300.00	1,300.00
<b>Total</b>	<b>65,832.35</b>	<b>64,392.83</b>
<b>16 Other non-current assets:</b>		
Unamortized Share Issue Expenses	84.00	96.00
<b>Total</b>	<b>84.00</b>	<b>96.00</b>
<b>17 Inventories</b>		
(At cost or net realizable value whichever is lower)		
(a) Raw materials	19,442.39	15,523.36
(b) Finished goods	20,686.57	18,171.40
(c) Stock-in-trade	23,077.98	14,509.20
	<b>63,206.94</b>	<b>48,203.95</b>
<b>18 Trade receivables (Unsecured)</b>		
Considered Good		
Overdue Trade Receivables	-	5,104.26
Trade Receivables	98,745.33	111,324.24
<b>Total</b>	<b>98,745.33</b>	<b>116,428.50</b>
<b>19 Cash and Cash equivalents:</b>		
Earmarked Balance		
Unpaid Dividend Account	1,013.14	936.31
<b>Balances with Scheduled Bank:</b>		
In Current Account	9,108.71	2,821.33
In Fixed deposit	8,988.62	9,544.33
In EEFC Account	7.53	6.73
Cash in Hand	507.16	546.40
<b>Total</b>	<b>19,625.16</b>	<b>13,855.11</b>
<b>Notes:</b>		
Fixed deposits with Banks includes:		
a) Fixed deposit with the banks with maturity period of more than 12 months.	185.60	-
b) Fixed deposits in Margin Account	6155.59	9,456.33
<b>20 Short-term loans and advances:</b>		
<b>(Unsecured and considered good)</b>		
Loans and advances to Related parties (refer Note no 46)	5,284.30	3,762.90
Loans and advances to Employees	176.18	191.00
Prepaid Expenses	738.03	141.79
Balance with Government Authorities		
Excise	8,743.36	7,652.37
MVAT Refund	8,624.95	4,974.13
Service Tax	2,032.64	2,493.54



		31 <sup>st</sup> March, 2014 Rupees in thousand	31 <sup>st</sup> March, 2013 Rupees in thousand
	Advances recoverable in cash or kind or for value to be received		
	Export Incentive	10,826.28	8137.66
	Advance to Suppliers	16,143.85	16,147.69
	Others	0.99	61.20
	<b>Total</b>	<b>52,570.58</b>	<b>43562.28</b>
<b>21</b>	<b>Revenue from operations</b>		
	Export sales	402,039.36	302,715.34
	Local sales (Including Excise Duty)	29,054.72	32,778.53
	Export incentives	12,879.77	9,119.97
	Less: Excise Duty (Dyes and Chemicals)	(2,502.28)	(2,130.47)
	<b>Total</b>	<b>441,471.57</b>	<b>342,483.37</b>
<b>22</b>	<b>Other income:</b>		
	Interest on Deposit with Banks	595.67	410.99
	Dividend on Current Investments (non-trade)	71.35	76.82
	<b>Total</b>	<b>667.02</b>	<b>487.80</b>
<b>23</b>	<b>a) Cost of materials consumed (Chemicals &amp; Others)</b>		
	Opening Stock	15,523.36	14,847.25
	Add: Purchases	106,111.11	78,294.07
	Less: Closing Stock	19,442.39	15,523.36
		<b>102,192.09</b>	<b>77,617.95</b>
	<b>b) Purchases of Stock-in-Trade</b>		
	Dyes and Chemicals	234,806.58	187,995.98
	<b>Total</b>	<b>234,806.58</b>	<b>187,995.98</b>
<b>24</b>	<b>Changes in Inventories of Stock-in-Trade</b>		
	Inventories at the end of the year Dyes and Chemicals	43,764.55	32,680.59
		<b>43,764.55</b>	<b>32,680.59</b>
	Inventories at the beginning of the year Dyes and Chemicals	32,680.59	23,813.64
		<b>32,680.59</b>	<b>23,813.64</b>
	<b>(A) -(B)</b>	<b>(11,083.96)</b>	<b>8,866.95)</b>
<b>25</b>	<b>Employee benefits expense:</b>		
	Salaries, Wages, Bonus and Gratuity	13,616.14	9,224.66
	Contribution to Provident Fund and Other Funds	65.00	64.69
	Employees' Welfare Expenses	532.27	279.64
	<b>Total</b>	<b>14,213.42</b>	<b>9,568.99</b>
<b>26</b>	<b>Finance costs:</b>		
	Bank Interest	4,186.18	3,892.99
	Bank Charges-Processing Fees	722.55	426.25
	Other Interest	724.04	480.57
	<b>Total</b>	<b>5,632.78</b>	<b>4,799.81</b>
<b>27</b>	<b>Depreciation and amortization expense</b>		
	Depreciation (As per Note 13)	4,262.60	3,247.70
	Amortization of Deferred Revenue Expenses	12.00	12.00



<b>28 Operating Expenses</b>			
Stores and Spare Consumed		2,695.83	1,665.44
Power and Fuel		10,846.99	11,650.11
Factory Rent		3,000.00	2,750.00
Labour & Transport		7,178.95	6,668.08
Repairs & Maintenance		3,721.91	3,346.64
Packing Material		5,683.15	3,751.57
		<b>33,126.83</b>	<b>29,831.84</b>
<b>29 Administrative, Selling and General expenses</b>			
Export Clearing ,Freight & Forwarding		8,041.18	5,609.81
Professional & Legal Charges		3,494.32	3,153.94
Prior Period Expenses		100.00	-
Travelling Expenses		4,494.24	3,747.51
Insurance Charges		2,302.03	2,232.24
Rent ,Rates & Electricity		2,057.09	1,997.58
Donation		402.50	371.00
Exchange Gain /Loss		8,051.97	1,268.93
Commission		2,238.80	2,703.24
Loss on sales of assets		7.32	134.11
Miscellaneous/ Office Expenses		13,523.25	8,546.57
Bad Debts		4,621.63	52.38
<b>Total</b>		<b>49,334.32</b>	<b>29,817.31</b>
<b>30 Earnings per share:</b>			
The Numerators and denominators used to calculate Earnings per Share:			
Nominal Value of Equity Share (Rs.)	<b>Rs.</b>	<b>10/-</b>	10/-
Net Profit available for equity shareholders (Rs. In lacs) = (A)	<b>Rs.</b>	<b>6,436.84</b>	6,288.91
Weighted Average number of shares outstanding during the year - (B)	<b>Nos.</b>	<b>5,474,500</b>	5,474,500
Basic and Diluted Earnings Per Share (Rs.) - (A) / (B)	<b>Rs.</b>	<b>1.18</b>	1.15
<b>31 Contingent liabilities and Commitments:</b>			
<b>(i) Contingent Liabilities</b>			
(a) Income tax matters not acknowledged as debt		370.81	54.00
(b) Dues Raised by M.S.E.B which is protested by Company.		250.00	250.00
<b>Total:</b>		<b>620.81</b>	<b>304.00</b>
<b>(ii) Commitment</b>			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		750.00	2000.00
<b>Total:</b>		<b>750.00</b>	<b>2000.00</b>
<b>32 Payments to Auditors for the year</b>			
Auditors' Remuneration & Expenses (including Service Tax)			
(a) As Auditors		280.90	230.34
(b) For Tax Audit		140.45	117.98
(c) Certification and Other matters		126.97	65.08
(d) Taxation Matters		42.14	73.04
<b>Total</b>		<b>590.45</b>	<b>486.43</b>



- 33 The Sales Tax & Income-Tax Assessments are pending for earlier years. Liabilities in respect of such taxes could not be ascertained.
- 34 Export benefits including Central Excise, Advance Licenses and Passbook of Duty Credit to be reconciled with the related evidences and Statements and necessary adjustment if required will be made after reconciliation. Export benefits receivable are valued and certified by the management. However the actual realization of the same may significantly differ.
- 35 The Company has deposits of Rs.74 lacs with the Pyrates Phosphates & Chemicals Ltd (PPCL) which is overdue. However the company has filed a suit with District Court and for the same District Court has given the ruling in favor of the Company by the way of decree. The Company has now filled an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honorable High Court Patna, it has been decided that the claim may be considered upon liquidation / disposal of all the assets of PPCL. In view of that, the management has not made any provision for doubtful deposits.
- 36 Sundry Debtors, Creditors, Loan, Deposits and advances are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.
- 37 Some assets of which the company is beneficial owner are pending for transfer in the name of the company. Company is required to have full time company secretary under u/s383A of the COMPANY ACT 1956.
- 38 No provision has been made in the accounts for diminution in the value of quoted & unquoted investments by reason of these investments being Long Term Investment and the decline in their value being on account of temporary factors.
- 39 Bonus is accounted on cash basis. Which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India.
- 40 In the opinion of the Board of Directors to the best of knowledge and belief all the current assets, loans and advances have been stated at realizable value at least of an amount equal to the amount at which they are stated in Balance Sheet.
- 41 Unpaid Dividend accounts are subject to reconciliation.
- 42 The Company does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes any amount However, the Company is regular in making payments to its suppliers and has not received any claim in respect of interest for delayed payment.
- 43 The outstanding forward exchange contract as on 31<sup>st</sup> March 2014 entered into by the company was for USD 425.00 ('000) equivalent to Rs.26345.25 ('000) (Prev. year USD 200 ('000) equivalent to Rs.10854 ('000) )
- 44 The entire operations of the Company relate to only one segment viz. Dyes, Chemicals & Intermediates as such, there is no separate reportable segment under Accounting Standard – As 17 on Segment Reporting.
- 45 As stipulated in Accounting Standard 28 on Impairment of Assets issued by the Institute of Chartered Accountants Of India, the company has assessed potential generation of economic benefits from its business units and is of the view that Assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly management is of the view that no impairment provision is called for in these accounts.
- 46 **Related Party Disclosures**  
As per the Accounting Standard 18, issued by the Institute of Chartered Accountants of India (ICAI), the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:  
I.List of Related Parties
- a) Subsidiary Shree Ambika Naturals Pvt. Ltd (Formerly known as Shree Ambika Dye chem Pvt. Ltd
  - b) Key Management Personal (KMP)  
Shri Vipul. P. Shah  
Dr. S. N. Sahai  
Shri Prasannakumar Gawde  
Shri Jagdeep Mehta
  - c) Relatives of KMP  
Smt. Jaya P. Shah  
Vipul. P. Shah HUF



## d) Other Related Parties (Entities in which (KMP) or their relatives have significant influence)

Jayshree Chemicals  
 Ganesh Tiles & Marble Industries  
 Amar Trading Corporation  
 J. V. Dye Chem. Pvt. Ltd.  
 VIP Chem Pvt Ltd.  
 Standardcon Pvt. Ltd.

II. Transaction with Related Parties & Outstanding Balance as on 31<sup>st</sup> March, 2014

(Rs. in '000)

Nature of transaction	Entities where control Exist	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
<b>Purchase /Services</b>	-	-	174.00	25,161.97
	(799.75)	(-)	(144.00)	(34,039.23)
	-	-	-	-
<b>Sale/Services</b>	-	-	-	8,050.17
	(-)	(-)	(-)	(16,001.11)
<b>Advance /Loan Given (net)</b>	1,567.64	-	2,600.00	18,604.94
	(4,257.38)	(-)	(1,947.35)	(12,949.63)
<b>Managerial Remuneration</b>	-	3,500.00	-	-
	(-)	(2,950.00)	(-)	(-)
<b>Balance Receivable</b>	11,512.17	(362.78)	20,475.00	30,572.36
	(9,944.53)	(-30.67)	(17,875.00)	(29,079.22)

NOTE= Figures in brackets represent previous years amount

**Notes to the financial statements for the year ended 31<sup>st</sup> March, 2014**

	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	Rupees in thousand		Rupees in thousand	
<b>47 Imported and Indigenous Raw material Consumed</b>				
Imported	5,563.61	5	11,706	15
Indigenous	96,628.48	95	65,912	85
	<b>102,192.09</b>	<b>100</b>	77,617.95	100
<b>48 Earning in Foreign Exchange</b>				
Export at F.O.B. Value:				
Dyes/Dyes Intermediates& Others	402,039.36		302,715.34	
	<b>402,039.36</b>		<b>302,715.34</b>	
<b>49 Particulars of expenditure in Foreign Currency :</b>				
Particulars				
Commission	2,174.52		2,178.03	
Traveling Expenses	2,048.67		1645.88	
Other Expenses	301.60		683.50	
	<b>4,524.79</b>		<b>4,507.40</b>	
<b>50 C.I.F. Value of imports</b>				
Raw Material & Finished Goods	15,982.24		25,775.71	
	<b>15,982.24</b>		<b>25,775.71</b>	

- 51** The Company has presented current financial statement as per Revised Schedule VI to the Companies Act, 1956. Consequently, previous year figures are regrouped / re classified to conform to figures of the current year presented as per Revised Schedule VI.

**In terms of our report attached.**

For **J. A. Rajani & Co.**  
Chartered Accountants  
Firm Registration No.108331W

**P. J. Rajani**  
Proprietor  
Membership No.116740

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

**For and on behalf of the Board of Directors**

**Pravinchandra B. Shah**  
Chairman

**Vipul P. Shah**  
Managing Director

**Dr. S.N. Sahai**  
Wholetime Director & CFO





## **Independent Auditors Report on Consolidated Financial Statements**

**To  
The Board of Directors  
Vipul Dyechem Limited**

We have audited the attached consolidated financial statements of Vipul Dyechem Limited ("the Company"), and its subsidiaries, which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2014, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For J. A. Rajani & Co.**  
Chartered Accountants

**P. J. Rajani**  
Proprietor  
Membership. No. 116740  
Firm Reg. No.108331W

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014



## **CONSOLIDATED FINANCIAL STATEMENT**

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

	Note No.	31 <sup>st</sup> March, 2014		31 <sup>st</sup> March, 2013
		Rupees in thousand	Rupees in thousand	Rupees in thousand
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) SHAREHOLDERS' FUNDS</b>				
(a) Share Capital	3	54,745.00		54,745.00
(b) Reserves & Surplus	4	70,011.18		68,866.18
			<b>124,756.18</b>	<b>123,611.18</b>
<b>MINORITY INTEREST</b>				
			<b>(1,243.73)</b>	<b>(880.16)</b>
<b>2) NON-CURRENT LIABILITIES</b>				
(a) Long-term borrowings	5	1,603.19		2,906.92
(b) Deferred tax liabilities (Net)	6	128.48		4.80
(c) Other Long term liabilities	7	242.35		354.57
(d) Long-term provisions	8	274.00		274.00
			<b>2,248.02</b>	<b>3,540.29</b>
<b>(3) CURRENT LIABILITIES</b>				
(a) Short-term borrowings	9	89,683.14		88,490.30
(b) Trade payables	10	113,462.33		97,358.52
(c) Other current liabilities	11	8,491.73		8,266.73
(d) Short-term provisions	12	7,637.57		7,561.46
			<b>219,274.77</b>	<b>201,677.01</b>
<b>(4) INTER UNIT</b>				
			<b>-</b>	<b>-</b>
<b>TOTAL</b>			<b>345,035.24</b>	<b>327,948.32</b>
<b>II. ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
<b>(1) (a) Fixed assets</b>				
(i) Tangible assets	13	48,179.41		42,352.78
(ii) Capital work-in-progress		688.54		1,417.60
(b) Non-Current Investments	14	2,787.77		2,787.77
(c) Long-term loans and advances	15	54,362.86		54,490.99
(d) Other non-current assets	16	84.00		96.00
			<b>106,102.57</b>	<b>101,145.13</b>
<b>CURRENT ASSETS</b>				
<b>(2) (a) Inventories</b>				
(b) Trade Receivables	17	65,066.55		49,478.67
(c) Cash and Cash equivalents	18	100,954.37		117,759.97
(d) Short-term loans and advances	19	19,769.34		15,406.54
	20	53,142.40		44,158.00
			<b>238,932.66</b>	<b>226,803.20</b>
<b>TOTAL</b>			<b>345,035.24</b>	<b>327,948.32</b>

See accompanying notes to the financial statements

In terms of our report attached.  
**For J. A. Rajani & Co.**  
Chartered Accountants  
Firm Registration No.108331W

**P. J. Rajani**  
Proprietor  
Membership No.116740

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

For and on behalf of the Board of Directors

**Pravinchandra B. Shah**  
Chairman

**Vipul P. Shah**  
Managing Director

**Dr. S.N. Sahai**  
Wholetime Director & CFO

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

	<b>Note No.</b>	<b>31<sup>st</sup> March, 2014 Rupees in thousand</b>	<b>31<sup>st</sup> March, 2013 Rupees in thousand</b>
<b>I. Revenue from operations</b>	21	<b>442,811.38</b>	343199.72
<b>II. Other income</b>	22	<b>734.08</b>	614.62
<b>III. Total Revenue (I + II)</b>		<b>443,545.46</b>	343,814.34
<b>IV. Expenses:</b>			
Cost of materials consumed	23	<b>102,582.74</b>	78,335.22
Purchases of Stock-in-Trade	23	<b>234,819.96</b>	187,225.00
Changes in Inventories of Stock-in-Trade	24	<b>(11,083.96)</b>	(9,649.47)
Employee benefits expense	25	<b>15,083.67</b>	10,692.46
Finance costs	26	<b>5,705.60</b>	4,935.33
Depreciation and amortization expense	27	<b>4,827.93</b>	3,888.11
Operating Expenses	28	<b>33,476.19</b>	31,318.43
Administrative, Selling and General expenses	29	<b>49,824.95</b>	30,559.47
<b>Total expenses</b>		<b>435,237.07</b>	337,304.56
<b>V. Profit before tax (III-IV)</b>		<b>8,308.39</b>	6,509.78
<b>VI. Tax expense:</b>			
(1) Current tax		<b>2,575.00</b>	2,410.00
(2) Deferred tax		<b>123.67</b>	(412.81)
		<b>2,698.67</b>	1,997.19
<b>VIII. Earnings per equity share:</b>			
(1) Basic	30	<b>1.09</b>	0.97
(2) Diluted		<b>1.09</b>	0.97

**See accompanying notes to the financial statements**

**In terms of our report attached.**

**For J.A. Rajani & Co.**

Chartered Accountants

Firm Registration No.108331W

**P. J. Rajani**

Proprietor

Membership No.116740

Mumbai

Dated : 30th May,2014

**For and on behalf of the Board of Directors**

**Pravinchandra. B. Shah**

Chairman

**Vipul .P.SHAH**

Managing Director

**Dr. S. N. Sahai**

Wholetime Director & CFO

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	31st March, 2014 Rupees in thousand	31st March, 2013 Rupees in thousand
<b>A. Cash Flow from Operating Activities:</b>		
Profit Before Tax	8,308.39	6,509.79
Adjustments for:		
Depreciation and Amortization	4,827.93	3,888.11
Interest Expenses (Net)	5,705.60	4935.33
Dividend Income	(71.35)	(76.82)
Other Income	(662.74)	(537.80)
Bad Debts written off	4,621.63	52.38
Profit/Loss on sale of Fixed Assets	7.32	134.11
	<b>14,428.41</b>	<b>8395.31</b>
Operating Profit Before Working Capital Changes	22,736.80	14,905.10
(Increase) / Decrease in Long-term and Short term loans and advances	(8,856.27)	(5,880.91)
(Increase) / Decrease in Other Current and Non-current assets	12.00	12.00
(Increase) / Decrease in Inventories	(15,587.87)	(10,211.82)
(Increase) / Decrease in Trade receivables	12,183.55	(38,653.35)
(Decrease) / Increase in Trade payables and liabilities	15,333.32	42,143.77
	<b>3085.14</b>	<b>(12,590.31)</b>
Cash Generated from Operations	25,821.94	2,314.80
Direct Taxes Paid (including TDS) Net	(2,147.86)	(2,844.59)
Net Cash Flow from Operating Activities-	<b>A 23,674.08</b>	<b>(529.79)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Sale/ (Purchase) of Tangible and Intangible Assets	(9,928.15)	(10,551.25)
Investments	-	-
Interest and Dividend Income	734.08	614.62
Net Cash used in Investing Activities -	<b>B (9,194.07)</b>	<b>(9,936.63)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Increase in share Capital / Share Application Received	-	-
(Decrease) / Increase in Borrowings (net)	(110.89)	26,754.81
Dividend Paid (including tax on Distributed Profit) – Final	(4,301.16)	(4,232.53)
Interest Paid and Finance Cost	(5,705.60)	(4935.33)
Net Cash from Financing Activities -	<b>C (10,117.65)</b>	<b>17,586.95</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents –</b>	<b>A+B+C 4,362.37</b>	<b>7,120.53</b>
Cash and Cash Equivalents as at the end of the year:		
- Cash & Balances in Current Accounts with Banks ##	10,780.29	4,406.86
- Deposits with Banks and Interest Accrued thereon **	8,988.62	10,999.68
	<b>19,768.91</b>	<b>15,406.54</b>
Less: Cash and Cash Equivalents as at the beginning of the year	15,406.54	8,286.02
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>4,362.37</b>	<b>7,120.52</b>

Note:

## This includes Rs. 1013.142 thousands balance in earmarked account (Prev.Yr. includes Rs. 936.312 thousands )

\*\* This Includes Rs. 185.6 thousands held in deposit for more than 12 months (Prev. Yr. Rs. Nil )

Figures in bracket denote outflow of cash.



In terms of our report attached.

**For J. A. Rajani & Co.**

Chartered accountant

Firm registration No. 108331W

**P. J. Rajani**

Proprietor

Membership No. 116740

Place: Mumbai

Date: 30<sup>th</sup> May, 2014

**For and on behalf of the board of director**

**Pravinchandra B. Shah**

Chairman

**Vipul P. Shah**

Managing Direc

**Dr. S. N. Sahai**

Wholetime Director & CFO

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March, 2014****1. Corporate Information**

The Company is mainly in business of Dyes, Chemicals & Intermediates

**2. Significant Accounting Policies****a. System Of Accounting:**

The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties.

The financial statement have been prepared on the basis of going concern, under historical cost convention, to comply in all material aspect with applicable accounting principles in India, the Accounting standards issued by the ICAI (except as otherwise stated) and the relevant provision of Companies Act, 1956. Estimates and Assumptions used in the preparation of the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the day of the Financial Statements, which may differ from the actual results at a subsequent date.

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Revised Schedule VI to the Companies Act, 1956.

**b. Fixed Assets, Depreciation And Impairment Loss:**

Fixed Assets are stated at cost net of accumulated depreciation. Cost includes expenses related to acquisition and financing cost on borrowing during construction period. Assets acquired on Hire purchase are capitalized to the extent of Principal Value.

Depreciation on Fixed Assets has been provided on written down value basis and manner provided in schedule XIV of Companies Act 1956. Additions during the Year are depreciated on pro-rata basis. Leasehold land is shown at cost and no write offs are made in respect thereof.

In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss.

**c. Investments:**

Long-term investments are stated at cost of acquisition less provision for diminution in value other than temporary, if any.

**d. Prior Period Adjustments:**

All items of Income/Expenditure pertaining to prior period (except those not exceeding Rupees One Thousand in each case which are accounted through respective revenue accounts) are accounted through Prior Period Adjustment account.

**e. Inventories:**

Raw Materials are valued at cost.

Finished Goods are valued at lower of cost or net realizable value.

Packing materials, stores and spares are charged to revenue account.

**f. Revenue Recognition:**

Export Sales are accounted on the date of Bill of Lading. Export benefits thereon are accounted on the basis of eligibility in the year of Export.

Sales include Central Excise and other incidental charges.

Dividend from investments in the shares is accounted for on the basis of the date of declaration of dividend falling within the accounting year.

**g. Deferred Revenue Expenditure:**

Shares Issue Expenses are amortized over a period of 10 years.

**h. Retirement Benefits:**

The Company has created an Employees' Group Gratuity Fund, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The adequacy of the fund along with the provision is as per the actuarial valuation Provision for leave entitlement is accrued and provided for at the end of the financial year.





**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2014**

**i. Bonus:**

No provision is made in accounts for bonus payable to employees. The payment is recorded when actual disbursement is made.

**j. Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the month in which the asset is ready to use as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which this are incurred.

**k. Foreign Currency Transactions:**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. At the year-end monetary items denominated in foreign currencies are converted into rupee equivalent at the year-end exchange rates. All exchange differences arising on settlement and conversion on foreign currency transaction are dealt with in profit and loss account, except in cases where they relate to acquisition of fixed assets, in which they are adjusted in the cost of corresponding assets.

**l. Accounting for Tax on Income:**

The provision for current tax has been made in accordance with the Income Tax Law prevailing for the relevant assessment year after considering various admissible relief's

Deferred tax for the year is recognized, on timing differences being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The deferred tax assets and liabilities are measured using the tax rates and tax rules that have been enacted or substantially enacted on the balance sheet date. Deferred tax assets are recognized and carried forward only if there is reasonable, virtual certainty of its realization.

**m. Research & Development:**

Revenue expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Fixed assets purchased for research and development are treated in the same way as any other Fixed Assets.

**n. Expenditure during Construction and On New Projects:**

In case of new Industrial units and substantial expansion of existing units, all pre- operating expenditure specifically for the project, incurred up to the date of installation, is capitalized and added pro rata to the cost of fixed assets.

**o. Provisions, Contingent Liabilities and Contingent Assets:**

provision is made based on reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities, if material, are disclosed by way of notes to accounts. Contingent Assets are not recognized or disclosed in the financial statements.

**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2014**

		<b>31<sup>st</sup> March, 2014 Rupees in thousand</b>	<b>31<sup>st</sup> March, 2013 Rupees in thousand</b>
<b>3 Share capital:</b>			
<b>3.1 Authorized :</b> 60,00,000 (P. Y. 60,00,000 )Equity Shares of Rs.10 each		<b>60,000.00</b>	0,000.00
	<b>TOTAL</b>	<b>60,000.00</b>	60,000.00
<b>3.2 Issued, Subscribed and Fully Paid-up Shares:</b>  54,74,500 (P. Y.54,74,500) Equity Shares of Rs.10 each fully paid up		<b>54,745.00</b>	54,745.00
	<b>TOTAL</b>	<b>54,745.00</b>	54,745.00
<b>3.3 Reconciliation of the number of shares Outstanding at the beginning and at the end of the year.</b>			

	<b>Number of shares (No.s)</b>		<b>Share Capital Rupees in thousand</b>	
	<b>Figures for the current reporting period</b>	Figures for the previous reporting period	<b>Figures for the current reporting period</b>	Figures for the previous reporting period
Balance as at Beginning of Year	5,474,500	5,474,500	54,745.00	54,745.00
Balance as at End of Year	<b>5,474,500</b>	5,474,500	<b>54,745.00</b>	54,745.00

**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2014****3.4 Terms / rights attached to equity shares**

- a) Fully paid equity shares, which have a par value of Rs. 10/-, carry one vote per share and carry a right to dividends
- b) Dividend, if recommend by the Board of Directors need approvals from the Shareholders at the Annual General Meeting. The Board of Directors may also declare interim dividends if in their Judgment the position of the company Justifies.
- d) During the year ended March 31, 2014, the amount of per share dividend recognized as Re 0.80(March 31, 2013 Rs.0.80)
- e) In the event of winding up / liquidation of the Company, the holder of equity shares will be entitled to receive a residual interest in proportion to the number of shares held by them at that time in the assets of the Company after deducting all of liabilities of the Company.

**3.5 List of shareholders who holds more than 5% of equity shares in the company:**

Name of the shareholders	31 <sup>st</sup> , March,2014		31 <sup>st</sup> , March,2013	
	(No.s)	%	(No.s)	%
Pravinchandra B. Shah HUF	472,550	8.63%	472,550	8.63%
Vipul P. Shah	726,100	13.26%	726,100	13.26%
Mihir V. Shah	960,600	17.55%	960,600	17.55%
	<b>2,159,250</b>	<b>39.44%</b>	<b>2,159,250</b>	<b>39.44%</b>

**4 Reserves and surplus:**

	31 <sup>st</sup> March 2014 Rupees in thousand	31 <sup>st</sup> March,2013 Rupees in thousand
Capital Reserve	6,277.70	6,277.70
Securities Premium Account	29,478.00	29,478.00
Capital Reserve on Consolidation	48.20	48.20
General Reserve	9,009.75	9,009.75
Profit and loss account	25,196.52	24,052.52
<b>Total</b>	<b>70,011.18</b>	<b>68,866.17</b>
<b>4.1 Capital Reserve</b>		
As per Last Balance Sheet	6,277.70	6,277.70
Balance at end of year	6,277.70	6,277.70
<b>4.2 Securities Premium Account:</b>		
Balance at beginning of year	29,478.00	29,478.00
Balance at end of year	29,478.00	29,478.00
<b>4.3 General Reserve</b>		
Balance at beginning of year	9,009.75	9,009.75
Balance at end of year	9,009.75	9,009.75
<b>4.4 Profit and loss account</b>		
Balance at beginning of year	24,052.52	24,152.59
Add: Profit after Tax for the year	5,973.29	5,293.39
Less: Appropriations:		
Tax Adjustments	292.65	(201.88)
Proposed Dividend - Final	(4,379.60)	(4,379.60)
Corporate Dividend Tax thereon	(742.34)	(811.98)
Balance at end of year	<b>25,196.52</b>	<b>24,052.52</b>



<b>5 Long term borrowings:</b>		
<b>5.1 Secured Loans</b>		
Loan from Bank	1,433.04	2,300.94
<b>Sub Total (A)</b>	<b>1,433.04</b>	<b>2,300.94</b>
<b>5.2 Unsecured Loans</b>		
Loan from Others (Refer Note no 11) **	170.15	605.98
<b>Sub Total (B)</b>	<b>170.15</b>	<b>605.98</b>
<b>Total (A) + (B)</b>	<b>1,603.19</b>	<b>2,906.92</b>

\*\* Personal Guarantee of Directors

#### Secured Loans from Banks

Rs. 170('000) (Previous Year Rs.292 ('000) secured by hypothecation of vehicles from Vijaya Bank Ltd. Equal monthly installments over the period of loan by 28<sup>th</sup>, February,2016 and carry interest rate of 10.75 % p.a.

Rs. 1263('000) (Previous Year Rs.2009 ('000) secured by hypothecation of vehicles from Axis Bank Ltd. Equal monthly installments over the period of loan by 15<sup>th</sup> September,2016 and carry interest rate of 9.75 % p.a.

#### Secured Loans from Others

Rs. Nil ('000) (Previous Year Rs.Nil ('000) secured by hypothecation of vehicles from Tata Capital Ltd. Equal monthly instalments over the period of loan by 3<sup>rd</sup> September,2013 and carry interest rate of 8 % p.a.

#### Unsecured Loans from Banks

Repayment of loan from Kotak Mahindra Bank Ltd. in monthly scheduled installments by 1<sup>st</sup> April,2013 and carry interest rate of 8.86 % p.a.

#### Unsecured Loans from Others

Repayment of loan from Magma Fincorp Ltd. in monthly scheduled installments by 7<sup>th</sup> May,2013 and carry interest rate of 7.31 % p.a.

Repayment of loan from Gujrat Industrial Development Ltd. in Quarterly Equal installments by 30<sup>th</sup>, September,2015 and carry interest rate of 13.5 % p.a.

		<b>31<sup>st</sup> March, 2014 Rupees in thousand</b>	<b>31<sup>st</sup> March, 2013 Rupees in thousand</b>
<b>6 Deferred Tax Liability</b>			
<b>Major components of deferred tax are</b>			
Related to Fixed Assets		1,796.25	1,188.43
Business Loss		(1,667.78)	(1,183.63)
<b>Net Deferred Tax Liability</b>	<b>Total</b>	<b>128.47</b>	<b>4.80</b>
<b>7 Other Long-term Liabilities:</b>			
Payables on purchase of Fixed Assets		192.35	304.57
Deposit from Dealers		50.00	50.00
<b>Total</b>	<b>Total</b>	<b>242.35</b>	<b>354.57</b>
<b>8 Long-term provisions:</b>			
Provision for Gratuity		274.00	274.00
<b>Total</b>	<b>Total</b>	<b>274.00</b>	<b>274.00</b>

**9 Short-term borrowings:**

(a) Loans repayable on demand

From banks

Secured

Unsecured

89,683.14 88,490.30

- -

**Total****89,683.14 88,490.30**

The working capital facilities from Banks are secured by way of Hypothecation of Stock and Book Debts. The above loans also covered by following collateral securities as under:-

- i) EMDTD of land property & building with machinery/electrical installation situated at Survey no 35, Dewan & Sons Industrial Estate, Palghar
- ii) Land & Building along with machineries at Plot no.11, Diwan & Sons Industrial Estate, Palghar of M/s VIP Chem Pvt. Ltd.
- iii) Land & Building at Plot no 10 & 16, Diwan & Sons Ind.Est., Palghar of Jayshree Chemicals
- iv) Also covered in personal guarantee of 2 directors & corporate guarantees of Jayshree Chemicals & VIP Chem P. Ltd.

Previous year includes Overdraft against Fixed Deposit with Bank by Subsidiary.

	<b>31<sup>st</sup> March, 2014 Rupees in thousand</b>	<b>31<sup>st</sup> March, 2013 Rupees in thousand</b>
<b>10 Trade payables</b>		
Sundry Creditors-other than micro and small enterprises	<b>90,626.13</b>	76,913.09
Acceptances	<b>22,836.20</b>	20,445.43
<b>Total</b>	<b>113,462.33</b>	<b>97,358.52</b>
<b>11 Other current liabilities:</b>		
Current maturities of long-term secured loan (See Note 5.1)	<b>913.11</b>	872.43
Current maturities of long-term unsecured loan (See Note 5.2)	<b>303.59</b>	502.56
Advance from Customers	<b>3,335.76</b>	1,892.72
Unpaid Dividends	<b>1,006.88</b>	928.44
Duties & taxes	<b>2,932.39</b>	4,070.57
<b>Total</b>	<b>8,491.73</b>	<b>8,266.73</b>
<b>12 Short-term provisions:</b>		
Provision for Tax	<b>2,515.63</b>	2,369.88
Proposed Dividend	<b>4,379.60</b>	4,379.60
Corporate Dividend Tax	<b>742.34</b>	811.98
<b>Total</b>	<b>7,637.57</b>	<b>7,561.46</b>

Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2014

## 13 Tangible Assets

Rupees in thousand

	Freehold Factory Land	Office Premises	Buildings	Plant And Machinery	Furniture And Fixtures	Vehicles	Computer	Office Equipments	Total
<b>Cost or valuation</b>									
At 1 <sup>st</sup> April, 2012	16,040.85	635.48	4,799.46	32,469.69	1,608.63	4,295.02	1,400.83	1,144.24	62,394.20
Additions	-	-	-	6,687.76	21.00	4,686.02	291.63	616.43	12,302.85
Disposals						(2,097.92)	-	-	(2,097.92)
<b>At 31<sup>st</sup> March 2013</b>	<b>16,040.85</b>	<b>635.48</b>	<b>4,799.46</b>	<b>39,157.45</b>	<b>1,629.63</b>	<b>6,883.13</b>	<b>1,692.46</b>	<b>1,760.68</b>	<b>72,599.13</b>
Additions	-	-	-	5,455.55	4,374.29	-	254.45	587.50	10,671.79
Disposals	-	-	-	-	-	-	(64.29)	-	(64.29)
<b>At 31<sup>st</sup>, March 2014</b>	<b>16,040.85</b>	<b>635.48</b>	<b>4,799.46</b>	<b>44,612.99</b>	<b>6,003.92</b>	<b>6,883.13</b>	<b>1,882.62</b>	<b>2,348.18</b>	<b>83,206.63</b>
<b>Depreciation</b>									
At 1 <sup>st</sup> , April, 2012	-	102.61	3,274.91	18,773.11	943.37	2,437.68	1,015.68	720.02	27,267.38
Charge for the year	-	26.64	152.34	2,426.90	121.39	827.24	192.52	129.07	3,876.11
Disposals	-	-	-	-	-	(897.14)	-	-	(897.14)
<b>At 31<sup>st</sup>, March 2013</b>	<b>-</b>	<b>129.25</b>	<b>3,427.25</b>	<b>21,200.01</b>	<b>1,064.76</b>	<b>2,367.79</b>	<b>1,208.19</b>	<b>849.09</b>	<b>30,246.35</b>
Charge for the year	-	25.31	137.12	2,845.33	169.51	1,166.57	240.68	231.41	4,815.93
Disposals	-	-	-	-	-	-	(35.06)	-	(35.06)
<b>At 31<sup>st</sup>, March 2014</b>	<b>-</b>	<b>154.57</b>	<b>3,564.37</b>	<b>24,045.34</b>	<b>1,234.27</b>	<b>3,534.36</b>	<b>1,413.81</b>	<b>1,080.51</b>	<b>35,027.22</b>
<b>Net Block</b>									
<b>At 31<sup>st</sup>, March 2014</b>	<b>16,040.85</b>	<b>480.91</b>	<b>1,235.09</b>	<b>20,567.66</b>	<b>4,769.65</b>	<b>3,348.76</b>	<b>468.81</b>	<b>1,267.67</b>	<b>48,179.41</b>
<b>At 31<sup>st</sup>, March 2013</b>	<b>16,040.85</b>	<b>506.23</b>	<b>1,372.21</b>	<b>17,957.44</b>	<b>564.87</b>	<b>4,515.34</b>	<b>484.27</b>	<b>911.58</b>	<b>42,352.78</b>

Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2014

	31st March, 2014 Rupees in thousand	31st March, 2013 Rupees in thousand
<b>14 Non-current Investments:</b>		
<b>(Fully Paid Up, At Cost)</b>		
<b>Trade Investments:</b>		
<b>Investments in Government Securities :</b>		
Government Securities (Unquoted)	1.00	1.00
(Deposited with Government authorities)		
<b>Non-trade Investments:</b>		
<b>(a) Investments in Equity Instruments</b>		
Equity Shares (Quoted)		
Arvind Mills Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)	94.43	94.43
Bodal Chemicals Ltd.(2500 (Prev.Yr. 2500) Equity shares Fully paid of Rs.2 Each)	85.35	85.35
Global Offshore Services Ltd.(8400 (Prev.Yr. 8400) Equity shares Fully paid of Rs.10 Each)	146.17	146.71
Gujarat State Fertilizers & Chemicals Ltd.(895 (Prev.Yr. 179) Equity shares Fully paid of Rs.2 Each)	7.01	7.01
Hotel Leela Ventures Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.2 Each)	54.72	54.72
J S W Energy Ltd.(1250 (Prev.Yr. 1250) Equity shares Fully paid of Rs.10 Each)	155.11	155.11
Kiri Industries Ltd.(500 (Prev.Yr. Nil) Equity shares Fully paid of Rs.10 Each)	82.93	82.93
Mafatlal Industries Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	165.93	165.93
Navin Flourine International Ltd.(346 (Prev.Yr. 346) Equity shares Fully paid of Rs.10 Each)	76.95	76.95
NOCIL Ltd.(20,000 (Prev.20,000) Equity shares Fully paid of Rs.10 Each)	1,014.70	1,014.70
Novartis India Ltd. (500 (Prev.Yr. 500) Equity shares Fully paid of Rs.5 Each)	166.92	166.92
Pricol Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.1 Each)	122.59	122.59
Petronet LNG Ltd.(3000 (Prev.Yr. 3000) Equity shares Fully paid of Rs.10 Each)	176.47	176.47
Standard Industires Ltd.(9900 (Prev.Yr. 9900) Equity shares Fully paid of Rs.5 Each)	344.30	344.30
Vijaya Bank Ltd.(1000 (Prev.Yr. 1000) Equity shares Fully paid of Rs.10 Each)\	52.17	52.17
Equity Shares (Quoted)	2,746.27	2,746.27
<b>(b) Investments in Debentures:</b>		
Debentures (Quoted)	40.50	40.50
<b>Total</b>	<b>2,787.77</b>	<b>2,787.77</b>

	Cost		Market value	
	31st March,2014 Rupees in thousand	31st March,2013 Rupees in thousand	31st March,2014 Rupees in thousand	31st March,2013 Rupees in thousand
Aggregate value of Quoted Investments*	2,746.27	2,746.27	4,175.97	2,051.74
Aggregate value of Unquoted Investments	41.50	41.50	-	-
<b>Total</b>	<b>2,787.77</b>	<b>2,787.77</b>	<b>4,157.97</b>	<b>2,051.74</b>



Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2014

		31st March, 2014 Rupees in thousand	31st March, 2014 31 <sup>st</sup> March, 2013 Rupees in thousand
<b>15</b>	<b>Long-term loans and advances: (Unsecured and considered good)</b>		
	Capital Advances-Related (Refer note 46)		
	Capital Advances-Others	20,475.00	17,875.00
	Deposits with Government Authorities and Others	350.00	2,031.35
		33,237.86	33,176.46
	Loans and advances to related parties		
	- Related Parties (Refer note 46)	-	108.18
	Other loans and advances	300.00	1,300.00
	<b>Total</b>	<b>54,362.86</b>	<b>54,490.98</b>
<b>16</b>	<b>Other non-current assets:</b>		
	Unamortized Share Issue Expenses	84.00	96.00
	<b>Total</b>	<b>84.00</b>	<b>6.00</b>
<b>17</b>	<b>Inventories</b>		
	(At cost or net realizable value whichever is lower)		
	(a) Raw materials	20,187.92	15,684.00
	(b) Finished goods	21,800.65	19,285.48
	(c) Stock-in-trade	23,077.98	14,509.20
	<b>Total</b>	<b>65,066.55</b>	<b>49,478.68</b>
<b>18</b>	<b>Trade receivables (Unsecured)</b>		
	Considered Good		
	Overdue Trade Receivables	667.14	6,433.19
	Trade Receivables	100,287.22	111,326.78
	<b>Total</b>	<b>100,954.36</b>	<b>117,759.97</b>
<b>19</b>	<b>Cash and Cash equivalents:</b>		
	Earmarked Balance		
	Unpaid Dividend Account	1,013.14	936.31
	<b>Balances with Scheduled Bank:</b>		
	In Current Account	9,216.63	2,876.63
	In Fixed deposit	8,988.62	10,999.68
	In EEFC Account	7.53	6.73
	Cash in Hand	543.41	587.19
	<b>Total</b>	<b>19,769.34</b>	<b>15,406.54</b>
	Notes:		
	Fixed deposits with Banks includes:		
a)	Fixed deposit with the banks with maturity period of more than 12 months.	185.60	-
b)	Fixed deposits in Margin Account	6,155.59	10,911.68

**Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2014**

		<b>31<sup>st</sup> March, 2014 Rupees in thousand</b>	<b>31<sup>st</sup> March, 2014 Rupees in thousand</b>
<b>20</b>	Loans and advances to Related parties (refer Note no 47)	<b>5,284.30</b>	3,762.80
	Loans and advances to Employees	<b>176.18</b>	201.00
	Prepaid Expenses	<b>738.03</b>	191.79
	Balance with Government Authorities:		
	Excise	<b>8,743.36</b>	7,652.27
	MVAT Refund	<b>9,061.39</b>	5,415.32
	Service Tax	<b>2,032.64</b>	2,493.44
	Advance tax	<b>131.21</b>	95.00
	Advances recoverable in cash or kind or for value to be received:		
	Export Incentive	<b>10,826.28</b>	8,137.60
	Advance to Suppliers	<b>16,143.85</b>	16,147.69
	Others	<b>5.16</b>	61.10
	<b>Total</b>	<b>53,142.40</b>	44,158.01
<b>21</b>	<b>Revenue from operations</b>		
	Export sales	<b>402,039.36</b>	302,715.34
	Local sales (Including Excise Duty)	<b>30,394.53</b>	33,494.88
	Export incentives	<b>12,879.77</b>	9,119.97
	Less: Excise Duty (Dyes and Chemicals)	<b>(2,502.28)</b>	(2,130.47)
	<b>Total</b>	<b>442,811.38</b>	343,199.72
<b>22</b>	<b>Other income:</b>		
	Interest on Deposit with Banks	<b>662.74</b>	537.80
	Dividend on Current Investments (non-trade)	<b>71.35</b>	76.82
	<b>Total</b>	<b>734.08</b>	614.62
<b>23</b>	<b>a) Cost of materials consumed (Chemicals &amp; Others)</b>		
	Opening Stock	<b>15,587.40</b>	14,847.25
	Add: Purchases	<b>107,099.73</b>	79,075.37
	Less: Closing Stock	<b>20,104.39</b>	15,587.40
	<b>Total</b>	<b>102,582.74</b>	78,335.22
	<b>b) Purchases of Stock-in-Trade</b>		
	Dyes and Chemicals	<b>234,819.96</b>	187,225.00
	<b>Total</b>	<b>234,819.96</b>	187,225.00
<b>24</b>	<b>Changes in Inventories of Stock-in-Trade</b>		
	Inventories at the end of the year		
	Dyes and Chemicals	<b>44,878.63</b>	33,794.67
	<b>Sub-total (A)</b>	<b>44,878.63</b>	33,794.67
	Inventories at the beginning of the year		
	Dyes and Chemicals	<b>33,794.67</b>	24,145.20
	<b>Sub-total (B)</b>	<b>33,794.67</b>	24,145.20
	<b>(A)-(B)</b>	<b>(11,083.96)</b>	(9,649.47)
<b>25</b>	<b>Employee benefits expense:</b>		
	Salaries, Wages, Bonus and Gratuity	<b>14,453.17</b>	10,269.92
	Contribution to Provident Fund and Other Funds	<b>65.00</b>	64.69
	Employees' Welfare Expenses	<b>565.50</b>	357.85
	<b>Total</b>	<b>15,083.67</b>	10,692.46

Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2014

		31 <sup>st</sup> March, 2014 Rupees in thousand	31 <sup>st</sup> March, 2014 Rupees in thousand
<b>26 Finance costs:</b>			
Bank Interest		4,265.92	4,028.13
Bank Charges-Processing Fees		722.55	426.25
Other Interest / Exchange Gain / loss		717.13	480.95
<b>Total</b>		<b>5,705.60</b>	<b>4,935.33</b>
<b>27 Depreciation and amortization expense</b>			
Depreciation (As per Note 13)		4,815.93	3,876.11
Amortization of Deferred Revenue Expenses		12.00	12.00
<b>Total</b>		<b>4,827.93</b>	<b>3,888.11</b>
<b>28 Operating Expenses</b>			
Stores and Spare Consumed		2,795.30	1,877.46
Power and Fuel		11,026.00	12,492.68
Factory Rent		3,000.00	2,750.00
Labour & Transport		7,197.60	6,894.22
Repairs & Maintenance		3,769.94	3,511.41
Packing Material		5,687.35	3,792.66
<b>Total</b>		<b>33,476.19</b>	<b>31,318.43</b>
<b>29 Administrative, Selling and General expenses</b>			
Export Clearing ,Freight & Forwarding		8,041.18	5,609.81
Professional & Legal Charges		3,571.06	3,330.83
Prior Period Expenses		100.00	-
Travelling Expenses		4,604.00	3,936.67
Insurance Charges		2,339.19	2,273.69
Rent ,Rates & Electricity		2,058.09	1,998.08
Donation		402.50	371.00
Exchange Gain /Loss		8,051.97	1,268.93
Commission		2,238.80	2,703.24
Loss on sales of assets		7.32	134.11
Miscellaneous/ Office Expenses		13,789.21	8,880.73
Bad Debts		4,621.63	52.38
<b>Total</b>		<b>49,824.95</b>	<b>30,559.47</b>
<b>30 Earnings per share:</b>			
The Numerators and denominators used to calculate Earnings per Share:			
Particulars			
Nominal Value of Equity Share (Rs.)	<b>Rs.</b>	<b>10/-</b>	10/-
Net Profit available for equity shareholders (Rs. In lacs) = (A)	<b>Rs.</b>	<b>5,973.29</b>	5,293.40
Weighted Average number of shares outstanding during the year - (B)	<b>Nos.</b>	<b>5,474,500</b>	5,474,500
Basic and Diluted Earnings Per Share (Rs.)-(A)/(B)	<b>Rs.</b>	<b>1.09</b>	0.97

Notes to the Consolidated financial statements for the year ended 31<sup>st</sup> March, 2014

	31 <sup>st</sup> March, 2014 Rupees in thousand	31 <sup>st</sup> March, 2013 Rupees in thousand
<b>31</b>		
<b>Contingent liabilities and Commitments:</b>		
<b>(i) Contingent Liabilities</b>		
(a) Income tax matters not acknowledged as debt	370.81	54.00
(b) Dues Raised by M.S.E.B which is protested by Company.	250.00	250.00
<b>Total</b>	<b>620.81</b>	<b>304.00</b>
<b>(ii) Commitment</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	750.00	2000.00
<b>Total</b>	<b>750.00</b>	<b>2000.00</b>
<b>32</b>		
<b>Payments to Auditors for the year</b>		
Auditors' Remuneration & Expenses (including Service Tax)		
(a) As Auditors	342.70	230.34
(b) For Tax Audit	78.65	117.98
(c) Certification and Other matters	96.06	65.08
(d) Taxation Matters	148.32	73.04
<b>Total</b>	<b>665.73</b>	<b>486.43</b>
<b>33</b>	The Sales Tax & Income-Tax Assessments are pending for earlier years. Liabilities in respect of such taxes could not ascertained.	
<b>34</b>	Export benefits including Central Excise, Advance Licenses and Passbook of Duty Credit to be reconciled with the related evidences and Statements and necessary adjustment if required will be made after reconciliation. Export benefits receivable are valued and certified by the management. However the actual realization of the same may significantly differ.	
<b>35</b>	The Company has deposits of Rs.74 lacs with the Pyrates Phosphates & Chemicals Ltd(PPCL) which is overdue. However the company has filed a suit with District Court and for the same District Court has given the ruling in favour of the Company by the way of decree. The Company has now filled an application for the execution of the preferential claim for the decree against PPCL and as per the latest order given by the Honorable High Court Patna, it has been decided that the claim may be considered upon liquidation / disposal of all the assets of PPCL. In view of that, the management has not made any provision for doubtful deposits.	
<b>36</b>	Sundry Debtors, Creditors, Loan, Deposits and advances are subject to reconciliation and confirmation, necessary adjustment if required will be after reconciliation.	
<b>37</b>	Some assets of which the company is beneficial owner are pending for transfer in the name of the company.	
<b>38</b>	No provision has been made in the accounts for diminution in the value of quoted & unquoted investments by reason of these investments being Long Term Investment and the decline in their value being on account of temporary factors.	
<b>39</b>	Bonus is accounted on cash basis, which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India.	
<b>40</b>	In the opinion of the Board of Directors to the best of knowledge and belief all the current assets, loans and advances have been stated at realisable value at least of an amount equal to the amount at which they are stated in Balance Sheet.	
<b>41</b>	Unpaid Dividend accounts are subject to reconciliation.	
<b>42</b>	The Company does not possess information as to which of its suppliers are Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes any amount. However, the Company is regular in making	



payments to its suppliers and has not received any claim in respect of interest for delayed payment.

- 43** The outstanding forward exchange contract as on 31/03/2014 entered into by the company was for USD 425.00 ('000) equivalent to Rs.26345.25 ('000) (Prev. year USD 200 ('000) equivalent to Rs.10854 ('000) ).
- 44** The entire operations of the Company relate to only one segment viz. Dyes, Chemicals & Intermediates such, there is no separate reportable segment under Accounting Standard – AS 17 on Segment Reporting.
- 45** As stipulated in Accounting Standard 28 on Impairment of Assets issued by the Institute of Chartered Accountants Of India, the company has assessed potential generation of economic benefits from its business units and is of the view that Assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly management is of the view that no impairment provision is called for in these accounts.
- 46 Related Party Disclosures**  
As per the Accounting Standard 18, issued by the Institute of Chartered Accountants of India (ICAI), the disclosure of transactions with the related parties as defined in the Accounting Standard are given below:
- List of Related Parties**
- a) Entities where control exists  
Shree Ambika Naturals Pvt. Ltd.(Formerly Known as Shree Ambika Dye Chem. Pvt. Ltd.)
- b) Key Management Personal (KMP)  
Shri Vipul. P. Shah  
Dr. S. N. Sahai  
Shri R L Rathod  
Shri Prasannakumar Gawde  
Shri Jagdeep Mehta
- c) Relatives of KMP  
Smt. Jaya P. Shah  
Shri. Pravinchandra. B. Shah  
Shri. Pravinchandra. B. Shah HUF  
Vipul. P. Shah HUF
- d) Other Related Parties (Entities in which (KMP) or their relatives have significant influence)
- Jayshree Chemicals  
Ganesh Tiles & Marble Industries  
Amar Trading Corporation  
J. V. Dye Chem. Pvt. Ltd.  
Jayapriya Chemical Industries Ltd.  
VIP Chem Pvt Ltd.  
Standardcon Pvt. Ltd.

II Transaction with Related Parties & Outstanding Balance as on 31<sup>st</sup>, March, 2014

(Rs. in '000)

Nature of transaction	Key Management Personnel	Relatives of KMP	Entities where Significant Influence
<b>Purchase /Services</b>	0 (-)	174.00 (144.00)	25,162.97 (34,046.59)
<b>Sale/Services</b>	- (-)	- (-)	8,974.17 (16,663.00)
<b>Advance /Loan Given (net)</b>	- (-)	2,600.00 (1,947.35)	18,604.94 (12,981.69)
<b>Managerial Remuneration</b>	3,650.00 (3,100.00)	- (-)	- (-)
<b>Balance Receivable</b>	(375.28) (-30.67)	20,475.00 (17,875.00)	32,819.20 (30,403.07)

Note : Figures in brackets represent previous year's amount



## Notes to the financial statements for the year ended 31st March, 2014

	31 <sup>st</sup> , March, 2014 Rupees in thousand	%	31 <sup>st</sup> , March, 2013 Rupees in thousand	%
<b>47 Imported and Indigenous Raw material Consumed</b>				
Imported	5,563.61	5	11,706.36	15
Indigenous	97,019.13	95	66,628.86	85
	<b>102,582.74</b>	<b>100</b>	<b>78,335.22</b>	<b>100</b>
<b>48 Earning in Foreign Exchange</b>				
Export at F.O.B. Value:				
Dyes/Dyes Intermediates & Others	402,039.36		302,715.34	
	<b>402,039.36</b>		<b>302,715.34</b>	
<b>49 Particulars of expenditure in Foreign Currency :</b>				
Commission	2,174.52		2178.03	
Traveling Expenses	2,048.67		1645.88	
Other Expenses	301.60		683.50	
	<b>4,524.79</b>		<b>4,507.40</b>	
<b>50 C.I.F. Value of imports</b>				
Raw Material & Finished Goods	15,982.24		25775.71	
Capital goods	-		-	
	<b>15,982.24</b>		<b>25,775.71</b>	

- 51 The Company has presented current financial statement as per Revised Schedule VI to the Companies Act, 1956. Consequently, previous year figures are regrouped / re classified to conform to figures of the current year presented as per Revised Schedule VI.

**For J. A. Rajani & Co.**

Chartered Accountants  
Firm Registration No.108331W

**P. J. Rajani**  
Proprietor  
Membership No.116740

Place: Mumbai  
Date: 30<sup>th</sup> May, 2014

**For and on behalf of the Board of Directors**

**Pravinchandra B. Shah**  
Chairman

**Vipul P. Shah**  
Managing Director

**Dr. S. N. Sahai**  
Wholetime Director & CFO

**VIPUL DYECHEM LIMITED**

CIN : L24110MH1972PLC015857

Regd office: 102, Andheri Industrial Estate, OFF. Veera Desai Road, Andheri (West), Mumbai - 400053  
 Tel.: 022-66139999, Fax: 022-66139977/75, E-mail: admin@vipuldyes.com, Website: www.vipuldyes.com

**ASSENT / DISSENT FORM FOR VOTING ON AGM ON 30<sup>TH</sup> SEPTEMBER 2014**

1.	Name & Registered Address of Shareholder (IN BLOCK LETTER)			
2.	Name(s) of Joint holders, if any			
3.	Registered folio No./ DP ID No./Client ID No.* (*Applicable to investors holding shares in dematerialized form)			
4.	Number of share(s) held			
5.	I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated 12th August, 2014 by conveying my/our assent or dissent to the Resolutions by placing a tick (✓) mark at the appropriate box below.			
Item No.	Description of the Resolution	No. of share(s)	I/We assent to the resolution (FOR )	I/We dissent to the resolution (AGAINST)
1.	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2014 along with Reports of the Directors and of the Auditors.			
2.	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended 31 <sup>st</sup> March, 2014.			
3.	Ordinary Resolution for appointment of a director in place of Mr. Pravinchandra B. Shah, Director, who retires by rotation and being eligible, offers himself for re-appointment.			
4	Ordinary Resolution for re-appointment of M/s J. A. Rajani & Co., Chartered Accountants, Mumbai (having FRN: 108331W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.			
5	Ordinary Resolution for appointment of Mrs. Trupti Shah as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> May, 2019.			





6	Ordinary Resolution for appointment of Mr. Jagdeep Mehta as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.			
7	Ordinary Resolution for re-appointment and revision in remuneration payable to Dr. S.N. Sahai as Whole-Time Director and Chief Financial Officer of the Company for a further period of one year w.e.f. 1 <sup>st</sup> April, 2014.			
8	Special Resolution for revision in remuneration payable to Mr. Vipul P. Shah, Managing Director of the Company with effect from 1 <sup>st</sup> April, 2014			
9	Special Resolution for adoption of new set of Articles of Association of the Company.			
10	Special Resolution under section 180(1)(c) of the Companies Act, 2013 to increase the borrowing limit of the Company.			
11	Special Resolution under section 180(1)(a) of the Companies Act, 2013 to give authority to create charge / mortgage on assets of the Company.			
12	Ordinary Resolution for approval of remuneration payable to M/s. Y. S. Gokhale & Associates, Cost Accountants, Mumbai the Cost Auditors of the Company for the financial year 31 <sup>st</sup> March, 2015.			
13	Special Resolution under section 188 of the Companies Act, 2013 for entering into related party transaction.			
14	Ordinary Resolution under Section 181 of the Companies Act, 2013 to increase in the limit of donation to any charitable or other funds.			

Place :

Date :

-----  
(Signature of the shareholder)

Notes : (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.

(ii) Last date for receipt of Assent/Dissent Form : 26<sup>th</sup> September, 2014 (6.00 pm)

(iii) Please read the instructions carefully before exercising your vote.

**VIPUL DYECHEM LIMITED**

CIN : L24110MH1972PLC015857

Regd office: 102, Andheri Industrial Estate, OFF. Veera Desai Road, Andheri (West), Mumbai - 400053  
 Tel.: 022-66139999, Fax: 022-66139977/75, E-mail: admin@vipuldyes.com, Website: www.vipuldyes.com

**INSTRUCTIONS****General Instructions**

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent in physical form. If a shareholder has opted for Physical Assent / Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical assent/dissent form and e-voting, then vote casted through physical assent/dissent form shall be considered, subject to the assent/dissent from being found to be valid and vote cast through e-voting shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on 22<sup>nd</sup> August, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent / dissent form cannot be exercised by a proxy.

**Instructions for voting physically in Assent / Dissent Form**

1. A Member desiring to exercise vote by Assent / Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, Mr. Manish L. Ghia, Partner, M/s Manish Ghia and Associates, Company Secretaries, Mumbai and send the same at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. 6.00 p.m. on 26<sup>th</sup> September, 2014. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Assent / Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A Member may request for a duplicate Assent / Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent / Dissent form except giving their assent or dissent and putting their signature. If any other paper is sent along with the form the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.

**Instructions for voting electronically are as under:-**

Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

Click on "Shareholders" tab.

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company.

Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the



	number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

After entering these details appropriately, click on "SUBMIT" tab.

Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on the EVSN for the relevant <Company Name> on which you choose to vote.

On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**VIPUL DYECHEM LIMITED**

(CIN: L24110MH1972PLC015857)

Regd. Office: 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai - 400053

Email: [admin@vipuldyes.com](mailto:admin@vipuldyes.com); Website: [www.vipuldyes.com](http://www.vipuldyes.com),

Phone: 022-66139999, Fax: 022-66139977/75

**ATTENDANCE SLIP****ANNUAL GENERAL MEETING ON 30<sup>TH</sup> SEPTEMBER, 2014**

<b>Registered Folio/ DP ID &amp; Client ID</b>	
<b>Name and address of the shareholder(s)</b>	
<b>Joint Holder 1 Joint Holder 2</b>	
<p>I/we hereby record my/our presence at the Annual General Meeting of the Company held at Hotel Karl Residency, 36, Lalubhai Park Road, Andheri (West), Mumbai - 400058 on Tuesday, 30<sup>th</sup> September, 2014 at 4.30 p.m.</p> <p>.....</p> <p>Member's Folio/DP ID/Client ID No.    Member's/Proxy's name (in Block Letters)    Member's/Proxy's Signature</p> <p>Note:</p> <p>1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the <b>ENTRANCE OF THE MEETING HALL</b>.</p> <p>Note: Please read the instructions for e-voting given along with Annul Report. The Voting period starts from Wednesday, 24<sup>th</sup> September, 2014 (9.00 a.m.) and ends on Friday, 26<sup>th</sup> September, 2014 (6.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.</p>	

Note : PLEASE BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

**VIPUL DYECHEM LIMITED**

(CIN: L24110MH1972PLC015857)

Regd. Office: 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai - 400053

Email: [admin@vipuldyes.com](mailto:admin@vipuldyes.com); Website: [www.vipuldyes.com](http://www.vipuldyes.com),

Phone: 022-66139999, Fax: 022-66139977/75

**PROXY FORM****[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]****ANNUAL GENERAL MEETING ON 30<sup>TH</sup> SEPTEMBER, 2014**

Name of the member (s): \_\_\_\_\_  
 Registered address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Folio No/ Client Id: \_\_\_\_\_  
 DP Id: \_\_\_\_\_

I/We being a member(s) of \_\_\_\_\_ Shares of the above named Company hereby appoint:

(1) Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;  
 (2) Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;  
 (3) Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 Email Id: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, 30<sup>th</sup> September, 2014 at 4.30 p.m. at Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai - 400058 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention no. of share)		
		For	Against	Abstain
	<b>Ordinary Business:</b>			
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2014 along with Reports of the Directors and of the Auditors.			
2	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended 31 <sup>st</sup> March, 2014.			
3	Ordinary Resolution for appointment of a director in place of Mr. Pravinchandra B. Shah, Director, who retires by rotation and being eligible, offers himself for re-appointment.			
4	Ordinary Resolution for re-appointment of M/s J. A. Rajani & Co., Chartered Accountants, Mumbai (having FRN: 108331W) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.			



Resolution Number	Resolutions	Vote (Optional see Note 2) (Please mention no. of share)		
		For	Against	Abstain
	<b>Special Business:</b>			
5	Ordinary Resolution for appointment of Mrs. Trupti Shah as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> May, 2019.			
6	Ordinary Resolution for re-appointment of Mr. Jagdeep Mehta as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.			
7	Ordinary Resolution for re-appointment and revision in remuneration payable to Dr. S. N. Sahai as Whole-Time Director and Chief Financial Officer of the Company for a further period of one year w.e.f. 1 <sup>st</sup> April, 2014.			
8	Special Resolution for revision in remuneration payable to Mr. Vipul P. Shah, Managing Director of the Company with effect from 1 <sup>st</sup> April, 2014			
9	Special Resolution for adoption of new set of Articles of Association of the Company.			
10	Special Resolution under section 180(1)(c) of the Companies Act, 2013 to increase the borrowing limit of the Company.			
11	Special Resolution under section 180(1)(a) of the Companies Act, 2013 to give authority to create charge / mortgage on assets of the Company.			
12	Ordinary Resolution for approval of remuneration payable to M/s. Y. S. Gokhale & Associates, Cost Accountants, Mumbai the Cost Auditors of the Company for the financial year 31 <sup>st</sup> March, 2015.			
13	Special Resolution under section 188 of the Companies Act, 2013 for entering into related party transaction.			
14	Ordinary Resolution under Section 181 of the Companies Act, 2013 to increase in the limit of donation to any charitable or other funds.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
Re.0.15**Note:**

1. This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deemed appropriate.

**VIPUL DYECHEM LIMITED**

(CIN: L24110MH1972PLC015857)

Regd. Office: 102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai – 400053

Email: admin@vipuldyes.com; Website: www.vipuldyes.com

Phone: 022-66139999, Fax: 022-66139977/75

**FOR KIND ATTENTION OF SHAREHOLDERS****Dear Shareholder(s),**

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as are required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

<b>Folio No.</b>	
<b>Name of the Shareholder</b>	
<b>Father's/Mother's/Spouse's Name</b>	
<b>Address (Registered Office Addressing case the Member is a Body Corporate)</b>	
<b>E-mail Id</b>	
<b>PAN or CIN</b>	
<b>UIN (Aadhar Number)</b>	
<b>Occupation</b>	
<b>Residential Status</b>	
<b>Nationality</b>	
<b>In case member is a minor, name of the guardian</b>	
<b>Date of birth of the Member</b>	

**Note: Members holding shares in DEMAT mode may furnish these details to their respective DPs.**

\_\_\_\_\_  
**Signature of the Member**

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agents of the Company viz. **"BIGSHARE SERVICES PVT. LTD., E 2/3, ANSA INDUSTRIAL ESTATE, SAKIVIHAR ROAD, SAKI NAKA, ANDHERI (EAST), MUMBAI 400072"**

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking You,

**For VIPUL DYECHEM LIMITED**

**Vipul P. Shah**  
**Managing Director**





If undelivered please return to:  
**VIPUL DYE CHEM LTD.**

102, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (W), Mumbai - 400053