Vidhi Specialty Food Ingredients Limited.
(Formerly know as Vidhi Dyestuffs Mfg. Ltd.)
Office : E/27/28/29,Commerce Centre,78,Tardeo Road,
Mumbai – 400034, India
Tel : + 91 22 6140 6666 Fax : + 91 22 2352 1980
Factory : 59/B & 68, M.I.D.C. Dhatav, Roha
Dist : Raigad, Maharashtra – 402116, India
E-mail : vdml@vsnl.com
Web : www.vidhifoodcolour.com
CIN : L24110MH1994PLC076156

Date: September 26, 2017

To,

The Manager, Department of Corporate Services (DCS-Listing) BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 Scrip Code: 531717	The Manager, Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 Symbol: VIDHIING
Ahmedabad Stock Exchange Limited A-2, Kamdhenu Complex, Opposite Sahajanand College, 120 Feet Ring Rd, Panjara Pol, Ambawadi, Ahmedabad, Gujarat 380015 Scrip Code: 65175	

Dear Sir,

Ref.: Company Code: BSE – 531717, ASE – 65175, NSE Symbol: VIDHIING
Sub: Annual Report for the financial year 2016-17

Dear Sir,

In pursuance of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, please find enclosed herewith the Annual Report for the financial year 2016- 2017 containing *inter-alia* the Notice convening the 24th Annual General Meeting (AGM) held on **Monday, September 25, 2017,** Board of Directors' Report with the relevant enclosures, audited financial statements Report on Corporate Governance, Management Discussion and Analysis, Auditors' Report, etc. for the financial year 2016-2017. All the resolutions as set out in the Notice of 24th AGM were duly approved by the Members of the Company with requisite majority.

The soft copy of the Annual Report is available on the Company web-site: www.vidhifoodcolour.com

Kindly place the same on your record.

Vidhi Specialty Food Ingredients Limited (formerly known as Vidhi Dyestuffs Mfg. Ltd.) MUMBAI

VIDHI

COLOURS You Can Trust For Your Food

Thanking You,

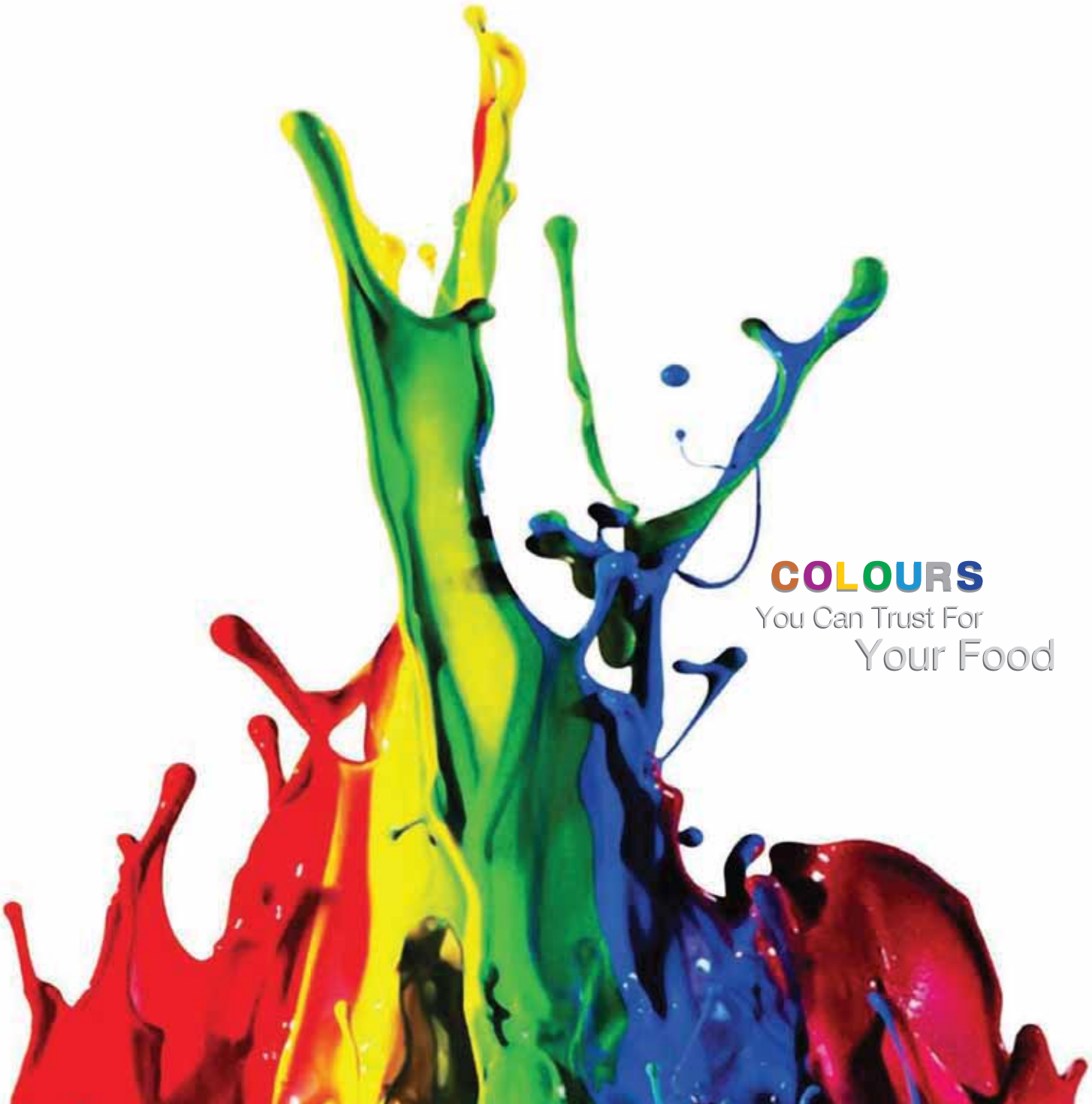
For **Vidhi Specialty Food Ingredients Limited**
(Formerly known as 'Vidhi Dyestuffs Manufacturing Limited')



Mihir M. Manek
(DIN: 00650613)
Joint Managing Director
Flat No.12, Somerset House, 1st Floor,
Near Sophia College, Warden Road,
Mumbai - 400026
Place: Mumbai
Encl: As Above

24th ANNUAL REPORT 2016-2017

VIDHI









24th Annual Report - 2016 - 17

BOARD OF DIRECTORS

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

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

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

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

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

Mr. Chetan P. Bavishi (DIN: 01978410)
Independent Director

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

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

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

CHIEF FINANCIAL OFFICER

Mr. Mitesh D. Manek

COMPANY SECRETARY

Ms. Kalika V. Dabholkar
Compliance Officer

STATUTORY AUDITORS

M/s. Bhuta Shah & Company, LLP
Chartered Accountants

SECRETARIAL AUDITORS

M/s. Hemanshu Kapadia & Associates
Practicing Company Secretary

INTERNAL AUDITORS

M/s. A. R. Ruwala & Co.
Chartered Accountants

BANKERS

HDFC Bank
Vijaya Bank
HSBC Bank

REGISTRAR & SHARE TRANSFER AGENTS (R & TA):

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

REGISTERED OFFICE:

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

CORPORATE OFFICE:

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

LOCATIONS OF PLANTS:

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

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

CONTENTS

	Page No.
CORPORATE OVERVIEW	
Financial Highlights & Performance	
Letter from the Chairman and Managing Director	
Brief Profile of the Board of Directors	
REPORTS	
Notice of Annual General Meeting	1
Board's Report	9
Report on Corporate Governance	44
Management Discussion and Analysis	63
FINANCIAL STATEMENTS	
Independent Auditors' Report	67
Balance Sheet	72
Statement of Profit & Loss	73
Statement of Cash Flows	74
Notes forming part of the Financial Statement	75
Proxy Form	





About Us:

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

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

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

Product Portfolio:

Synthetic Water Soluble Colours: (European Commission & JECFA Approved)
Available in microfine powder, fine plating grade powder &in granular forms.

Aluminum Lakes: (European Commission & JECFA Approved)
Food grade insoluble pigments available in microfine powder form.

FD&C Colours: (U. S. FDA Approved)
Available in microfine powder,fine plating grade powder as well as granular forms.

FD&C Lakes: (U. S. FDA Approved)
Food grade insoluble pigments available in microfine powder form.

D&C Colours: (U. S. FDA Approved)
Available in microfine powder for drug & cosmetic applications.

Blends: (European Commission, JECFA & U. S. FDA Approved)
Useful for acquiring any desired shade.

Co-Blended Lakes &Co-Blended Granules:(European Commission, JECFA & U. S. FDA Approved)
To achieve custom blended shades.

Natural Colours: (European Commission, JECFA & U. S. FDA Approved)
Natural colour formulations tailor made to suit any product applications.

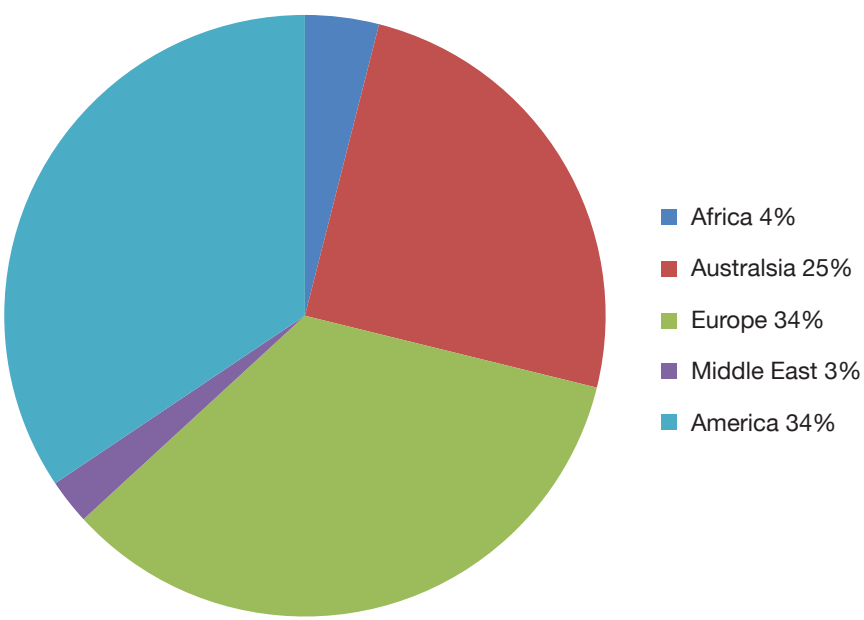
Financial Highlights & Performance

Key Figures

(₹ in Lakhs)

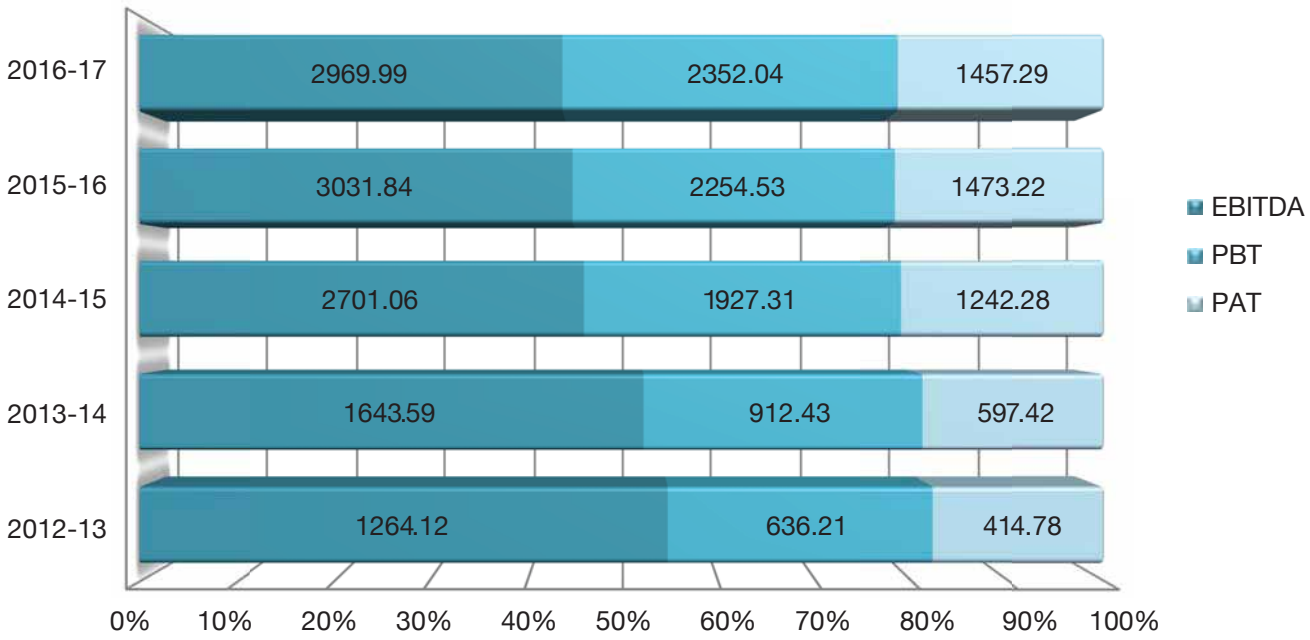
Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Results of Operations					
Total Revenue	12,032.05	14,314.52	18,957.41	18,593.49	19,341.49
Earnings before interst,Taxes, Depreciation & Amortisation(EBITDA) & Exceptional Items	1,264.12	1,643.59	2,701.06	3,031.24	2,969.99
Profi/(loss) before Tax	636.21	912.43	1,927.31	2,254.53	2,352.04
Net Profit/ (Loss)	414.78	597.42	1,242.28	1,473.22	1,457.29
Financial Position					
Equity Share Capital	500.20	500.20	500.20	500.20	500.20
Reserves and Surplus	2,728.29	3,091.66	4,021.82	5,011.34	5,985.47
Net Worth	3,228.49	3,591.86	4,522.02	5,511.54	6,485.67
Stock Information					
Earnings per Share (in ₹)	0.83	1.19	2.49	2.95	2.91

Continent Wise Break Up In Sales

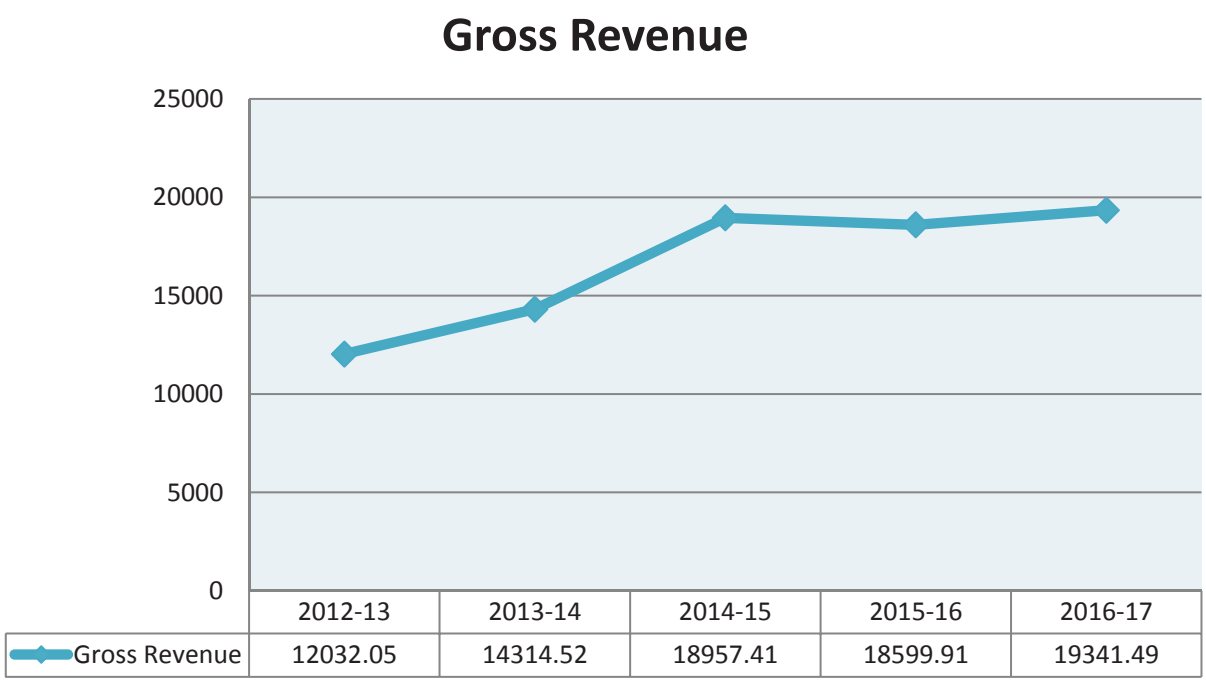


Performance Indicators

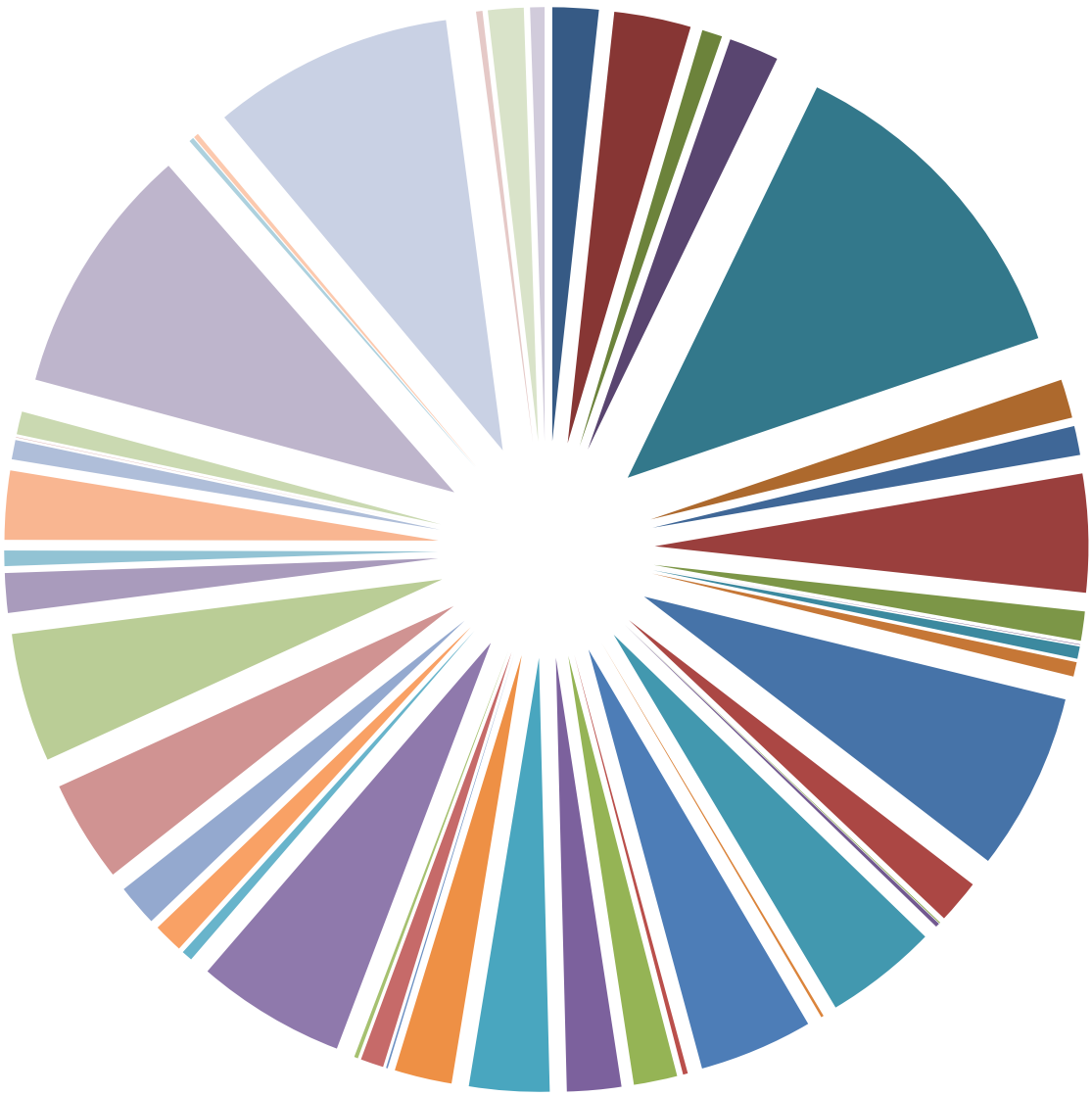
₹ in Lakhs



₹ in Lakhs



Country wise Break Up In Sales



- Argentina
- Australia
- Bangladesh
- Bolivia
- Brazil
- Canada
- Chile
- China
- Colombia
- Cyprus
- Czech Republic
- EL Salvador
- France
- Germany
- Hongkong
- Hungary
- Indonesia
- Iran
- Italy
- Kenya
- Malaysia
- Malta
- Mexico
- Morocco
- Newzeland
- Pakistan
- Peru
- Philippines
- Republic of Poland
- Russian Federation
- Singapore
- South Africa
- Spain
- Sri Lanka
- Syria
- Thailand
- The Netherlands
- Trinidad
- Turkey
- U.S.A
- UAE
- Ukraine
- United Kingdom
- Uruguay
- Venezuela
- Vietnam

Letter from the Chairman and Managing Director

Dear Shareholders,

The financial year 2016-17 proved to be a satisfying year for our Company. At this critical juncture, I am pleased to present the satisfactory annual performance of our Company despite the gloomy global economic scenario and the demonetisation impacted Indian economy.

After the few initial years of struggle, our Company performed quite steadily and has grown over 23 years. But, financial year 2016-17 proved to be vital as we embarked on the path of securing long-term future goals through the development of new products. Commencing in the financial year 2016-17, we laid out a few primary objectives such as improving free cash flow generation and expanding our product offerings to minimise the product risk, thus positioning our Company for long-term sustainable growth. And I am proud to say that during this past year, we delivered on each of these objectives, while significantly strengthening our balance sheet and delivering impressive returns to shareholders.

Our Company has always strived to be the best in terms of identifying and developing niche products, possessing a differentiated R&D approach and also undertaking development of our products. Unlike many in our sector we focused mainly on inventing better and greener chemical processes, having higher purity levels and better cost efficiency. Thus today the purity levels of our Company's products are among the best globally. There are however downsides to this strategy like slower product launches and a concentrated product portfolio. But at our Company, we have successfully overcome this challenge by focusing on a long product pipeline which will ensure continued growth for the next 5 years.

We are happy to announce a new and exciting range of Natural Lakes. Lakes of Synthetic Colours are widely promoted world over in various applications. This range has been specially prepared for those end users who are looking to replace synthetic lakes with natural lakes. Various exciting shades have been derived by substrating various Natural Colours on Alumina. There is a huge potential for these Pigments to be used in various applications like Pharmaceutical & Cosmetic applications, dry snacks, inks, films, coating and panning, can linings etc.

From a macro perspective, despite a number of challenges in terms of fluctuating oil prices, uncertain geopolitical scenarios and slower than expected growth in the emerging economies, a number of micro economic factors like lower cost of labour, availability of key raw materials, large consumer markets and adaptability to technology along with strong policy support from the Government, has worked in favour of the Indian food color and chemical industry. Further I believe that recent market changes have created notable challenges for our industry. However, they also present new opportunities for our business. Thus, our Company is uniquely suited to compete effectively throughout the cycle.

I can assure you that we will continue our intense focus on the value creation for shareholders. We appreciate the confidence and trust that you have shown in our Board, management and our employees. We have undertaken this journey for 23 years now. But I believe we are still far away from achieving our best. The coming years would be an exciting time for our shareholders as I believe they would be our transformative years. We continue to keep our commitments to our shareholders and unlock the value within our Company. We continue to maintain an unparalleled financial position in the industry. This enables us to pursue and finance attractive investment opportunities as and when they arise. I look forward to a year of transformation and value creation with you, our shareholders.

With warm regards,

Bipin M. Manek
Chairman and Managing Director

BOARD OF DIRECTORS



Mr. Bipin M. Manek

Chairman & Managing Director, Executive

Mr. Bipin Manek is one of the Promoters of the Company and has been actively associated with the Company since its inception and has played a key role in bringing the Company to its present heights. He holds Bachelors' Degree in Commerce and has a rich experience of over thirty-one years in the field of Imports & Exports in food color industries and management of business. He oversees the entire operations of the Company. As a Managing Director, Mr. Manek is acknowledged as a thought leader in transforming the Company from a small food color manufacturing Company to the Asia's 2nd largest food color manufacturing Company.

Mrs. Pravina B. Manek

Woman Director, Non-Executive

Mrs. Pravina Manek is also one of the Promoters of the Company and associated with the Company since its inception. She holds Bachelors' Degree in Arts from University of Mumbai. She has sixteen years of vast experience and expertise in the business of food color.





Mr. Mihir B. Manek

Joint Managing Director , Executive

35 years of age, Mr. Mihir Manek is a Science Graduate in Industrial Chemistry from the University of Mumbai. Mr. Mihir Manek is the Joint Managing Director of the Company. He has been associated with the Company for more than eleven years. He has an experience and expertise in the business of procurement of imported raw materials and distribution of various chemicals for over ten years. He has played a significant role in leading multiple initiatives to accelerate production and sales of the Company.

BOARD OF DIRECTORS



Mr. Vijay K. Atre

Non-Executive Director

Mr. Vijay Atre holds a Masters Degree in Science from University of Mumbai. He has thirty-nine years of rich experience in the field of food colors manufacturing unit. He has been associated with the Company for more than twenty-two years.

Mr. Prafulchandra A. Shah

Independent Director, Non-Executive

84 years of age, Mr. Prafulchandra Anantlal Shah is an Engineering Graduate in Mechanical and Electricals. Mr. Shah has a total experience of fifty-eight years in construction industry. His areas of strength include industrial Constructions & Project Works. He has been associated with the Company for more than thirteen years.





Mr. Anil Kumar Dhar

Independent Director, Non-Executive

Mr. Anil Kumar Dhar holds a Bachelors' Degree in Industrial Chemistry from University of Mumbai. He was an IRS Officer. Having been associated with Refex Industries Limited, Mr. Dhar has vast experience in Taxation & Trade Laws. He has a rich experience of thirty-seven years in the field of Indirect Taxation & Foreign Trade Laws. He holds Directorship in Chandan Steels Limited and Manas Properties Limited.

BOARD OF DIRECTORS



Mr. Nirenbhai D. Desai

Independent Director, Non-Executive

Mr. Nirenbhai Desai holds a Bachelors' Degree is an Engineering Graduate in Mechanicals. He had been associated with the Company since 2005. Mr. Desai has vast experience in Machine Tools. He has a dynamic experience of thirty-eight years in the field of Indirect Industrial Hardware & Machine Tools.

Mr. Chetan P. Bavishi

Independent Director, Non-Executive

Mr. Chetan Bavishi holds a Bachelors degree in Commerce from Mumbai University. He had been associated with the Company since 2003. He has vast experience of more than twenty-six years in the business of iron and steel industry.





Mr. Rahul C. Berde

Independent Director, Non-Executive

Mr. Rahul Berde holds a Masters degree in Analytical Chemistry from Mumbai University. He had been associated with the Company since 2014. Before appointed as Independent Director on the Board of the Company, he was associated with Water's India Limited as a Senior Marketing Manager.

NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

To,
The Members
Vidhi Specialty Food Ingredients Limited
(Formerly known as Vidhi Dyestuffs Manufacturing Limited)

Notice is hereby given that the **Twenty-Fourth Annual General Meeting** of the Members of **Vidhi Specialty Food Ingredients Limited (Formerly known as Vidhi Dyestuffs Manufacturing Limited)** will be held on Monday, September 25, 2017 at 3.30 p.m. at The Victoria Memorial School for Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400 034 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2017 including the Audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Reports of the Board of Directors and the Auditors' thereon.

2. To confirm the 1st Interim Dividend, 2nd Interim Dividend and 3rd Interim Dividend declared in the financial year 2016-17.

3. To declare Final Dividend on equity shares for the financial year 2016-17.

4. To appoint a Director in place of Mr. Vijay Krishnaswamirao Atre (DIN: 00416853), who retires by rotation and, being eligible, offers himself for re-appointment.

5. To appoint the Statutory Auditors of the Company and fix their remuneration:

   Explanation: Section 139 of the Companies Act, 2013 ('the Act') lays down the criteria for appointment and mandatory rotation of Statutory Auditors. Pursuant to the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, it is mandatory on the part of the Company to rotate the Statutory Auditors on completion of two terms of five consecutive years. The Rules also lay down the transitional period that can be served by the existing Auditors depending on the number of consecutive years for which an Audit Firm has been functioning as Auditors in the same Company. The incumbent Auditors, M/s. Bhuta Shah & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No: W100100) have served the Company since inception and will be completing the maximum number of transitional period (three years) at the ensuing Twenty-Fourth Annual General Meeting ('AGM').

   The Audit Committee of the Company has proposed and on August 16, 2017, the Board has recommended the appointment of M/s. JMR & Associates, Chartered Accountants, Mumbai (Firm Registration No: 106912W) ('JMR') as the Statutory Auditors of the Company. JMR will hold office for a period of five consecutive years from the conclusion of the Twenty-Fourth AGM of the Company till the conclusion of the Twenty-Ninth AGM to be held for the financial year 2021-22. The first year of audit will be of the financial statement for the financial year ending on March 31, 2018.

   Therefore, the Members are requested to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and all other applicable Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and in pursuance of the recommendation of the Audit Committee and the Board of Directors, M/s. JMR & Associates, Chartered Accountants, Mumbai (Firm Registration No: 106912W) be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring auditors, M/s. Bhuta Shah & Co. LLP, Chartered Accountants (Firm Registration No. W100100), to hold office for a period of five consecutive years commencing from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the Twenty-Ninth AGM to be held for the financial year 2021-22 (subject to ratification of their appointment at

every AGM as required under the Act), on a remuneration as may be recommended by the Audit Committee and mutually agreed between the Board of Directors of the Company and the Auditors in addition to out of pocket expenses as may be incurred by them during the course of Audit."

By Order of the Board of Directors
For Vidhi Specialty Food Ingredients Limited
(Formerly known as 'Vidhi Dyestuffs Manufacturing Limited')

Sd/-

Date: August 16, 2017
Place: Mumbai

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

Address: Flat No.12, Somerset House,
Off Bhulabhai Desai Road,
Warden Road, Mumbai – 400026

Registered Office:
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400034
CIN: L24110MH1994PLC076156
www.vidhifoodcolour.com

NOTES:

1. A Member entitled to attend and vote at the general meeting is entitled to appoint a proxy, who need not be a Member, to attend and vote on poll on behalf of himself/ herself. The instrument appointing the Proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 (forty eight) hours before the commencement of the Meeting. A proxy form for the Annual General Meeting ('AGM') is enclosed.

   A person can act as a proxy on behalf of the Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or Member. Proxies submitted on behalf of Companies, Societies, etc. must be supported by valid and effective resolution/ authority, as applicable.

2. The Company's Registrar & Share Transfer Agents are Sharex Dynamic (India) Private Limited ('R & TA'), Unit: Unit-1, Luthra Industrial Premises, 1st Floor, 44-E, M. Vasanti Marg, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai - 400072. Phone: 022-28545 606/2851 5644; Fax: 2854 2885.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 19, 2017 to Monday, September 25, 2017, both days inclusive, for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for final dividend on equity shares for the financial year 2016-17, if declared at the AGM.

4. The Dividend, if declared at the AGM, would be paid/dispatched on/after Tuesday, September 26, 2017 and within thirty days from the date of declaration of dividend to those persons (or their mandates):

   - whose names appear as beneficial owners as at the end of the business hours on Monday, September 18, 2017 in the list of the Beneficial Owners to be obtained from the Depositories i.e. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL], in respect of the shares held in electronic/dematerialized mode; and
   - whose names appear as Members in the Register of Members of the Company as on Monday, September 18, 2017, after giving effect to valid share transfers in physical forms lodged with the Company/ R & TA, in respect of the shares held in physical mode.

   In respect of the Members holding shares in electronic form, the bank details obtained from the respective depositories will be used for the purpose of distribution of dividend through various approved/permissible electronic mode of payment viz. Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc. The Company/ R & TA will not act on any direct request from the Members holding shares in dematerialized form for change/deletion of such bank details. Such changes are to be intimated by the Members to their depository participants. In respect of the Members holding shares in the physical form, the bank details obtained from the R & TA will be used for the purpose of distribution of dividend through various approved/permissible electronic mode of payment. Any query related to dividend should be directed to R & TA.

5. Members are requested to:

   (i) Send all share transfer lodgements (Physical mode)/correspondence to the R & TA unto the date of book closure.

   (ii) Quote Registered Folio Number or DP ID/Client ID in all the correspondence.

6. Members who have not encashed/received the dividend warrants so far in respect of the below mentioned periods, are requested to make their claim to the R & TA well in advance before due dates. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Funds (IEPF). The Company sends periodic reminders to the concerned shareholders advising them to lodge their claims with respect to unclaimed dividend. Pursuant to the provisions of Section 124(2) of the Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 24, 2016 (Date of last AGM) on the website of the Company: *www.vidhifoodcolour.com* and also on the website of the Ministry of Corporate Affairs.

7. Due dates of transferring unclaimed and unpaid dividends declared by the Company for the financial year 2009-10 and thereafter to IEPF:

Financial Year	**Date of declaration of dividend**	**Last date for claiming unpaid/ unclaimed dividend**
2012-13 (1st Interim Dividend)	November 12, 2012	December 16, 2019
2013-14 (1st Interim Dividend)	November 12, 2013	December 16, 2020
2013-14 (2nd Interim Dividend)	February 12, 2014	March 18, 2021
2014-15 (1st Interim Dividend)	November 14, 2014	December 18, 2021
2015-16 (1st Interim Dividend)	August 12, 2015	September 15, 2022
2015-16 (Final Dividend)	September 16, 2015	October 20, 2022
2015-16 (2nd Interim Dividend)	November 14, 2015	December 18, 2022
2015-16 (3rd Interim Dividend)	February 9, 2016	March 14, 2023
2016-17 (1st Interim Dividend)	August 12, 2016	September 15, 2023
2016-17 (Final Dividend)	September 24, 2016	October 28, 2023
2016-17 (2nd Interim Dividend)	November 14, 2016	December 18, 2023
2016-17 (3rd Interim Dividend)	February 11, 2017	March 17, 2024

8. Pursuant to the applicable provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Central Government, after the completion of seven years. Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. Since seven years have not been elapsed from the date of transfer of amount to Unpaid/Unclaimed Dividend Account, no dividend is due for transfer to IEPF. Please note that no claim shall lie against the Company in respect of the shares/dividend so transferred to IEPF.

9. Mr. Vijay Krishnaswamirao Atre (DIN: 00416853), Director of the Company retires by rotation at the ensuing AGM and, being eligible, offers himself for re-appointment. As required under the Secretarial Standard - 2 and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], the details of the Director seeking re-appointment, *inter alia*, age, qualification, experience, details of remuneration last drawn by such person, relationship with other Directors and Key Managerial Personnel of the Company, the number of Meetings of the Board attended during the year and other Directorships, Membership/Chairmanship of the Committees of other Boards, etc. are annexed to the Notice. Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) has furnished the relevant consent, declaration, etc. for his re-appointment.

10. As per Sections 101, 136 read with the Companies (Accounts) Rules, 2014 and all other applicable provisions of the Act, read with the Rules made under the Act, Companies can serve/send various reports, documents, communications, including but not limited to Annual Report comprising of the Report of the Board of Directors, Auditors' Report, Financial Statements, Notice of General Meetings, etc. (hereinafter referred to as 'the Documents') to its Members through electronic mode at their e-mail addresses.

    The Company believes in green initiative and is concerned about the environment. The Company has e-mailed the Documents in electronic mode at your e-mail address obtained from the depositories/available with R & TA unless a Member has requested for a hard copy of the same.

Members are requested to furnish/update the details of their address, e-mail address, bank account details, relevant information for availing various approved/permissible modes of electronic funds transfer facilities viz. Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc.:

(i) to their depository participants in respect of their shareholdings in electronic (dematerialized) form;

(ii) to R & TA, in respect of their shareholdings in physical form, quoting their folio numbers.

Members are entitled to have, free of cost, a copy of the Annual Report upon placing a specific requisition addressed to R & TA.

11. Annual Report including *inter alia* the Report of the Board of Directors, Auditors' Report, Financial Statement, Notice of this AGM, Attendance Slip, Proxy Form, etc. is being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company/R & TA/depositories unless a Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the relevant documents are being sent by the permitted mode. The same are also available on the Company's website at: *www.vidhifoodcolour.com*

12. In case a person has become a Member of the Company after the dispatch of the AGM Notice but on or before the cut-off date i.e. Monday, September 18, 2017, he/she/it may write to 'R & TA' at Sharex Dynamic (India) Private Limited ('R & TA') at Unit-1, Luthra Industrial Premises, 1st Floor, 44-E, M. Vasanti Marg, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai - 400072 on the email ID: *sharexindia@vsnl.com* requesting for the User ID and Password.

13. In terms of Section 72 of the Act read with the applicable Rules made under the Act, every holder of shares in the Company may at any time nominate, in the prescribed manner (Form No. SH-13), a person to whom his/her shares in the Company shall vest, in the event of his/her death. Nomination Form can be obtained from the R & TA. The duly filled in Nomination Form shall be sent to R & TA at the above mentioned address by the Members holding shares in physical mode. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

14. Members/Proxies/Authorized Representatives should bring their copy of the Annual Report and Attendance Slip sent herein for attending the Meeting. Proxy/Authorized Representatives of Members should state on the Attendance Slip as 'Proxy' or 'Authorized Representative', as the case may be. Further, those who hold shares in demat form are requested to write their Client Id and DP Id and those who hold shares in physical forms are requested to write their folio number on the Attendance Slip for easy identification at the meeting.

15. Corporate Members intending to send their representatives to attend the Meeting are requested to send to the Company, a certified copy of the relevant board resolution authorizing their representatives to attend and vote at the Meeting on their behalf.

16. In case of joint holders, the vote of only such joint holder who is higher in the order of names, shall be accepted to the exclusion of the votes of other joint holders.

17. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/ R & TA along with the relevant Share Certificates for consolidation of such Folios in one Folio.

18. Members desiring any information pertaining to the Financial Statement are requested to write to the Company Secretary at an early date so as to enable the Management to reply at the AGM.

19. Statutory Registers and all other documents relevant to the business as stated in the Notice convening the AGM are open for inspection by the Members at the Registered Office and Corporate Office of the Company upto and including the date of the ensuing AGM of the Company during business hours on any working day of the Company without payment of fee and will also be available at the AGM.

20. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market and Members holding shares in electronic form are requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to R & TA, if not already submitted.

21. Voting through Electronic Means:

a) Pursuant to Section 108 of the Act read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and all other relevant Rules made under the Act and Regulation 44 of the Listing Regulations, the Company is pleased to provide the facility to the Members to exercise their right to vote on the resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through such voting. **The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Monday, September 18, 2017 are entitled to vote on the Resolutions set forth in this Notice. The cut-off date for the purpose of remote e-voting and voting at the AGM is Monday, September 18, 2017. A person who is**

not a Member as on the cut-off date should treat this Notice for information purpose only. The Members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The Company has appointed Central Depository Services (India) Limited [CDSL] for facilitating remote e-voting.

b) Subject to the applicable provisions of the Act read with the Rules made there under (as amended), the voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date for the purpose of remote e-voting, being Monday, September 18, 2017. Members are eligible to cast vote only if they are holding shares on Monday, September 18, 2017.

c) The remote e-voting period will commence at 9.00 a.m. (IST) on Friday, September 22, 2017 and will end at 5.00 p.m. (IST) on Sunday, September 24, 2017. During this period, the Members of the Company holding shares in physical form or in dematerialized form as on cut-off date may cast their vote through remote e-voting. **The remote e-voting module shall be blocked/ disabled for voting thereafter.**

d) Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again. The Members may participate in the AGM even after exercising his/her right to vote through remote e-voting but shall not be allowed to vote again.

e) The facility for voting, either through electronic voting system or ballot/polling paper, shall also be made available at the AGM and the Members attending the AGM and who have not already cast their vote by remote e-voting shall be able to exercise their right at the AGM.

f) A Member may avail of the facility at his/her/its discretion, as per the instructions provided herein:

i. The voting period begins on **Friday, September 22, 2017 at 9:00 a.m. (IST)** and ends on **Sunday, September 24, 2017 at 05:00 p.m. (IST).** During this period, shareholders' of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Monday, September 18, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. The shareholders should log on to the e-voting website www.evotingindia.com

iii. Click on Shareholders/Members.

iv. Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

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

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

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

vii. 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 8 digits of the sequence number in the PAN field. • In case the sequence 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. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

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

ix. Members holding shares in physical form will then directly reach 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.

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

xi. Click on the EVSN of **Vidhi Specialty Food Ingredients Limited (Formerly known as 'Vidhi Dyestuffs Manufacturing Limited')** to vote.

xii. 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.

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

xiv. 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.

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

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

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

xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help Section or write an email to helpdesk.evoting@cdslindia.com.

22. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on **the cut-off date i.e. Monday, September 18, 2017.**

23. Mr. Hemanshu Kapadia (FCS: **3477** and CP: **2285**), Proprietor of M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, failing him, Mr. Vipin Mehta (FCS: **8587** and CP: **9869**), Partner of M/s. VPP & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

24. The Scrutinizers shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, within 48 hours from the conclusion of the meeting a Consolidated Scrutinizer's Report of the total votes cast in favor or against of the resolutions transacted in the AGM and submit forthwith the same to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

25. The Chairman or the authorised person shall declare the results of the voting forthwith and the results declared along with the report of the scrutinizer shall be placed on the website of the Company i.e. *www.vidhifoodcolour.com* and on the website of CDSL i.e. *www.evotingindia.com.* The Company shall also simultaneously forward the results to Ahmedabad Stock Exchange Limited (ASE), BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE) and where the shares of the Company are listed.

26. Map of the venue of the AGM is given after the notice and forms part of the notice.

27. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Twenty-Fourth AGM i.e. Monday, September 25, 2017.

By Order of the Board of Directors
For Vidhi Specialty Food Ingredients Limited
(Formerly known as 'Vidhi Dyestuffs Manufacturing Limited')

Sd/-

Date: August 16, 2017
Place: Mumbai

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

Address: Flat No.12, Somerset House,
Off Bhulabhai Desai Road,
Warden Road, Mumbai – 400026

Registered Office:
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400034
CIN: L24110MH1994PLC076156
www.vidhifoodcolour.com

Annexure to Item No. 4 of the Notice:

(Details as required to be furnished under the Secretarial Standard – 2 – para 1.2.5 and Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	**Mr. Vijay Krishnaswamirao Atre**
DIN	00416853
Date of Birth	April 6, 1925
Age	92 years
Qualifications	M.Sc.
Nationality	Indian
Terms and conditions of appointment / re-appointment	Proposed to be re-appointed as a Director liable to retire by rotation on existing terms and conditions
Date of first appointment on the Board	May 2, 1995
Shareholding in the Company	25,000 Equity Shares of ₹ 1/- each
List of Directorships held in other Companies	Nil
Committee membership	Nil
Nature of Expertise or experience	Rich experience of over 39 years in the field of food colors manufacturing unit.

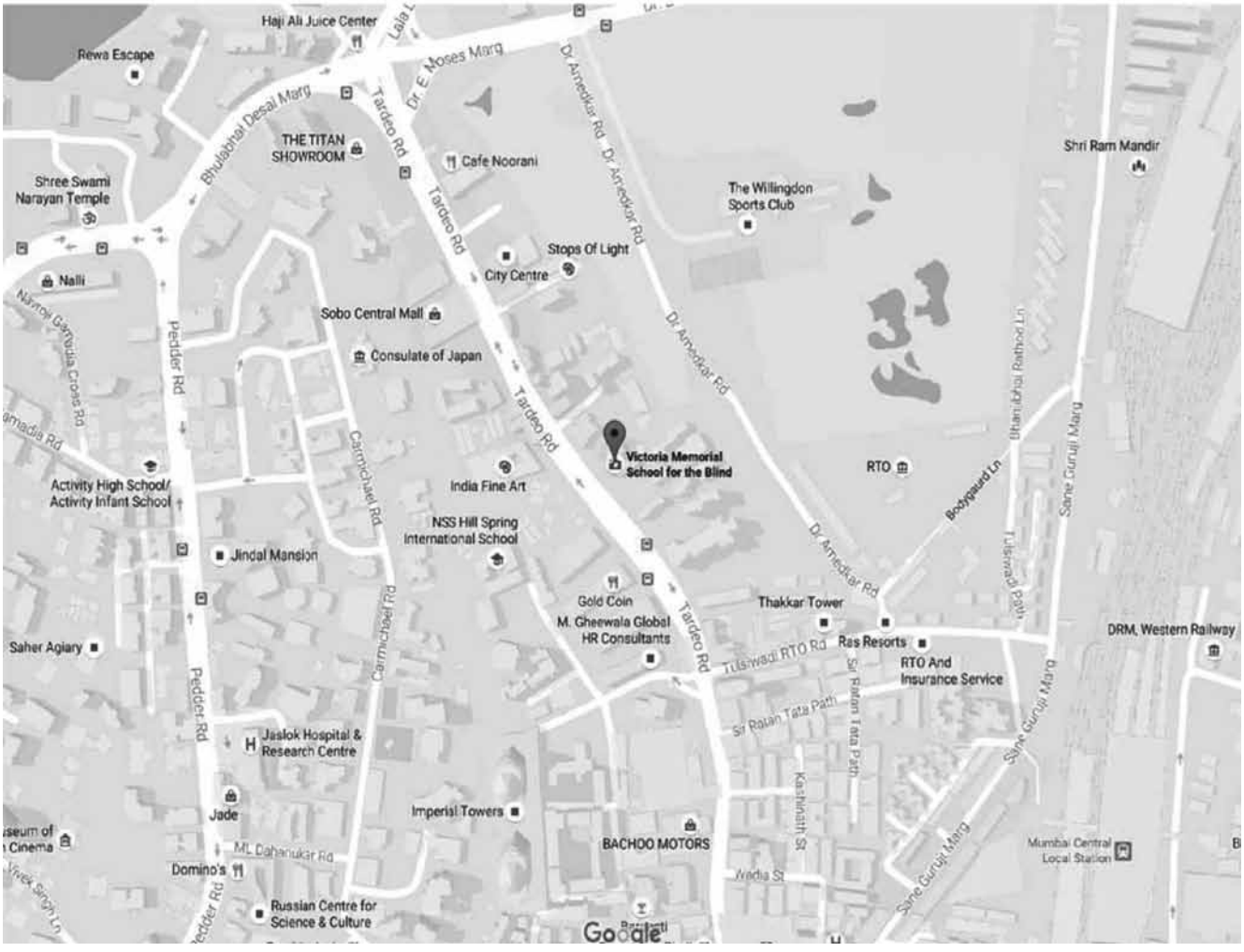
Note: For other details such as number of meetings of the Board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of the above Director please refer to the Board's Report and the Corporate Governance Report.

ROUTE MAP TO THE VENUE OF TWENTY-FOURTH ANNUAL GENERAL MEETING OF VIDHI SPECIALTY FOOD INGREDIENTS LIMITED (FORMERLY KNOWN AS 'VIDHI DYESTUFFS MANUFACTURING LIMITED'):

Venue:

The Victoria Memorial School for Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400 034

Landmark: Opposite AC Market



BOARD'S REPORT

To,
The Members,
Vidhi Specialty Food Ingredients Limited
(Formerly known as 'Vidhi Dyestuffs Manufacturing Limited')

Your Directors have pleasure in presenting their **Twenty-Fourth Annual Report** on the business and operations of Vidhi Specialty Food Ingredients Limited (Formerly known as 'Vidhi Dyestuffs Manufacturing Limited') ['the Company'/'Vidhi'] together with the Audited Financial Statement for the financial year ended March 31, 2017.

1. Financial summary or highlights:

The financial highlights of the Company are as follows:

(₹ in Lakhs)

Particulars	Current Year		Previous Year	
	2016-17		2015-16	
Total Income		19,341.49		18,599.92
Total Expenditure (excluding Depreciation)		16,763.58		16,129.32
Profit for the year before providing Depreciation		**2,577.91**		**2,470.60**
Less: Depreciation		225.87		216.06
Less: Exceptional Items		Nil		Nil
Profit before Tax		**2352.04**		**2,254.53**
Less: Provision for Taxation				
Current Year	785.54		690.00	
Earlier Year	76.42		12.33	
Deferred Tax	32.78	894.75	78.98	781.31
Profit After Tax		**1,457.29**		**1,473.22**
Add: Profit brought forward from Previous Year		4,424.74		3,644.66
Total Profit in Balance Sheet		5,882.03		5,117.88
APPROPRIATION:				
Interim Dividend		299.67		299.67
Proposed Final Dividend		99.89		99.89
Transfer to General Reserve		145.73		209.43
Dividend Distribution Tax		83.61		84.14
Balance Profit carried to Balance Sheet		**5,253.13**		**4,424.74**

2. Financial Performance, Operations and State of the Company's affairs:

Your Company successfully retained its position as one of the eminent food color manufacturing Company in the manufacturing of food colors and preservative Industry. During the year, total income of the Company has been increased by 3.99% from ₹ 18,599.92 Lakhs during the previous year to ₹ 19,341.49 Lakhs. However, the profit after tax was decreased by 1.09 % to ₹ 1,457.29 Lakhs from ₹ 1,473.22 Lakhs in previous year.

The income from operations during the year has increased to ₹ 18,655.88 Lakhs from ₹ 18,041.74 Lakhs. The Company's profit before tax has gone up from ₹ 2,254.53 Lakhs in previous year to ₹ 2,352.04 Lakhs in current year registering growth of 4.33%.

The financial performance is discussed in detail in the Management Discussion and Analysis Report which forms part of the Annual Report.

The Company has manufactured 2514.05 MT Food colors against 2776.43 MT in the previous year. Your Directors assure to maintain the growth momentum in coming years and strive for bright future for your Company.

3. Change of the name of the Company:

During the year under review, the Company has changed its name to ***'Vidhi Specialty Food Ingredients Limited'*** from ***'Vidhi Dyestuffs Manufacturing Limited'*** vide an approval received from the Ministry of Corporate Affairs, Government of India on August 25, 2016. Further, in pursuance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'] the Stock Exchanges have imparted their final approval on February 22, 2017

stating that the abbreviated name and Scrip ID/Symbol will be changed w.e.f. March 1, 2017. Consequently, the Scrip ID and Symbol of the Company on the website of BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE), respectively, has been changed from ***'VIDHIDYE'*** to ***'VIDHIING'*** w.e.f. March 1, 2017.

4. Change in the nature of business, if any:

The Company is engaged in the business of manufacturing and trading in synthetic food colors and chemicals. There was no change in nature of business activity during the year.

5. Dividend:

Your Directors are pleased to recommend a final dividend of ₹ 0.20 /- (Twenty paisa only) per equity share of ₹ 1/- each fully paid up (i.e. 20%) for the financial year ended March 31, 2017. The total outgo on dividend account will be ₹ 99.89 Lakhs (excluding Dividend Distribution Tax).

The dividend payment is subject to the approval of the shareholders at the ensuing Annual General Meeting ('AGM') and be paid to the shareholders whose names appear in the Register of Members/Beneficial Holders as on Record Date/Book Closure fixed for the said purpose.

The dividend, if declared at the AGM, would be paid/dispatched within thirty days from the date of declaration of dividend to those persons or their mandates:

- whose names appear as beneficial owners as at the end of the business hours on Monday, September 18, 2017 in the list of the Beneficial Owners to be obtained from the Depositories i.e. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL], in respect of the shares held in electronic/dematerialized mode; and
- whose names appear as Members in the Register of Members of the Company as on Monday, September 18, 2017 after giving effect to valid share transfers in physical forms lodged with the Company/Registrar & Share Transfer Agent, in respect of the shares held in physical mode.

In line with our focus on enhancing shareholder returns and in view of the Company's strong cash generation and positive growth momentum, the Board of Directors decided to distribute profits to its Members and accordingly the Board of Directors had declared interim dividends during the financial year 2016-17 as per details given below:

Type of Dividend	Date of Board Meeting	Rate of Dividend	Per share Dividend	Total Outflow*
1st Interim Dividend	12.08.2016	20% per share	₹ 0.20/- per share	₹ 99.89 lakhs
2nd Interim Dividend	14.11.2016	20% per share	₹ 0.20/- per share	₹ 99.89 lakhs
3rd Interim Dividend	11.02.2017	20% per share	₹ 0.20/- per share	₹ 99.89 lakhs

*excluding Dividend Distribution Tax paid by the Company.

6. Reserves:

The Board, during the year under review, has transferred ₹ 145.73 Lakhs (P.Y. ₹ 209.43 Lakhs) to General Reserves.

7. Directors and Key Managerial Personnel:

In pursuance of the provisions of Section 152(6) of the Companies Act, 2013 read with the applicable Rules thereto, (including any statutory modification(s) or re-enactment thereof for the time being in force) ['the Act'] and Articles of Association of the Company, Mr. Vijay K. Atre (DIN: 00416853) retires by rotation from the Board in the ensuing AGM and, being eligible for re-appointment, has offered himself for re–appointment. The Board of Directors recommends his re-appointment to the shareholders of the Company.

The Company has received the declarations from all the Independent Directors of the Company pursuant to the provisions of Section 149(7) of the Act stating that they meet the criteria of independence as provided under the Act and the Listing Regulations and that they are not disqualified to become Directors under the Act; and in the opinion of the Board of Directors, all the Independent Directors fulfill the criteria of independence as provided under the Act read with the Listing Regulations and that they are independent of the Management.

Further, at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his role, function, duties and responsibilities. The format of the letter of appointment is available on our website at *http://www.vidhifoodcolour.com/financials.php?m=52*

Brief resume and other details of the Director proposed to be re-appointed, as stipulated under the Listing Regulations and Secretarial Standard - 2, has been furnished separately in the Notice convening the AGM read with the Annexure thereto forming part of this Report.

Details of the number of meetings of the Board of Directors and Committees and attendance at the meetings have been furnished in the *Report on Corporate Governance*.

Following persons are designated as Key Managerial Personnel (KMP):

- Mr. Bipin M. Manek, Chairman and Managing Director
- Mr. Mitesh D. Manek, Chief Financial Officer
- Ms. Kalika V. Dabholkar, Company Secretary and Compliance Officer

8. Board Evaluation:

As per Section 134(3) (p) of the Act, a statement indicating the manner in which formal annual evaluation was made by the Board of their performance has to be furnished to the shareholders as part of the Directors' Report. Similarly, the Independent Directors as part of their mandate under Schedule IV of the Act need to make an evaluation of performance of the constituents of the Board apart from their self evaluation. Under this process, a structured questionnaire was prepared after taking into consideration inputs received from the Directors, setting out parameters of evaluation; the questionnaire for evaluation (both, self and peer) are to be filled in, consolidated and discussed with the Chairman. The evaluation by the Independent Directors has been undertaken at their meeting held on August 12, 2016. The Board of Directors undertook evaluation of Independent Directors at their meeting held on February 11, 2017 after taking into consideration the Guidance Note on Board Evaluation, issued by Securities Exchange Board of India (SEBI) dated January 5, 2017 and placed on its record that the Independent Directors have the requisite qualification, expertise and track record for performing their duties as envisaged under Law, and they add value in the decision making process of the Board.

The criteria for evaluation of performance of Directors and the Board as a whole are summarized in the table given below:

Evaluation of	Evaluation by	Criteria
Non-independent Director (Executive)	Independent Directors	Transparency, Leadership (business and people), Governance and Communication
Non-independent Director (Non- Executive)	Independent Directors	Preparedness, Participation, Value addition, Governance and Communication
Independent Director	All other Board Members	Preparedness, Participation, Value addition, Governance and Communication
Chairman	Independent Directors	Meeting dynamics, Leadership (business and people), Governance and Communication
Committees	Board Members	Composition, Process and Dynamics
Board as a whole	Independent Directors	Composition, Process and Dynamics

9. Board Familiarization Program:

At the time of appointment of a new Director, through the induction process, he/she is familiarized with the Company, Director's roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. Detailed presentations are made before the Board Members at the Board and its Committee Meetings covering various areas including business strategy, branding, programming, financial performance and forecast, compliances/regulatory updates, audit reports, risk assessment and mitigation, etc.

Familiarization Program for Independent Directors:

The Familiarization Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. All Independent Directors attended the orientation and familiarization programs held during the financial year 2016-17.

The details of training and familiarization program are available on our website at *http://www.vidhifoodcolour.com/financial/code_policies/familiarisation_programe_for_independent_director.pdf*

10. Policy on Directors' appointment and remuneration:

The Company's Policy on the Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters as provided under Section 178 of the Act is annexed to this Report as the Nomination & Remuneration Policy and appended as ***Annexure A*** to this report.

11. Number of meetings of the Board of Directors:

The Board of Directors met Five (5) times during the Financial Year under review. The intervening gap between any two meetings was not more than 120 days as prescribed under the Act. Details of date of Board Meetings are provided separately in *Report on Corporate Governance.*

12. Details of Committees of the Board:

At present, the Board has following four (4) Committees:

- Audit Committee,
- Nomination and Remuneration Committee,
- Stakeholders' Relationship Committee,
- Corporate Social Responsibility Committee

The Composition of various Committees and Compliances, are in line with the applicable provisions of the Act read with the Rules and Listing Regulations. Details of terms of reference of the Committees, Committees' Membership and attendance at meetings of the Committees, except CSR Committee, are provided in the *Report on Corporate Governance*.

13. CSR Committee:

The constitution, composition, quorum requirements, terms of reference, role, powers, rights, obligations of Corporate Social Responsibility Committee ['CSR Committee'] are in conformity with the provisions of Section 135 and all other applicable provisions of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee comprises of the following Directors as on March 31, 2017:

Name	Designation	Non-Executive/Independent
Mr. Prafulchandra A. Shah (DIN: 00417022)	Chairman	Non-Executive, Independent
Mr. Chetan P. Bavishi (DIN: 01978410)	Member	Non-Executive, Independent
Mr. Nirenbhai D. Desai (DIN: 01978382)	Member	Non-Executive, Independent
Mr. Rahul C. Berde (DIN: 06981981)	Member	Non-Executive, Independent

During the financial year under review, the Committee met thrice on May 27, 2016, August 12, 2016 and February 11, 2017.

Brief description of terms of reference of the Committee *inter-alia* includes:

- formulate and recommend to the Board of Directors (Board), a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- approve CSR activities;
- recommend to the Board the amount of expenditure to be incurred on the CSR activities;
- monitor the CSR Policy of the Company from time to time;
- institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company; and
- carry out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities.

CSR Policy development and implementation:

The CSR Policy is available on the Company's website at:

http://www.vidhifoodcolour.com/financial/code_policies/csr_policy.pdf

Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been appended as ***Annexure B*** to this Report.

14. Vigil Mechanism:

The Company has a 'Whistle Blower Policy'/'Vigil Mechanism' in place. The objective of the Vigil Mechanism is to provide the employees, Directors, customers, vendors, contractors and other stakeholders of /in the Company an impartial and fair avenue to raise concerns and seek their redressal, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and fair dealings with all its stakeholders and constituents and its

commitment to open communication channels. The Company is also committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization, for whistle blowing in good faith. The Board of Directors affirms and confirms that no personnel has been denied access to the Audit Committee. The Policy contains the provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

Vigil Mechanism cum Whistle Blower Policy is available on the Company's website at:

http://www.vidhifoodcolour.com/financial/code_policies/vigil_mechanism.pdf

15. Audit Report:

a) Statutory Audit Report:

The Company has received a modified opinion in the Auditors' Report for the financial year 2016-17 which read as under:

No provision is made as per AS-15 due to non-availability of report from LIC Group Gratuity Scheme which constitutes a departure from the Accounting Standard – 15 "Employee Benefits (Revised 2005)". We were unable to obtain sufficient appropriate audit evidence, consequently the impact thereof on the profit for the year and liability as at the year end is not ascertainable.

The Management's reply to the above audit observation is as follows:

The Management of the Company is in the process of obtaining actuarial valuation report and also in talk with LIC for their Report on LIC Group Gratuity Scheme to enable the Company in making provisions in the accounts as per AS-15.

Comments given in Annexure to the Auditors' Report are self explanatory.

b) Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2016-17 and issue Secretarial Audit Report. Secretarial Audit Report issued by M/s. Hemanshu Kapadia & Associates for the financial year 2016-17 in Form MR-3 forms part of this report and annexed hereto as ***Annexure C***.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark therefore; there are no further explanations to be provided for in this Report.

16. Auditors:

a) Statutory Auditors:

At the Annual General Meeting ('AGM') held on September 27, 2014, M/s. Bhuta Shah & Co., Chartered Accountants (Firm Registration No. 101474W) (Now known as M/s. Bhuta Shah & Co. LLP, Chartered Accountants, Mumbai (Firm Registration No. W100100), were appointed as Statutory Auditors of the Company for three consecutive financial years i.e. till the financial year 2016-17 who shall hold office till the conclusion of AGM to be held for the financial year 2016-17.

Accordingly, they will hold office till the conclusion of the Twenty-Fourth AGM of the Company. The Board, based on the recommendation of the Audit Committee, has recommended the appointment of M/s. JMR & Associates, Chartered Accountants, (Firm Registration No. 106912W), a peer reviewed firm, as the Statutory Auditors of the Company in place of retiring Auditors for a term of five consecutive years i.e. from the conclusion of the Twenty-Fourth AGM of the Company scheduled to be held for the financial year 2016-17 till the conclusion of the Twenty-Ninth AGM to be held for the financial year 2021-22, for approval of the Members of the Company.

M/s. JMR & Associates, Chartered Accountants, (Firm Registration No. 106912W) have furnished a certificate in terms of the provisions of the Act and the Companies (Audit and Auditors) Rules, 2014 and confirmed their eligibility in terms of Section 141 and all other applicable provisions of the Act, read with the applicable Rules thereto.

b) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries (FCS: 3477 and CP: 2285), to undertake the Secretarial Audit of the Company for the financial year 2017-18 and issue Secretarial Audit Report as required under the Act.

c) Internal Auditors:

Pursuant to the provisions of Section 138 of the Act read with Rule 13 of Companies (Accounts) Rules, 2014 and on the basis of the recommendation of Audit Committee, the Board of Directors in their meeting held on August 12, 2016 had appointed M/s. A. R. Ruwala & Co., Chartered Accountants, (Firm Registration Number: 108913W) as the Internal Auditors of the Company for the financial year ended March 31, 2017.

Further, the Board of Directors in their meeting held on August 16, 2017 has appointed M/s. Rahul Gondhiya & Associates, Chartered Accountants, (Firm Registration Number: 133649W) as the Internal Auditors of the Company for the financial year ended March 31, 2018.

17. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The information as per Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption & foreign exchange earnings and outgo are given in ***Annexure D*** to this report.

18. Managerial Remuneration and Particulars of Employees:

Disclosures pertaining to remuneration and other details as required under Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended as ***Annexure E*** to this Report.

The Company doesn't have any employee falling within the purview of Section 197 of the Act read with Rule 5(2) (i) to (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, hence, no such details are provided.

19. Extract of Annual Return:

In accordance with Section 134(3)(a) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT – 9 is attached as ***Annexure F*** to this Report.

20. Share Capital & Listing of Securities:

During the financial year under review, the Company has not issued:

- any equity shares with differential rights as to dividend, voting or otherwise;
- any equity shares (including sweat equity shares) to employees of the Company under any scheme;
- any sweat equity shares.

The Company's equity shares continue to be listed at Ahmedabad Stock Exchange Limited (ASE), BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). Annual Listing Fees have been paid to each exchange. The stock code of the Company at ASE is 65175, BSE is 531717 and the symbol for NSE is VIDHIING.

21. Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the financial year under review as stipulated under Regulation 34 of the Listing Regulations is set out in a separate Section forming part of this Report.

22. Corporate Governance:

The Company is adhering to good corporate governance practices in every sphere of its operations. The Company has taken adequate steps to comply with the applicable provisions of Corporate Governance as stipulated under the Listing Regulations. A separate *Report on Corporate Governance* is enclosed as a part of this Report along with the Certificate on Corporate Governance received pursuant to Schedule V of the Listing Regulations for the period ended March 31, 2017 from M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries (FCS: 3477 and CP: 2285).

23. Directors' Responsibility Statement:

As stipulated under Section 134(3)(c) read with Section 134(5) of the Act, your Directors hereby state and confirm that:

a) in the preparation of the annual accounts for the financial year ended on March 31, 2017, the applicable accounting standards have been followed and that there are no material departures 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 at the end of the financial year ended on March 31, 2017 and of the profit and loss of the Company for that period;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively during the financial year ended March 31, 2017; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively during the financial year ended March 31, 2017.

24. Particulars of Contracts and arrangements with related parties:

During the financial year under review, the Company has not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the Company's Policy on materiality of related party transactions. All contracts/arrangements/transactions entered into by the Company during the financial year under review with related parties were in the ordinary course of business and on an arm's length basis. Accordingly, the disclosure of Related Party Transactions to be provided under Section 134(3)(h) of the Act in Form AOC – 2 is not applicable.

The details of transactions entered into with Related Parties, as per Accounting Standards, are disclosed in the Note no. 28 of the Financial Statement.

The Company's Policy on Materiality of related party transactions and dealing with related party transactions is available on the Company's website at: *http://www.vidhifoodcolour.com/financial/code_policies/policy_on_related_party_transactions.pdf*

25. Particulars of loans given, investments made, guarantees given and securities provided:

The Company has not given any loan, except loan to employees, or given guarantee or provided securities as covered under Section 186 of the Act. Further, the Company has not made any fresh investment falling within the meaning of Section 186 of the Act; however, there were certain investments which were made in earlier years.

Please refer to the Note no. 11 to the financial statements for details of investments made by the Company.

26. Risk Management:

The Company is exposed to inherent uncertainties owing to the sector in which it operates. A key factor in determining a Company's capacity to create sustainable value is the risks that the Company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Many risks exist in a Company's operating environment and they emerge on a regular basis. The Company's Risk Management process focuses on ensuring that these risks are identified on a timely basis and addressed.

The Audit Committee oversees Enterprise Risk Management Framework to ensure execution of decided strategies with focus on action and monitoring risks arising out of unintended consequences of decisions or actions and related to performance, operations, compliance, incidents, processes, systems and transactions are managed appropriately. The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

27. Internal Financial Controls with reference to the Financial Statement:

The Company has in place adequate internal financial controls with reference to financial statements.

The Company has devised appropriate systems and framework for adequate internal financial controls with reference to financial statements commensurate with the size, scale and complexity of its operations including proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, risk based internal audit framework, risk management framework and whistle blower mechanism.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements. In case weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls. It has prepared Standard Operating Practices (SOP) for each of its processes.

During the year under review, controls were tested and no reportable material weakness in design and operation were observed.

28. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The Policy is gender neutral.

We are pleased to inform you that no complaints pertaining to sexual harassment were received during the Financial Year 2016-17.

29. Insurance:

The Company has taken insurance, to the extent Management felt appropriate, to cover the risks to its employees, property, plant and equipment, buildings and other assets and third parties.

30. Other Disclosures/Reporting:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions occurred on these items during the year under review:

a) Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report;

b) Details about Subsidiary Company/Joint venture/Associate Company, as the Company does not have any Subsidiaries/ Joint Venture/Associate Company;

c) Details relating to deposits covered under Chapter V of the Act;

d) Details of payment of remuneration or commission to Managing Director or Joint Managing Director of the Company from any of its subsidiaries as the Company does not have any Subsidiaries/Joint Venture/Associate Company;

e) Voting rights which are not directly exercised by the employees in respect of shares for the subscription/purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under Section 67(3)(c) of the Act);

f) Significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future; and

g) Details in respect of frauds reported by Auditors under sub-section (12) of Section 143 other than those which are reportable to the Central Government, as there were no such frauds reported by the Auditors.

31. Acknowledgements:

Your Directors take this opportunity to place on record their sincere gratitude for assistance and co-operation received from Banks, Financial Institutions, Shareholders, Business Associates, esteemed customers and various Government Agencies for their continued support and assistance during the year.

Your Directors also place on record their appreciation for the excellent contribution made by all employees and workers of Vidhi through their commitment, competence, co-operation and diligence to duty in achieving consistent growth of the Company.

For and on behalf of the Board of Directors

Sd/-

Date: August 16, 2017
Place: Mumbai

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

Address: Flat No.12, Somerset House,
Off Bhulabhai Desai Road,
Warden Road, Mumbai – 400026

Registered Office:
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400034
CIN: L24110MH1994PLC076156
www.vidhifoodcolour.com

Annexure A

Nomination & Remuneration Policy

I. OBJECTIVE:

The Nomination and Remuneration Committee (NRC or the Committee) has formulated the Nomination & Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Regulation 19(4) read with Part D of Schedule II under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy is mainly focused on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management.

The objective of the policy is to ensure that:

- the Board is being guided in relation to appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management including Department head;
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

II. DEFINITIONS

Key definitions of terms used in this Policy are as follows:

1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
2. **Listing Regulations** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
3. **Board** means Board of Directors of the Company.
4. **Directors** mean Directors of the Company.
5. **Key Managerial Personnel** means
   i. Chief Executive Officer or the Managing Director or the Manager;
   ii. Whole-time director;
   iii. Chief Financial Officer;
   iv. Company Secretary; and
   v. such other officer as may be prescribed.
6. **Senior Management** means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

III. ROLE OF COMMITTEE

1. **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

   The Committee shall:

   i. Periodically review the size and composition of the Board to ensure that it is structured in such a manner which enables to take appropriate decision in the best interest of the Company as a whole;
   ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommending candidates to the Board as and when need arises keeping in view the Board structure and expertise/experience required;
   iii. Establish and on regular basis, review the succession plan of the Board, KMPs and Senior Executives;
   iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy;

v. To formulate criteria for evaluation of Independent Directors and the Board;

vi. Recommend to the Board, performance criteria for the Directors, KMPs and Senior Management;

vii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel and their remuneration;

viii. Help the Board to formulate and ensure the Board nomination process keeping in mind the diversity of gender, expertise, experience and Board structure;

ix. Review and recommend to the Board:

a) The Remuneration Policy for all employees including KMPs and Senior Management including various components of remuneration whether fix or variable, performance reward, retirement benefits,

b) Remuneration of the Executive Directors and KMPs,

c) Remuneration of Non Executive Directors including Chairman, as a whole and individually and sitting fees to be paid for attending the meeting of the Board and Committee thereof, and

d) Equity based incentive Schemes,

x. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and

xi. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable;

xii. Devising a policy on diversity of the Board of Directors;

xiii. Aligning key executive and board remuneration with the long term interests of the Company and its shareholders;

xiv. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board;

xv. To carry out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities;

xvi. To perform such other functions as may be necessary or appropriate for the performance of its duties;

2. Policy for appointment and removal of Director, KMP and Senior Management

i. Appointment criteria and qualifications

a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment, as per Company's Policy.

b. A person to be recommended to the Board should be a man with integrity, possess adequate qualification, expertise and experience for the position he/she is considered for appointment and industry in which Company operates. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.

c. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.

d. The Company shall not appoint or continue the employment of any person as Managing Director and/or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

e. A whole-time KMP of the Company shall not hold office in more than one Company except in its Subsidiary Company at the same time. However, a whole-time KMP can be appointed as a Director in any Company with the permission of the Board of Directors of the Company.

ii. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive/Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Directors, it should be ensured that number of Boards on which such Independent Director serve is restricted to seven Listed Companies as an Independent Director and three Listed Companies as an Independent Director in case such person is serving as a Whole-time Director of a Listed Company or such other number as may be prescribed under the Act.

iii. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly) or at such intervals as may be considered necessary.

iv. Removal

The Committee may recommend to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations and the policy of the Company.

v. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the term of appointment, provisions of the Act, Listing Regulations and the Policies of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to compliance of provisions of the Act and Listing Regulations.

3. Policy relating to the Remuneration for the Managing Director, Whole-time Director, KMP and Senior Management Personnel

i. General:

a) The remuneration/compensation/commission/fees etc. to be paid to the Managing Director, Whole-time Director, other Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval which shall be subject to the prior/post approval of the shareholders of the Company or Central Government, wherever required.

b) The remuneration and commission to be paid to the Managing Director, Whole-time Director shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director and Whole-time Director.

d) Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.

ii. Remuneration to Managing Director/Whole-time Directors:

a) Fixed pay:

The Managing Director/Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board on the recommendation of the Committee, subject to the approval of the shareholders or Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director, Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Managing Director, Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the approval of the shareholders or the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the shareholder or Central Government.

iii. Remuneration to Non-Executive/Independent Director:

a) Sitting Fees:

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. However, the amount of such fees shall not exceed ₹ 1 Lakh per meeting of the Board or Committee attended by Director or such other amount as may be prescribed by the Central Government from time to time.

b) Remuneration/Commission:

All the remuneration of the Non-Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Act) shall be subject to ceiling/ limits as provided under the Act and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) Stock Options:

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) Remuneration for services of Professional Nature:

Any remuneration paid to Non-Executive Directors for services rendered which are professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

i) The Services are rendered by such Director in his/her capacity as the professional; and

ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

iv. Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Act and in accordance with the Company's Policy.

b) The Nomination and Remuneration Committee or any other Committee to be constituted by the Company for the purpose of administering the Employee Stock Option/Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

c) The fixed pay shall include monthly remuneration, employer's contribution to provident fund, contribution to pension fund, pension schemes, etc. as decided from to time.

d) The Incentive pay/performance linked pay shall be decided based on the extent of achievement of the individual target/objective or performance of the Key Managerial Personnel and Senior Management and performance of the Company which will be decided annually or at such intervals as may be considered appropriate.

4. Policy Review:

The Policy is framed based on the provisions of the Act and rules made there under and the requirement of Regulation 19(4) and Schedule II (Part D) of the Listing Regulations. In case of any subsequent changes in the provisions of the Act or any other Regulations which makes any of the provisions of this Policy inconsistent with the Act or any such Regulation, then the provisions of the Act or such Regulation would prevail over the Policy and the provisions in the Policy would be modified in due course to make it in consistent with the Act or such Regulation.

The Committee shall review the Policy as and when any changes are to be incorporated in the Policy due to changes in the Act or such Regulation or felt necessary by the Committee. Any changes in the Policy shall be recommended by the Committee to the Board and shall be effective on approval of the Board.

IV. Implementation:

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

For and on behalf of the Board of Directors

Sd/-

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

Date: August 16, 2017
Place: Mumbai

Annexure B

Annual report on Corporate Social Responsibility (CSR) activities

[Pursuant to clause (c) of Section 134(1) of the Companies Act, 2013 and the provisions of Section 135 of the Companies Act, 2013 read with Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken**:

   The Company has considered CSR as an integral part of its operation. The CSR Policy is available on the Company's website at: *http://www.vidhifoodcolour.com/financial/code_policies/csr_policy.pdf*

2. **The Composition of the CSR Committee:**

   Mr. Prafulchandra A. Shah (DIN: 00417022) - Chairman

   Mr. Chetan P. Bavishi (DIN: 01978410) - Member

   Mr. Nirenbhai D. Desai (DIN: 01978382) - Member

   Mr. Rahul C. Berde (DIN: 06981981) - Member

3. **Average net profit of the Company for last three financial years:** ₹ 1418.94 Lakhs

4. **Prescribed CSR Expenditure** (two per cent of the amount as in item 3 above): ₹ 28.38 Lakhs

5. **Details of CSR spent during the financial year:**

   a) Total amount to be spent for the financial year under review: Nil

   b) Amount unspent, if any: Nil

   c) Manner in which the amount spent during the financial year under review:

1	2	3	4	5	6	7	8
S. No.	**CSR project or activity identified**	**Sector in which the project is covered (Clause no. of Schedule VII to the Companies Act, 2013)**	**Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead**	**Cumulative Expenditure upto the reporting period**	**Amount spent: Direct or through Implementing agency ***
1			**No amount was spent on CSR activities during the year 2016-17**				
2							
	TOTAL						

   *Details of implementing agency.

6. **Reasons for not spending the prescribed amount**:

   The Company understands its social responsibility; however, the Company is in expansion mode and required funds for expansion; hence, the Board has decided not to make any expenditure for CSR activity for the financial year 2016-17.

7. **Responsibility Statement of the CSR Committee:**

   The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR Objectives and Policy of the Company.

Sd/-

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

Sd/-

Mr. Prafulchandra A. Shah
(DIN: 00417022)
Chairman of CSR Committee

Date: August 16, 2017
Place: Mumbai

Annexure C

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Vidhi Specialty Food Ingredients Limited
CIN: L24110MH1994PLC076156
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400034

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vidhi Specialty Food Ingredients Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the Company);**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the audit period as the Company has not issued any new securities);**

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not Applicable to the Company during the audit period)**;

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the audit period as the Company has not issued any Debt instruments/ Securities)**;

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the audit period as delisting of securities did not take place)**;

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the audit period as the Company has not Bought back its securities)**;

vi. And the following industry specific laws and regulations, as informed and certified by the Audit Committee of the Company which are specifically applicable to the Company based on Food Colour Industry:

- The Food Safety and Standards Act, 2006;
- The Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011
- The Food Safety and Standards (Packaging and Labelling) Regulations, 2011
- The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011
- The Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011
- The Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011
- The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India, and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above read with the Companies Act, 1956 (wherever applicable).

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. However, as confirmed by the Management, mechanism to capture and record the dissenting Members' views as a part of the minutes, exist.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

We further report that during the audit period, the Company has changed its name from **'Vidhi Dyestuffs Manufacturing Limited'** to **'Vidhi Specialty Food Ingredients Limited'** pursuant to the Special Resolution passed through Postal Ballot on June 11, 2016. Further, the approval of the Registrar of Companies, Maharashtra, Mumbai was received for change of name w.e.f. August 25, 2016.

We further report that during the audit period there were no instances of:

(i) Public/Rights/Preferential issue of shares/debentures/sweat equity.

(ii) Redemption/buy-back of securities.

(iii) Merger/amalgamation /reconstruction, etc.

(iv) Foreign technical collaborations.

For **Hemanshu Kapadia & Associates,**
Practicing Company Secretaries

Sd/-
Hemanshu Kapadia
Proprietor
C. P. No. 2285
Membership No. F3477

Date: August 16, 2017
Place: Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

Annexure I

To,
The Members,
Vidhi Specialty Food Ingredients Limited
CIN: L24110MH1994PLC076156
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400034

Our report of even date is to be read along with the letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, Guidelines or Standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Hemanshu Kapadia & Associates,**
Practicing Company Secretaries

Sd/-
Hemanshu Kapadia
Proprietor
C. P. No. 2285
Membership No. F3477

Date: August 16, 2017
Place: Mumbai

Annexure D

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

(Pursuant to provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014)

A. Energy Conservation:

1. **The steps taken/impact on conservation of energy:**

   The Company is engaged in the continuous process of further energy conservation through improved operational and maintenance practices and also undertaken effective measures to minimize energy consumption and the measures have resulted/will result in the consumption of power, fuel and coal, ultimately resulting in savings in the cost of production.

   Your Company has always considered energy and natural resource conservation as a focus area and has been consciously making efforts towards improving the energy performance year on year. Energy efficiency improvement initiatives have been implemented across all the plants and offices by undertaking various energy and resource conservation steps for sustainable development.

   Your Company has taken several sustainable steps voluntarily to contribute towards better environment. It includes:

   a) Conservation of natural resources like oil and fuel,

   b) Use of natural lightning and natural ventilation,

   c) Use of energy efficient electric equipment,

   d) Educating employees and workers for energy conservation,

   e) Regular maintenance of Machines and equipments,

2. **The steps taken by the Company for utilising Alternate Sources of Energy:**

   (i) Few Batch processes scaled up/modified for saving of energy and time.

   (ii) Power factor kept unity, few capacitors replaced resulting in significant cost savings.

   (iii) LED bulbs installed to save energy.

   (iv) Switched from Furnace Oil to Coal as an alternative source of energy for its manufacturing activities.

3. **The capital investment on energy conservation equipments:**

   The Company has focused on investing in modern technology for improving the specific energy consumption. For the year under review, the total capital investment on energy conservation equipment is NIL.

B. Technology Absorption:

1. **The efforts made towards technology absorption:**

   Your Company has continued its endeavor to absorb advanced technologies for its product range to meet the requirements of a globally competitive market. Further, the Company is taking efforts to further improve quality of the Products. The Company strives to achieve innovations in its operations.

2. **The benefits derived like product improvement, cost reduction, product development or import substitution:**

   The Company has not absorbed new technology during the year.

3. **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

   No technology was imported during the preceding three years preceding to the reporting year.

4. **Expenditure incurred on Research and Development:**

   The Company has an exclusive and dedicated Research & Development Division ('R&D Division') attached to its major production centre. It carries out development of new products besides improvement of existing products and production processes. R&D Division is playing a pivotal role not only in the case of new products already launched but also those on the anvil. R&D Division is entrusted with the responsibility to develop ways and means to minimize the adverse effect of quality deterioration, if any. R&D Division of the Company has a team of trained and dedicated personnel to further strengthen its activities.

The Specific areas in which Research & Development is carried out are:-

- Development of production processes to meet specific customer requirements;
- Development of new products, especially line extension of existing products and new applications for the same;
- Evaluation and development of new sources for various raw materials;
- Development of new process techniques for cost optimization as well as fuel and energy conservation;
- Reduction in water consumption.

Amount in ₹ Lakhs

Particulars	Financial year 2016-17
Research & Development Activities	₹ 20.00

C. Foreign Exchange Earnings and Outgo:

The Company's products are distributed over 80 countries across 6 continents. The Company continues to improve its export earning and increase in global presence. The Company has continued to maintain focus and avail of export opportunities based on economic consideration. The total Foreign Exchange Earning and Outgo in terms of actual inflow and outflow during the year was as follows:

Amount in ₹ Lakhs

Particulars	Financial year 2016-17	Financial year 2015-16
Foreign Exchange Inflow	9,770.84	10,192.88
Foreign Exchange Outflow	10,153.41	8,234.76

For and on behalf of the Board of Directors

Sd/-

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

Date: August 16, 2017
Place: Mumbai

Annexure E

DETAILS OF REMUNERATION

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director during the Financial Year 2016-17 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for the financial year 2016-17 (in ₹)	% Increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees
1.	Mr. Bipin M. Manek (DIN: 00416441) Chairman and Managing Director	₹ 95,45,606/-	0.95%	43.61
2.	Mr. Mihir B. Manek (DIN: 00650613) Joint Managing Director	₹ 95,45,606/-	0.95%	43.61
3.	Mrs. Pravina B. Manek* (DIN: 00416533) Non-Executive Director	Nil	N.A.	N.A.
4.	Mr. Vijay K. Atre (DIN: 00416853) Non-Executive Director	₹ 3,00,000/-	0.00%	1.37
5.	Mr. Prafulchandra A. Shah@ (DIN: 00417022) Independent Director	₹ 22,500/-	-40.00%	0.10
6.	Mr. Chetan P. Bavishi@ (DIN: 01978410) Independent Director	₹ 15,000/-	-60.00%	0.07
7.	Mr. Niren D. Desai@ (DIN: 01978382) Independent Director	₹ 30,000/-	-20.00%	0.14
8.	Mr. Rahul C. Berde@ (DIN: 06981981) Independent Director	₹ 15,000/-	-60.00%	0.07
9.	Mr. Anil Kumar Dhar* (DIN: 01524239) Independent Director	Nil	N.A.	N.A.
10.	Mr. Mitesh D. Manek Chief Financial Officer	₹ 18,00,000/-	53.85	8.22
11.	Ms. Kalika V. Dabholkar# Company Secretary & Compliance Officer	₹ 3,00,000/-	N.A.	1.37

**Mrs. Pravina B. Manek (DIN: 00416533) and Mr. Anil Kumar Dhar (DIN: 01524239) do not draw any remuneration from the Company.*

@The remuneration of Independent Directors cover sitting fees.

 # Ms. Kalika Dabholkar was appointed w.e.f. February 9, 2016. Hence, percentage increase for her cannot be provided.

i. The percentage increase in the median remuneration of employees in the Financial Year:

In the Financial Year, there was an increase of 10.63% in the median remuneration of employees.

ii. The number of permanent employees on the pay roll of the Company:

There were 53 (Including KMPs) permanent employees on the rolls of the Company as on March 31, 2017.

iii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2016-17 was 14.93% whereas the percentile increase in the managerial remuneration for the Financial Year 2016-17 was 14.28%.

Justification: Average percentile increase in remuneration of managerial personnel was almost at par with the average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year.

iv. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board of Directors

Sd/-

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

Date: August 16, 2017
Place: Mumbai

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The details of top ten employees of the Company:

Sr. No.	1	2
Name	**Bipin M Manek**	**Mihir B Manek**
Designation	Chairman & Managing Director	Joint Managing Director
Remuneration paid	₹ 94,56,000	₹ 94,56,000
Nature of employment	Executive Director	Executive Director
Qualifications and Experience	B.Com	B.Sc in Industrial Chemistry
Date of commencement of employment	19.01.1994	01.08.2006
Age	60 years	34 years
Previous Employment	N.A. since he is associated with the Company since its inception	He was not employed before joining the Company
No. of shares in the Company along with his spouse and dependent children	Individual holding: 1,41,10,333 Equity Shares Holding of the spouse: 1,79,90,667 Equity Shares	Nil
Whether relative of Director or employee	Related to Mr. Mihir Manek & Mrs. Pravina Manek	Related to Mr. Bipin Manek & Mrs. Pravina Manek

Sr. No.	3	4
Name	**Mitesh D Manek**	**Nilesh S Khedekar**
Designation	Chief Financial Officer	Marketing Manager
Remuneration paid	₹ 18,00,000	₹ 10,00,000
Nature of employment	Key Managerial Personnel	Permanent
Qualifications and Experience	M.Com	B.E. Chemicals
Date of commencement of employment	01.04.2002	01.08.2016
Age	39 years	43 years
Previous Employment	He was not employed before joining the Company	Trade Networks Transport and Brokerage Private Limited
No. of shares in the Company along with his spouse and dependent children	Nil	Nil
Whether relative of Director or employee	Not related	Not related

Sr. No.	5	6
Name	**Parag Y Surve**	**Jaysingh K Burundkar**
Designation	Works Manager	Maintenance Manager
Remuneration paid	₹ 6,00,000	₹ 5,18,640
Nature of employment	Permanent	Permanent
Qualifications and Experience	M.Sc	B.E.
Date of commencement of employment	01.07.1996	01.04.2014
Age	45 years	43 years
Previous Employment	He was not employed before joining the Company	Roha Dyechem Private Limited
No. of shares in the Company along with his spouse and dependent children	Nil	Nil
Whether relative of Director or employee	Not related	Not related

Sr. No.	7	8
Name	**Milind R Patil**	**Jitendra P Chavan**
Designation	Quality Control Manager	Stores Manager
Remuneration paid	₹ 4,79,640	₹ 3,89,784
Nature of employment	Permanent	Permanent
Qualifications and Experience	M.Sc	B.Com
Date of commencement of employment	01.04.1996	15.06.2000
Age	45 years	36 years
Previous Employment	Roha Dyechem Private Limited	He was not employed before joining the Company
No. of shares in the Company along with his spouse and dependent children	Nil	Nil
Whether relative of Director or employee	Not related	Not related

Sr. No.	9	10
Name	**Nilesh A Thakur**	**Madhukar V Pashilkar**
Designation	Plant In-charge	Head of Quality Control
Remuneration paid	₹ 3,61,857	₹ 3,53,773
Nature of employment	Permanent	Permanent
Qualifications and Experience	M.Sc	M.Sc
Date of commencement of employment	01.11.1996	01.11.2004
Age	45 years	34 years
Previous Employment	He was not employed before joining the Company	Neelikon Food Dyes & Chemicals Limited
No. of shares in the Company along with his spouse and dependent children	Nil	Nil
Whether relative of Director or employee	Not related	Not related

For and on behalf of the Board of Directors

Sd/-

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

Date: August 16, 2017
Place: Mumbai

Annexure F

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014

I REGISTRATION & OTHER DETAILS:

i	**CIN**	L24110MH1994PLC076156
ii	**Registration Date**	19.01.1994
iii	**Name of the Company**	VIDHI SPECIALTY FOOD INGREDIENTS LIMITED (FORMERLY KNOWN AS VIDHI DYESTUFFS MANUFACTURING LIMITED)
iv	**Category/Sub-category of the Company**	Company Limited by shares/ Indian Non-Government Company
v	**Address of the Registered office & contact details**	E/27, Commerce Center, 78,Tardeo Road, Mumbai-400034 Contact : 022 - 61406666/61406615 Fax: + 91 22 2352 1980 E-mail: info@vidhifoods.com
vi	**Whether Listed Company**	Yes
vii	**Name, Address & contact details of the Registrar & Transfer Agent, if any.**	Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Industrial Premises, 1st Floor, 44-E, M. Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai - 400072 Contact: 022 - 22641376/22702485

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sl. No.	Name & Description of main products/services	NIC Code of the products /services	% to total turnover of the Company
1	Manufacture of dyes and pigments from any source in basic form or as concentrate	20114	55.10
2	Other non-specialised wholesale trade n.e.c.	46909	44.90

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate	% Of Shares held	Applicable Section
	The Company does not have any Holding, Subsidiary or Associate Company				

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	32101000	0	32101000	64.27	32101000	0	32101000	64.27	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (1):	**32101000**	**0**	**32101000**	**64.27**	**32101000**	**0**	**32101000**	**64.27**	**0.00**
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2):	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**32101000**	**0**	**32101000**	**64.27**	**32101000**	**0**	**32101000**	**64.27**	**0.00**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	30457	0	30457	0.06	0.06
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	50430	0	50430	0.10	0.10
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	**0**	**0**	**0**	**0.00**	**80887**	**0**	**80887**	**0.17**	**0.17**
(2) Non Institutions									
a) Bodies Corporates									
i) Indian	1369354	22010	1391364	2.79	1282906	22010	1304916	2.61	-0.17
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11529950	486100	12016050	24.06	11278138	476100	11754238	23.53	-0.52
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakh	3212269	0	3212269	6.43	3132823	0	3132823	6.27	-0.16
c) Others (specify)									
c-i) Clearing Member	302133	0	302133	0.60	538697	0	538697	1.08	0.47
c-ii) NRI	826983	70000	896983	1.80	936338	70000	1006338	2.01	0.22
c-iii) Director	25000	0	25000	0.05	25000	0	25000	0.05	0.00
c-iv) OCB	201	0	201	0.00	201	0	201	0.00	0.00
c-v) NBFC registered with RBI	0	0	0	0.00	900	0	900	0.00	0.00
SUB TOTAL (B)(2):	**17265890**	**578110**	**17844000**	**35.73**	**17195003**	**568110**	**17763113**	**35.57**	**-0.16**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**17265890**	**578110**	**17844000**	**35.78**	**17275890**	**568110**	**17844000**	**35.73**	**-0.05**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**49366890**	**578110**	**49945000**	**100.00**	**49376890**	**568110**	**49945000**	**100.00**	**0.00**

(ii) SHARE HOLDING OF PROMOTERS

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	Mr. Bipin M. Manek	14110333	28.25	0	14110333	28.25	0	0
2	Mrs. Pravina B. Manek	17990667	36.02	0	17990667	36.02	0	0
	Total	**32101000**	**64.27**	**0**	**32101000**	**64.27**	**0**	**0**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Name of Shareholder	Shareholding at the beginning of the Year (01.04.2016)		Increase/ Decrease in No. of Shares	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of Shares	% of total shares of the Company		No. of shares	% of total shares of the Company
	At the beginning of the year (01.04.2016)	**32101000**	**64.27**			
	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc.)			No Change		
	At the end of the year (31.03.2017)				**32101000**	**64.27**

There is no change in shareholding of promoters during 01.04.2016 to 31.03.2017.

(iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

1. Deepika Ganatra

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year (01.04.2016)		Increase/ Decrease in Shareholding	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
At the beginning of the year (01.04.2016)		**1049100**	**2.10**			
Movement during the year				Nil		
At the end of the year (31.03.2017)					**1049100**	**2.10**

2. Bharat Pitambardas Vora

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year (01.04.2016)		Increase/ Decrease in Shareholding	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
At the beginning of the year (01.04.2016)		**300009**	**0.60**			
Movement during the year				Nil		
At the end of the year (31.03.2017)					**300009**	**0.60**

3. Ashvin S Patil						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No.of shares	**% of total shares of the Company**		**No of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**200000**	**0.40**			
Movement during the year				Nil		
At the end of the year (31.03.2017)					**200000**	**0.40**

4. Ramesh M Kasbekar						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**225000**	**0.45**			
04.11.2016	Decrease/Transfer			-5000	220000	0.44
11.11.2016	Decrease/Transfer			-1500	218500	0.44
20.01.2017	Decrease/Transfer			-1500	217000	0.43
27.01.2017	Decrease/Transfer			-1500	215500	0.43
03.02.2017	Decrease/Transfer			-1760	213740	0.43
10.02.2017	Decrease/Transfer			-1000	212740	0.43
31.03.2017	Decrease/Transfer			-3000	209740	0.42
At the end of the year (31.03.2017)					**209740**	**0.42**

5. Rashmi Ramesh Kasbekar						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**226000**	**0.45**			
03.06.2016	Increase/Transfer			1000	227000	0.45
30.06.2016	Increase/Transfer			500	227500	0.46
04.11.2016	Decrease/Transfer			-1500	226000	0.45
11.11.2016	Decrease/Transfer			-500	225500	0.45
25.11.2016	Decrease/Transfer			-500	225000	0.45
20.01.2017	Decrease/Transfer			-500	224500	0.45
27.01.2017	Decrease/Transfer			-1000	223500	0.45
03.02.2017	Decrease/Transfer			-500	223000	0.45
10.02.2017	Decrease/Transfer			-500	222500	0.45
31.03.2017	Decrease/Transfer			-2347	220153	0.44
At the end of the year (31.03.2017)					**220153**	**0.44**

6. Madhukant Devraj Thakkar						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**160000**	**0.32**			
Movement during the year				Nil		
At the end of the year (31.03.2017)					**160000**	**0.32**

7. Saurabh Mahar						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**117000**	**0.23**			
Movement during the period he was part of top ten shareholders#				Nil		
At the end of the year (31.03.2017)					**N.A.**	**N.A.**

Ceased to be among the top ten shareholders of the Company with effect from 15.04.2016
Again became part of top ten shareholders of the Company with effect from 20.05.2016
Again ceased to be among the top ten shareholders of the Company with effect from 27.05.2016
Again became part of top ten shareholders of the Company with effect from 30.09.2016
Again ceased to be among the top ten shareholders of the Company with effect from 11.11.2016
Again became part of top ten shareholders of the Company with effect from 18.11.2016
Again ceased to be among the top ten shareholders of the Company with effect from 20.01.2017

8. Chetan Shah						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**240945**	**0.48**			
08.04.2016	Decrease/Transfer			-3	240942	0.48
15.04.2016	Decrease/Transfer			-4	240938	0.48
29.04.2016	Increase/Transfer			1	240939	0.48
06.05.2016	Decrease/Transfer			-939	240000	0.48
03.06.2016	Decrease/Transfer			-2376	237624	0.48
16.06.2016	Decrease/Transfer			-1	237623	0.48
24.06.2016	Decrease/Transfer			-9262	228361	0.46
30.06.2016	Decrease/Transfer			-15001	213360	0.43
08.07.2016	Decrease/Transfer			-10002	203358	0.41
15.07.2016	Increase/Transfer			1	203359	0.41
29.07.2016	Decrease/Transfer			-4996	198363	0.40
05.08.2016	Decrease/Transfer			-15000	183363	0.37
19.08.2016	Increase/Transfer			19994	203357	0.41
At the end of the year# (31.03.2017)					**N.A.**	**N.A.**

Ceased to be among the top ten Shareholders of the Company with effect from 30.09.2016

9. R Pattabiraman						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**158000**	**0.32**			
Movement during the period he was part of top ten shareholders#				Nil		
At the end of the year (31.03.2017)					**N.A.**	**N.A.**
# Ceased to be among the top ten Shareholders of the Company with effect from 18.11.2016						

10. Axiom Share Broking Private Limited						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**281856**	**0.56**			
27.05.2016	Decrease/Transfer			-26000	255856	0.51
23.09.2016	Increase/Transfer			688	256544	0.51
30.09.2016	Increase/Transfer			30	256574	0.51
04.11.2016	Decrease/Transfer			-200	256374	0.51
11.11.2016	Increase/Transfer			10000	266374	0.53
18.11.2016	Decrease/Transfer			-10000	256374	0.51
25.11.2016	Decrease/Transfer			-6518	249856	0.50
20.01.2017	Increase/Transfer			5000	254856	0.51
10.02.2017	Increase/Transfer			10000	264856	0.53
At the end of the year # (31.03.2017)					**N.A.**	**N.A.**
# Ceased to be among the top ten shareholders of the Company with effect from 10.03.2017						

11. Kanika Garg						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**N.A.**	**N.A.**			
Became part of top ten shareholders of the Company with effect from 15.04.2016		128793	0.26			
22.04.2016	Decrease/Transfer			-5000	123793	0.25
29.04.2016	Decrease/Transfer			-23000	100793	0.20
At the end of the year# (31.03.2017)					**N.A.**	**N.A.**
# Ceased to be among the top ten shareholders of the Company with effect from 29.04.2016						

12. Hemant Gupta						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**N.A.**	**N.A.**			
Became part of top ten shareholders of the Company with effect from 29.04.2016		120000	0.24			
Movement during the period he was part of top ten shareholders#				Nil		
At the end of the year (31.03.2017)					**N.A.**	**N.A.**
#Ceased to be among the top ten shareholders of the Company with effect from 13.05.2016						

13. Benedicta Dsouza						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**N.A.**	**N.A.**			
Became part of top ten shareholders of the Company with effect from 27.05.2016		126850	0.25			
15.07.2016	Increase/Transfer			950	127800	0.26
22.07.2016	Increase/Transfer			500	128300	0.26
26.08.2016	Increase/Transfer			500	128800	0.26
02.09.2016	Increase/Transfer			1800	130600	0.26
09.09.2016	Increase/Transfer			500	131100	0.26
19.06.2016	Increase/Transfer			500	131600	0.26
23.09.2016	Increase/Transfer			1000	132600	0.27
21.10.2016	Increase/Transfer			1200	133800	0.27
10.03.2017	Increase/Transfer			1988	135788	0.27
At the end of the year# (31.03.2017)					**N.A.**	**N.A.**
#Ceased to be among the top ten shareholders of the Company with effect from 24.03.2017						

14. Archana Ajay Pande

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year (01.04.2016)		Increase/ Decrease in Shareholding	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
At the beginning of the year (01.04.2016)		**N.A.**	**N.A.**			
Became part of top ten shareholders of the Company with effect from 11.11.2016		137961	0.28			
Movement during the year				Nil		
At the end of the year (31.03.2017)					**137961**	**0.28**

Became part of top ten shareholders of the Company with effect from 11.11.2016

15. Globalworth Securities Private Limited

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year (01.04.2016)		Increase/ Decrease in Shareholding	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
At the beginning of the year (01.04.2016)		**N.A.**	**N.A.**			
Became part of top ten shareholders of the Company with effect from 20.01.2017		123510	0.25			
27.01.2017	Increase/Transfer			121155	244665	0.49
03.02.2017	Increase/Transfer			129104	373769	0.75
10.02.2017	Increase/Transfer			31678	405447	0.81
17.02.2017	Increase/Transfer			35508	440955	0.88
03.03.2017	Increase/Transfer			33613	474568	0.95
10.03.2017	Increase/Transfer			4491	479059	0.96
At the end of the year (31.03.2017)					**N.A.**	**N.A.**

Ceased to be among the top ten shareholders of the Company with effect from 10.03.2017

16. Geeta Shah

Date	Increase or Decrease / Reason	Shareholding at the beginning of the year (01.04.2016)		Increase/ Decrease in Shareholding	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
At the beginning of the year (01.04.2016)		**N.A.**	**N.A.**			
Became part of top ten shareholders of the Company with effect from 24.03.2017		226800	0.45			
31.03.2017	Increase/Transfer			50000	276800	0.55
At the end of the year (31.03.2017)					**276800**	0.55

17.Edelweiss Custodial Services Limited						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**N.A.**	**N.A.**			
Became part of top ten shareholders of the Company with effect from 10.03.2017		321982	0.64			
17.03.2017	Increase/Transfer			28132	350114	0.70
24.03.2017	Decrease/Transfer			-177	349937	0.70
31.03.2017	Increase/Transfer			50915	400852	0.80
At the end of the year (31.03.2017)					**400852**	**0.80**

18. Mansi Share and Stock Advisors Private Limited						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**N.A.**	**N.A.**			
Became part of top ten shareholders of the Company with effect from 17.03.2017		503004	1.01			
Movement during the period he was part of top ten Shareholders#				Nil		
At the end of the year (31.03.2017)					**N.A.**	**N.A.**
#Ceased to be among the top ten shareholders of the Company with effect from 24.03.2017						

19. Multiplier Share and Stock Advisors Private Limited						
Date	**Increase or Decrease / Reason**	**Shareholding at the beginning of the year (01.04.2016)**		**Increase/ Decrease in Shareholding**	**Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)**	
		No. of shares	**% of total shares of the Company**		**No. of shares**	**% of total shares of the Company**
At the beginning of the year (01.04.2016)		**N.A.**	**N.A.**			
Became part of top ten shareholders of the Company with effect from 24.03.2017		275000	0.55			
Movement during the year				Nil		
At the end of the year (31.03.2017)					**275000**	**0.55**

(v) Shareholding of Directors & KMP (For each Director and KMP)

Sl. No.	Shareholding of each of the Directors & KMP	Shareholding at the beginning of the year (01.04.2016)		Increase / Decerease in No. of Shares	Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
A	**DIRECTORS**					
1	**Mr. Bipin M. Manek (Chairman and Managing Director)**					
	At the beginning of the year (01.04.2016)	**14110333**	**28.25**			
	Date wise increase/decrease in shareholding during the year			No Change		
	At the end of the year (31.03.2017)				**14110333**	**28.25**
2	**Mrs. Pravina B. Manek (Non-Executive Director)**					
	At the beginning of the year (01.04.2016)	**17990667**	**36.02**			
	Date wise increase/decrease in shareholding during the year			No Change		
	At the end of the year (31.03.2017)				**17990667**	**36.02**
3	**Mr. Vijay K. Atre (Non-executive Director)**					
	At the beginning of the year (01.04.2016)	**25000**	**0.05**			
	Date wise increase/decrease in shareholding during the year			No Change		
	At the end of the year (31.03.2017)				**25000**	**0.05**
4	**Ms. Kalika V. Dabholkar (Company Secretary)**					
	At the beginning of the year (01.04.2016)	**1**	**0.00**			
	Date wise increase/decrease in shareholding during the year			No Change		
	At the end of the year (31.03.2017)				**1**	**0.00**

Note:

1. Mr. Mihir B. Manek, Mr. Chetan P. Bavishi, Mr. Prafulchandra A. Shah, Mr. Nirenbhai D. Desai, Mr. Anil Kumar Dhar and Mr. Rahul C. Berde does not hold any shares in the Company.
2. Mr. Mitesh D. Manek, Chief Financial Officer (Key Managerial Personnel) does not hold any shares.

V INDEBTEDNESS

₹ in lakhs

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtness at the beginning of the financial year				
i) Principal Amount	4552.18	371.38	0	4923.56
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	13.05	0	0	13.05
Total (i+ii+iii)	**4565.23**	**371.38**	**0.00**	**4936.61**
Change in Indebtedness during the financial year				
Additions	16976.28	2731.72	0	19708.00
Reduction	15949.33	2077.33	0	18026.66
Net Change	**1026.95**	**654.39**	**0.00**	**1681.34**
Indebtedness at the end of the financial year				
i) Principal Amount	5579.13	647.13	0	6226.26
ii) Interest due but not paid	15.95	0	0	15.95
iii) Interest accrued but not due	0	0	0	0.00
Total (i+ii+iii)	**5595.08**	**647.13**	**0.00**	**6242.21**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Director and/or Manager:

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Managing Director	Joint Managing Director	
		Mr. Bipin M. Manek	Mr. Mihir B. Manek	
1	**Gross salary**			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	30.00	30.00	60.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission - as % of profit	65.45	65.45	130.90
5	Others, please specify	0.00	0.00	0.00
	Total (A)	**95.45**	**95.45**	**190.90**
	Ceiling as per the Act			**254.70**

B. Remuneration to other Directors:

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of the Directors							Total Amount
		Mr. Prafulchandra A. Shah	Mr. Nirenbhai D. Desai	Mr. Chetan P. Bavishi	Mr. Rahul C. Berde	Mr. Anil Kumar Dhar	Mr. Vijay K. Atre	Mrs. Pravina B. Manek	
1	**Independent Directors**								
	(a) Fee for attending Board/Committee Meetings	0.22	0.30	0.15	0.15	0.00	N.A.	N.A.	0.82
	(b) Commission	0.00	0.00	0.00	0.00	0.00	N.A.	N.A.	0.00
	(c) Others, please specify	0.00	0.00	0.00	0.00	0.00	N.A.	N.A.	0.00
	Total (1)	**0.22**	**0.30**	**0.15**	**0.15**	**0.00**	**N.A.**	**N.A.**	**0.82**
2	**Other Non-Executive Directors**								
	(a) Fee for attending Board/Committee Meetings	N.A.	N.A.	N.A.	N.A.	N.A.	0.00	0.00	0.00
	(b) Commission	N.A.	N.A.	N.A.	N.A.	N.A.	0.00	0.00	0.00
	(c) Others, please specify.	N.A.	N.A.	N.A.	N.A.	N.A.	3.00	0.00	3.00
	Total (2)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**3.00**	**0.00**	**3.00**
	Total (B)=(1+2)	**0.22**	**0.30**	**0.15**	**0.15**	**0.00**	**3.00**	**0.00**	**3.82**
	Total Managerial Remuneration (A+B)								**194.72**
	Overall Ceiling as per the Act								**280.17**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel/Manager		Total
		Chief Financial Officer	Company Secretary	
		Mr. Mitesh D. Manek	Ms. Kalika V. Dabholkar	
1	**Gross Salary**			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	18.0	3.0	21.0
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission - as % of profit	0	0	0
5	Others, please specify	0	0	0
	Total	**18.0**	**3.0**	**21.0**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Not Applicable

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society. Corporate Governance ensures high standards of transparency, accountability, ethical operating practices and professional management thereby enhancing shareholder's value and protecting the interest of the stakeholders such as shareholders, suppliers, customers and employees. Transparency and accountability are the two basic tenets of Corporate Governance.

The Equity Shares of the Company are listed and admitted to dealings on Ahmedabad Stock Exchange Limited (ASE), BSE Ltd. (BSE), National Stock Exchange of India Limited (NSE) and pursuant to the provisions of Regulation 34(3) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a report on Corporate Governance for the financial year ended March 31, 2017 is furnished below:

(1) Brief statement on the Company's Philosophy on Code of Governance

Vidhi Specialty Food Ingredients Limited (Formerly known as 'Vidhi Dyestuffs Manufacturing Limited') ['the Company'/ 'Vidhi'] has been founded on moral and ethical codes that strongly emphasize total transparency and complete value based governance. Vidhi understands that Corporate Governance is a combination of voluntary practices and full compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long term shareholder value and enhances interest of stakeholders. Vidhi continues to place uncompromising emphasis on integrity and regulatory compliances. The Company is committed to providing high quality products and services to its customers and stakeholders.

The Company is committed to attain high standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvement of internal controls and sound investor relations.

The philosophy underlying Corporate Governance seeks to create a system of "Checks and Balances" based on transparency, integrity, clarity and consistency in the dealings of the Company with its stakeholders. Good Governance ensures that the best corporate practices are followed by a Company. Implementation of good governance indicates not only the compliance of the laws and regulations of the land but also indicates the values, practices and culture of your organization. Vidhi is committed to adopt the best Corporate Governance practices and endeavors to continue implementing the code of Corporate Governance in its true spirit. Your Company has made Corporate Governance a practice and a process of development right across the Company.

The Company is committed to conducting business the right way which means taking decisions and acting in a way that is ethical and in compliance with the applicable legal requirements. It endeavors to continuously improve its Corporate Governance performance with a view to earn trust and respect of all its Stakeholders.

The Board of Directors (Board) is responsible for and is committed to good Corporate Governance and plays a critical role in overseeing how the Management serves the short and long-term interests of the Shareholders and other Stakeholders. The objective of your Company is not only to meet the statutory requirements of the code but to go well beyond it by instituting such systems and procedures as are in accordance with the latest global trend of making management completely transparent and institutionally sound.

The driving principles of our Corporate Governance framework are as follows:

- **In Spirit and Letter:** We Satisfy both; the spirit of the law and the letter of the law.
- **Stakeholder Relationship:** A common set of values govern relationships with customers, employees, shareholders, suppliers, bankers and the communities in which we operate.
- **Transparency:** We ensure transparency and believe in maintaining a high level of disclosure.
- **Corporate Structure:** We have a simple and transparent corporate structure driven solely by pure business needs.

(2) Board of Directors

A) Composition and category of Directors and number of other Board of Directors or Committees in which a Director is a Member or Chairperson:

Vidhi is managed by the experienced Board of Directors. The Board formulates strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. The Managing Directors are responsible for day-to-day operations of the Company. The Company believes that an active, well-informed and independent Board of Directors is vital to achieve the apex standard of Corporate Governance.

Vidhi's Board of Directors has an ideal composition of Executive and Non-Executive Directors with one Woman Director. More than half of the Board consists of Independent Directors. The current policy is to have an appropriate mix of Executive, Non-Executive and Independent Directors (IDs) to maintain the independence of the Board and separate its functions of governance and management.

As per the declaration received from IDs, all IDs meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 ('the Act') and are abide by the obligations as laid down under Regulation 25 of the Listing Regulations and Schedule IV of the Act. None of the Directors on the Board are Independent Directors of more than seven Listed Companies and none of the Whole-time Directors are Independent Directors of any Listed Company.

Composition of the Board of Directors as on March 31, 2017 was in accordance with the requirements of Regulation 17 of the Listing Regulations. As per Regulation 26(1) of the Listing Regulations, none of the Directors on the Board is Member of more than 10 Committees and Chairperson of more than 5 Committees across all the Companies in which they are Directors. The same is also evidenced from the table given below.

As at March 31, 2017, in compliance with the Listing Regulations, Vidhi's Board of Directors headed by its Chairman & Managing Director - Mr. Bipin M. Manek (DIN: 00416441), comprised of 8 (eight) other Directors including a Woman Director, out of which 5 (five) Directors are Independent Non-Executive Directors. The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website at *www.vidhifoodcolour.com* and also given in this Annual Report.

Details relating to the composition of the Board of Directors, number of Directorships, Memberships and Chairmanships of the Directors of the Company in other Public Limited Companies as on March 31, 2017 are as follows:

Name of the Director(s) and their DIN	Designation	Category	No. of other Directorships[#]	Committee positions [#]	
				Chairperson	Member
Executive Directors					
Mr. Bipin M. Manek (DIN: 00416441)	Chairman & Managing Director	Promoter	Nil	Nil	Nil
Mr. Mihir B. Manek (DIN: 00650613)	Joint Managing Director	Promoter	Nil	Nil	1
Non -Executive Directors					
Mrs. Pravina B. Manek (DIN: 00416533)	Non-Executive Woman Director	Promoter	Nil	1	Nil
Mr. Vijay K. Atre (DIN: 00416853)	Non-Executive Director	Non Independent	Nil	Nil	Nil
Mr. Prafulchandra A. Shah (DIN: 00417022)	Director	Independent	Nil	Nil	2
Mr. Chetan P. Bavishi (DIN: 01978410)	Director	Independent	Nil	Nil	2
Mr. Nirenbhai D. Desai (DIN: 01978382)	Director	Independent	Nil	1	Nil
Mr. Rahul C. Berde (DIN: 06981981)	Director	Independent	Nil	Nil	Nil
Mr. Anil Kumar Dhar (DIN: 01524239)	Director	Independent	1	Nil	Nil

[#]For the purpose of considering the number of other Directorships and Committee positions, all Public Limited Companies, whether listed or not, have been included and all other Companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act have been excluded. Committee positions considered are only of Audit Committee and Stakeholders' Relationship Committee, including that of the Company.

B) Attendance of each of the Directors at the meetings of the Board of Directors held during the financial year under review and at the last Annual General Meeting are as follows:

Name of Directors	26.04.16	27.05.16	12.08.16	14.11.16	11.02.17	Previous AGM (24.09.16)
Mr. Bipin M. Manek (DIN: 00416441)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Mihir B. Manek (DIN: 00650613)	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Pravina B. Manek (DIN: 00416533)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Vijay K. Atre (DIN: 00416853)	No	Yes	Yes	No	Yes	No
Mr. Prafulchandra A. Shah (DIN: 00417022)	Yes	No	Yes	Yes	Yes	Yes
Mr. Chetan P. Bavishi (DIN: 01978410)	Yes	No	Yes	No	Yes	No
Mr. Nirenbhai D. Desai (DIN: 01978382)	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Rahul C. Berde (DIN: 06981981)	Yes	Yes	Yes	No	No	Yes
Mr. Anil Kumar Dhar (DIN: 01524239)	Yes	Yes	Yes	Yes	Yes	Yes

C) Number of meetings of the Board of Directors held and dates on which held and date of the last AGM held:

Five (5) Board Meetings were held during the financial year under review on April 26, 2016; May 27, 2016; August 12, 2016; November 14, 2016 and February 11, 2017.

The Twenty-third Annual General Meeting was held on September 24, 2016.

D) Disclosure of relationships between directors *inter-se:*

Mr. Bipin M. Manek (DIN: 00416441), Mrs. Pravina B. Manek (DIN: 00416533) and Mr. Mihir B. Manek (DIN: 00650613), Directors of the Company, are related with each other (*inter-se*) within the meaning of the Listing Regulations.

None of the above referred Independent/Non-Executive Directors has any material pecuniary relationships or transactions with the Company, its promoters, its Directors or its senior management which may affect their independence.

Besides the transactions reported in the Notes to the Accounts for the year, the Company has not entered into any materially significant transactions with its Promoters, Directors or their relatives or with the Management, etc. that may have potential conflict with the interest of the Company at large.

E) Number of shares of the Company held by Non-Executive Directors as on March 31, 2017:

Sr. No.	Name of Director	No. of Shares held	% of Shareholding
1.	Mrs. Pravina B. Manek (DIN: 00416533)	1,79,90,667	36.02
2.	Mr. Vijay K. Atre (DIN: 00416853)	25,000	0.05
3.	Mr. Prafulchandra A. Shah (DIN: 00417022)	--	--
4.	Mr. Chetan P. Bavishi (DIN: 01978410)	--	--
5.	Mr. Nirenbhai D. Desai (DIN: 01978382)	--	--
6.	Mr. Rahul C. Berde (DIN: 06981981)	--	--
7.	Mr. Anil Kumar Dhar (DIN: 01524239)	--	--

Weblink where details of familiarization programmes imparted to Independent Directors is disclosed: *http://www.vidhifoodcolour.com/*

F) Independent Directors' Meeting:

In accordance with the provisions of Schedule IV of the Act, a separate meeting of the Independent Directors was held during the year on August 12, 2016 without the attendance of Non-Independent Directors and members of management. At this meeting, the IDs *inter-alia:*

i. evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole;

ii. evaluated the performance of the Chairman of the Board taking into account the views of the Executive Directors and Non-Executive Directors; and

iii. assessed the aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board which is considered necessary for the Board to effectively and reasonably perform their duties.

The meeting was attended by Mr. Prafulchandra A. Shah (DIN: 00417022), Mr. Chetan P. Bavishi (DIN: 01978410), Mr. Nirenbhai D. Desai (DIN: 01978382), Mr. Rahul C. Berde (DIN: 06981981) and Mr. Anil Kumar Dhar (DIN: 01524239). Mr. Nirenbhai D. Desai (DIN: 01978382) was the Chairman of the meeting. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and the evaluation of the members of Board.

Familiarization Programme:

The Company at its various meetings held during the financial year 2016-17 has familiarized the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarise them with the Company's policies, procedures and practices.

Quarterly updates on relevant statutory changes and judicial pronouncements encompassing important amendments are briefed to the Directors. The details of such Familiarization Programme for Independent Directors are disclosed on the website of the Company i.e. *http://www.vidhifoodcolour.com/*

G) Board Procedure:

Board members are informed well in advance about the schedule of the Meetings. The Company Secretary in consultation with the Chairman and the Joint Managing Director of the Company drafts the agenda for each meeting, along with agenda notes and send the same coupled with the documents related to Agenda at least seven days in advance to all the Directors for facilitating fruitful and focused discussions at the meeting. Every Board member can suggest the inclusion of additional items in the agenda. In order to enable the Board to discharge its responsibilities effectively, the Board reviews the overall Company performance on the basis of functional report placed before it by the Chairman and Managing Director.

The functions performed by the Board, *inter-alia,* include review of:

- Strategy and business plans,
- Annual operating and capital expenditure budgets,
- Quarterly results of the Company,
- Minutes of the Meeting of Audit and other Committees of the Board,
- Information on recruitment and remuneration of senior officers,
- Investment and exposure limits,
- Business risk analysis and control,
- Compliance with statutory / regulatory requirements,
- Review of major legal issues,
- Transaction pertaining to the purchase or disposal of property, major provisions and write offs.

The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual General Meeting. Additional meetings are held whenever deemed necessary. At the Board Meetings, the Directors are being provided information as stipulated in Regulation 17(7) of the Listing Regulations in addition to other business items.

H) Board Evaluation:

The Nomination and Remuneration Committee has approved a Policy for evaluation of the Board, its Committees and Directors and the same has been approved by the Board of Directors of the Company.

Accordingly, a separate exercise was carried out by the Nomination and Remuneration Committee to evaluate the performance of individual Directors. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors. The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive Directors and Non-Executive Directors and the performance evaluation of Independent Directors was done by the entire Board of

Directors, excluding the Director being evaluated.

The Directors expressed their satisfaction with the evaluation process.

I) In preparation of the financial statements, the applicable accounting standards have duly been followed and there are no material departures.

(3) Audit Committee

(A) The composition of the Audit Committee as well as details of meeting of Audit Committee held and attended by each Member during the year 2016-17 are as follows:

Name	Designation	Category	Number of Meetings	
			Held	Attended
Mr. Nirenbhai D. Desai (DIN: 01978382)	Chairman	Non-Executive, Independent	4	4
Mr. Prafulchandra A. Shah (DIN: 00417022)	Member	Non-Executive, Independent	4	3
Mr. Chetan P. Bavishi (DIN: 01978410)	Member	Non-Executive, Independent	4	2
Mr. Mihir B. Manek (DIN: 00650613)	Member	Executive	4	4

The Members of the Audit Committee met Four (4) times during the financial year 2016-17 on May 27, 2016, August 12, 2016, November 14, 2016 and February 11, 2017. The highlights of each of the Audit Committee Meetings were informed to the Board of Directors and discussed in the Board Meeting. All the recommendations made by the Audit Committee during the year were accepted by the Board.

Mr. Nirenbhai D. Desai (DIN: 01978382), Chairman of the Audit Committee was present at the last Annual General Meeting held on September 24, 2016 to answer the queries of the shareholders.

All the Members of the Audit Committee are financially literate and have relevant accounting and financial management expertise as required under the Act and Regulation 18 of the Listing Regulations. Ms. Kalika Dabholkar acted as a Secretary of the Audit Committee.

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting and its compliance with the legal and regulatory requirements. The Committee oversees the work carried out in the financial reporting process by the Management, the Internal Auditors and the Statutory Auditors and notes the processes and safeguards employed by each of them.

The terms of reference, role, powers, rights, authority and obligations of the Audit Committee are in conformity with the applicable provisions of the Act and Listing Regulations (including any statutory modification(s) or re-enactment (s) or amendment(s) thereof).

(B) Brief description of terms of reference *inter-alia* includes:

- to recommend to the Board of Directors (Board) all appointments, including the filling of a casual vacancy of an auditor under Section 139 of the Act
- to approve other services which auditors can provide to the Company
- to recommend the appointment, remuneration and terms of appointment of auditors of the Company
- to review and monitor the auditor's independence and performance, and effectiveness of audit process
- examination of the financial statement and the auditors' report thereon
- approval or any subsequent modification of transactions of the Company with related parties including granting omnibus approval for related party transactions
- scrutiny of inter-corporate loans and investments
- valuation of undertakings or assets of the Company, wherever it is necessary
- evaluation of internal financial controls and risk management systems
- monitoring the end use of funds raised through public offers and related matters

- may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company
- authority to investigate into any matter in relation to aforesaid items or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company
- oversee the vigil mechanism and to ensure that the vigil mechanism shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases and in case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand
- to formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor
- to take into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as an auditor and whether such qualifications and experience are commensurate with the size and requirements of the Company, provided that while considering the appointment, the Audit Committee shall have regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court
- may call for such other information from the proposed auditor as it may deem fit
- to recommend the name of an individual or a firm as auditor to the Board for consideration
- may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Company. The finance director, internal auditor and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee
- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- approval of payment to statutory auditors for any other services rendered by the statutory auditors
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act
    b. changes, if any, in accounting policies and practices and reasons for the same
    c. major accounting entries involving estimates based on the exercise of judgment by management
    d. significant adjustments made in the financial statements arising out of audit findings
    e. compliance with listing and other legal requirements relating to financial statements
    f. disclosure of any related party transactions
    g. modified opinion(s) in the draft audit report
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- reviewing the adequacy of internal audit function and frequency of internal audit
- discussion with internal auditors of any significant findings and follow up there on

- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- to review the functioning of the whistle blower/ vigil mechanism
- approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate
- monitoring and reviewing of the statement of deviation(s) or variation(s) as per Regulation 32 of the Listing Regulations
- carrying out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory authorities

Audit Committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management
- management letters / letters of internal control weaknesses issued by the statutory auditors
- internal audit reports relating to internal control weaknesses
- the appointment, removal and terms of remuneration of the chief internal auditor
- statement of deviations:
  a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
  b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7)

Powers of Audit Committee *inter-alia* includes:

- to investigate any activity within its terms of reference
- to seek information from any employee
- to obtain outside legal or other professional advice
- to secure attendance of outsiders with relevant expertise, if it considers necessary

(4) Nomination and Remuneration Committee:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Act and the Listing Regulations, as amended from time to time, the scope and the terms of reference of the Nomination and Remuneration Committee have been expended. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Act and the Listing Regulations (including any statutory modification(s) or re-enactment (s) or amendment(s) thereof).

(A) Composition, names of Chairperson and Members and attendance details:

The composition of the Nomination and Remuneration Committee as well as details of meetings of Nomination and Remuneration Committee held and attended by each Member during the year 2016-17 is as follows:

Name	Designation	Category	Number of Meetings	
			Held	Attended
Mr. Nirenbhai D. Desai (DIN: 01978382)	Chairman	Non-Executive, Independent	1	1
Mr. Prafulchandra A. Shah (DIN: 00417022)	Member	Non-Executive, Independent	1	1
Mr. Chetan P. Bavishi (DIN: 01978410)	Member	Non-Executive, Independent	1	1
Mrs. Pravina B. Manek (DIN: 00416533)	Member	Non-Executive, Promoter	1	1

The Members of the Committee met once during the financial year 2016-17 on February 11, 2017.

Mr. Nirenbhai D. Desai (DIN: 01978382), Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting held on September 24, 2016 to answer the queries of the shareholders.

The purpose of the Committee is to screen and to review individuals qualified to serve as Executive Directors, Non-executive Directors, Independent Directors and Key Managerial Personnel and remuneration to be paid to them in accordance with the Nomination and Remuneration Policy of the Company and recommend to the Board for its approval. The Committee makes recommendations to the Board on candidates for –

(i) nomination for election or re-election by the shareholders; and

(ii) any Board vacancies that are to be filled.

It may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Chairman of the Board. It reviews and discusses all matters pertaining to candidates and evaluates the candidates as Directors or Key Managerial Personnel. The Nomination and Remuneration Committee co-ordinates and oversees the annual evaluation of the Board and of individual Directors.

(B) Brief description of terms of reference *inter-alia* includes:

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board of Directors (Board) their appointment and removal and to carry out evaluation of every director's performance
- to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- while formulating the policy as aforesaid, to ensure that:
  a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals, provided that such policy shall be disclosed in the Board's report.
- to approve the payment of remuneration as prescribed under Schedule V of the Act
- to determine, review and recommend to the Board, the remuneration of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/Executive Director(s), including all elements of remuneration package
- to determine, review and recommend to the Board, the remuneration of the Company's top executives who are one level below the Managing/Joint Managing/Executive Director(s)
- to formulate, implement, supervise and administer the terms and conditions of the Employee Stock Option Scheme, Employee Stock Purchase Scheme, whether present or prospective, pursuant to the applicable statutory/regulatory guidelines
- formulation of criteria for evaluation of independent directors and the Board of Directors
- devising a policy on diversity of the Board of Directors
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal
- whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent director
- aligning key executive and board remuneration with the longer term interests of the Company and its shareholders
- ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender
- to carry out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities

(C) Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Policy of the Company showcase the appointment criteria and remuneration payable to the Directors of the Company. The remuneration paid to the Directors is broadly based on the criteria such as his/her qualification, experience, profile and his performance.

The Nomination and Remuneration Committee carry out the evaluation of the performance of every Director, Key Managerial Personnel and Senior Management Personnel at regular interval (yearly) or at such intervals as it may consider necessary.

The criterion for evaluation of performance of Independent Directors *inter-alia* includes:

- Highest Personal and Professional ethics, integrity and values,
- Inquisitive and objective perspective, practical wisdom and mature judgment,
- Demonstrated intelligence, maturity, wisdom and independent judgment,
- Self-confidence to contribute to Board deliberations and stature such that other board members will respect his or her view,
- The willingness and commitment to devote the extensive time necessary to fulfill his/her duties,
- The ability to communicate effectively and collaborate with other Board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including willingness to listen and respect the views of others,
- The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable Company or organization, including but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing,
- Commitment, including guidance provided to the Senior Management outside of Board/Committee Meetings,
- Effective deployment of knowledge and expertise,
- Effective management of relationship with various stakeholders,
- Independence of behavior and judgment,
- Maintenance of confidentiality of critical issues.

(5) Remuneration of Directors:

(A) Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

During the year under review, the Company has paid ₹ 3,00,000/- to Mr. Vijay K. Atre (DIN: 00416853) as Technical Director's remuneration. The Company has also paid ₹ 3,33,500/- to Mr. Anil Kumar Dhar (DIN: 01524239) as fees for professional services provided by him. However, the professional fees paid to him cannot be said to be material. Further, the other Independent Directors are given sitting fees for attending meeting of the Board or Committees thereof as approved by the Board. Also Mrs. Pravina B. Manek (DIN: 00416533) was paid Guarantee Commission for guarantee given by her for securing loan taken by the Company from Banks. The above payments made to Non-Executive Directors were approved by the Shareholders. Apart from mentioned above, none of the other Non-Executive Directors have received any remuneration.

Mrs. Pravina B. Manek (DIN: 00416533) is one of the Promoters of the Company and Mr. Bipin M. Manek (DIN: 00416441), Chairman and Managing Director and Mr. Mihir B. Manek (DIN: 00650613), Joint Managing Director of the Company are her relatives. No other Non-Executive Directors are inter-se related to each other.

(B) Criteria for making payments to Non-Executive Directors:

Criteria for making payments to Non-Executive Directors are given in the Nomination and Remuneration Policy and same is placed on the website of the Company at the link http://www.vidhifoodcolour.com/financial/code_policies/nomination_remuneration.pdf and also annexed to the Board's Report.

(C) Disclosures with respect to remuneration:

(i) Details of remuneration paid to the Executive Directors for the financial year 2016-17 are as given below:

Name of Directors	Amount in ₹			Contract period	Notice period
	Salary	Commission	Total		
Mr. Bipin M. Manek (DIN: 00416441) Chairman and Managing Director	30,00,000	65,45,606	95,45,606	From 01.11.2012 till 31.10.2017	Three Calendar months
Mr. Mihir B. Manek (DIN: 00650613) Joint Managing Director	30,00,000	65,45,606	95,45,606	From 15.07.2015 till 14.07.2020	Three Calendar months
Total	**60,00,000**	**1,30,91,212**	**1,90,91,212**		

Notes:

- The above figures exclude provisions for contribution to Provident Funds/ Gratuity Fund.
- Appointment, terms, conditions and payment of remuneration to the Managing Director and Joint Managing Director is governed by the resolution(s) passed by the Nomination & Remuneration Committee, Board of Directors and Members of the Company.
- Mr. Bipin M. Manek (DIN: 00416441) is holding 1,41,10,333 equity shares of the Company constituting 28.25% of total voting power and Mr. Mihir B. Manek (DIN: 00650613) does not hold any share as on the date of this Report.
- The Company does not have any employees' stock option scheme.
- The period of office of Mr. Bipin M. Manek (DIN: 00416441), Chairman and Managing Director, shall not be liable to retirement by rotation whereas, the period of office of Mr. Mihir B. Manek (DIN: 00650613), Joint Managing Director, shall be liable to retirement by rotation.

(ii) The details of Remuneration paid to the Non-Executive Directors for the financial year 2016-17 are as given below:

Name of Directors	Amount in ₹			
	Sitting fees	Commission	Others	Total
Mr. Vijay K. Atre# (DIN: 00416853)	0	0	3,00,000	**3,00,000**
Mr. Prafulchandra A. Shah (DIN: 00417022)	22,500	0	0	**22,500**
Mr. Chetan P. Bavishi (DIN: 01978410)	15,000	0	0	**15,000**
Mr. Nirenbhai D. Desai (DIN: 01978382)	30,000	0	0	**30,000**
Mr. Rahul C. Berde (DIN: 06981981)	15,000	0	0	**15,000**
Mrs. Pravina B. Manek (DIN: 00416533)	0	0	0	**0**
Mr. Anil Kumar Dhar@ (DIN: 01524239)	0	0	3,33,500	**3,33,500**
Total	**82,500**	**0**	**6,33,500**	**7,16,000**

#Mr. Vijay K. Atre (DIN: 00416853) has received ₹ 3,00,000/- as Technical Director's remuneration.

@Anil Kumar Dhar (DIN: 01524239) has received ₹ 3,33,500/- as fees for professional services provided by him.

Independent Directors are not liable to retire by rotation under the Act. The Company does not have any employees' stock option scheme.

(6) Stakeholders' Relationship Committee

(A) Composition, names of Chairperson and Members and attendance details:

The composition of the Stakeholders' Relationship Committee as well as details of meetings of Stakeholders' Relationship Committee attended by each Member during the year 2016-17 is as follows:

Name	Designation	Category	Number of Meetings	
			Held	Attended
Mrs. Pravina B. Manek (DIN: 00416533)	Chairperson	Non-Executive, Promoter	4	4
Mr. Prafulchandra A. Shah (DIN: 00417022)	Member	Non-Executive, Independent	4	3
Mr. Chetan P. Bavishi (DIN: 01978410)	Member	Non-Executive, Independent	4	2

The role of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, non receipt of Annual Reports and such other grievances as may be raised by the security holders from time to time.

(B) Name and designation of Compliance Officer:

Ms. Kalika Dabholkar, Company Secretary, is the Compliance Officer of the Company in terms of Regulation 6(1) of the Listing Regulations *(E-mail: vdmlcs@hotmail.com).* She has been entrusted the task of overseeing the Share transfer, transmission, splitting and consolidation of shares and issue of duplicate share certificates done by the RTA and attending to Grievances of the Shareholders/Investors intimated to the Company directly by SEBI and Stock Exchanges.

(C) Details of the shareholders' complaints:

No. of pending complaints/ queries, etc. as on April 1, 2017	0
Number of shareholders' complaints/queries, etc. received during the financial year 2016-17	36
Number of complaints/queries, etc. resolved to the satisfaction of shareholders as on March 31, 2017	36
No. of pending complaints/ queries, etc. as on March 31, 2017	0

The complaints/ queries have been resolved in consonance with the applicable provisions of the relevant rules/ regulations and acts for the time being in force.

All Share transfers and correspondence thereon are handled by the Company's RTA viz. M/s. Sharex Dynamic (India) Private Limited having Registered Office at Unit – 1, Luthra Industrial Premises, 1st Floor, 44-E, M. Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400072.

(D) Brief description of terms of reference:

The terms of reference of Committee *inter-alia* includes:

- to consider and resolve the grievances of security holders of the Company
- to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders
- to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc.
- to supervise the process relating to transfer, transmission, transposition, split, consolidation of securities
- to issue the duplicate share certificate(s) and supervise the process
- to supervise the process relating to consider re-materialization / de-materialization requests
- to oversee the performance of the Company's registrar & share transfer agents
- to implement and monitor the Company's Code of Conduct for Prohibition of Insider Trading in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
- to make recommendations to improve service levels for stakeholders
- to carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory authorities

(E) Meetings during the year:

During the financial year under review, the Committee met four (4) times, i.e. on May 27, 2016, August 12, 2016, November 14, 2016 and February 11, 2017.

(7) General Body Meetings

(A) Annual General Meetings:

Details of the date, time and location of three preceding Annual General Meetings are given below:

AGM	Financial Year	Day and Date	Time	Location
23rd	2015-16	Saturday, September 24, 2016	3.30 p.m.	The Victoria Memorial School for Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400 034
22nd	2014-15	Wednesday, September 16, 2015	3.30 p.m.	The Victoria Memorial School for Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400 034
21st	2013-14	Saturday, September 27, 2014	5.00 p.m.	E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400034

A) Details of Special Resolutions passed at the last three Annual General Meeting:

Date of AGM	Number of Special Resolutions passed	Nature of Special Resolution
September 24, 2016	1	Payment of professional fees to Mr. Anil Kumar Dhar (DIN: 01524239), Non-Executive, Independent Director
September 16, 2015	Nil	None
September 27, 2014	3	(i) Approval u/s 180(1)(c) of the Companies Act, 2013 to borrow money for an amount not exceeding ₹ 200 Crores (ii) Approved payment of remuneration to Mr. Vijay K. Atre (DIN: 00416853), Non-Executive Director of the Company, for a period of five years beginning with effect from financial year 2014-15 (iii) Altered Article No. 100 of the Articles of Association of the Company

B) Special Resolutions passed through Postal Ballot:

i) During the financial year 2016-17, one special resolution was passed through Postal Ballot on June 9, 2016, the details of which are as follows:

To Change the name of the Company from 'Vidhi Dyestuffs Manufacturing Limited' to 'Vidhi Specialty Food Ingredients Limited' and consequent alteration in the Memorandum and Articles of Association of the Company under the provisions of Section 4, 13, 14 and 15 of the Companies Act, 2013

Summary of voting statistics:

Ballots Received*	Total Shares	Favour		Against		Invalid	
		Ballots	Votes	Ballots	Votes	Ballots	Votes
49	32243526	45	32243398	1	7	3	121

**Including voting through e-voting facility.*

C) Person who conducted the aforesaid postal ballot exercise:

Mr. Hemanshu Kapadia, Practicing Company Secretary (Membership No: **F3477** and CP: **2285**), (Scrutinizer) conducted the aforesaid Postal Ballot voting process (including e-voting) in a fair and transparent manner.

D) Whether any special resolution is proposed to be conducted through postal ballot:

No

E) Procedure for postal ballot:

In compliance with Sections 108 and 110 and other applicable provisions of the Act read with the related Rules and in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company provided electronic voting (e-voting) facility to all its Members. The Company engaged the services of CDSL for the purpose of providing e-voting facility to all its Members. The Members had the option to vote either by physical ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelopes to its Members whose names appear on the Register of Members / list of beneficiaries as on a cut-off date. The postal ballot notice was sent to Members in electronic form to the email addresses registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agents (in case of physical shareholding). The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms, duly completed and signed, to the scrutinizer so as to reach them on or before the close of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submitted his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot and e-voting were then announced by the Chairman. The results were also displayed at the Registered Office, Corporate Office of the Company and on the Company's website at *www.vidhifoodcolour.com*

besides being communicated to the stock exchanges and CDSL. The last date for the receipt of duly completed Postal Ballot Forms or e-voting was considered as the date on which the resolution would have been passed.

(8) Means of Communication

(A) Quarterly results:

Quarterly/ Half yearly/ Annual results are regularly submitted to the Stock Exchanges, where the securities of the Company are listed, immediately after the approval of the Board pursuant to the Listing Regulations requirements and are published in the newspapers.

The financial results are also displayed on the Company's website i.e. *www.vidhifoodcolour.com*

(B) Newspapers wherein results normally published:

The quarterly, half-yearly and annual results of the Company during the financial year 2016-17 are published in the newspapers viz. Business Standard (English) and Mumbai Lakshadeep or Aple Mahanagar (Regional language - Marathi).

(C) Any Website, where displayed :

The Company's website *www.vidhifoodcolour.com* contains a separate dedicated section "Financials" where information for shareholders is available. The Quarterly/Half yearly/ Annual Financial Results and Annual Reports are posted under the said section.

(D) Whether Website also displays official news releases:

The Company has maintained a functional website *www.vidhifoodcolour.com* containing basic information about the Company e.g. details of its business, Directors and also other details as per the requirements of the Listing Regulations and the Act like financial information, shareholding pattern, codes, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc.

(E) Annual Report:

Annual Reports are sent to each shareholder physically at their addresses registered (if e-mail id is not registered) or electronically on their e-mail address registered with the Company/R&TA/Depositories. Corporate Governance Certificate, as required under Schedule V (E) of the Listing Regulations for the period April 1, 2016 to March 31, 2017 obtained from M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries (FCS: 3477 and CP: 2285) and Management Discussion & Analysis Report are attached to this report and forms part of this report.

(F) Presentations made to institutional investors or to the analysts:

No presentation to any institutional investors or analysts has been made during the financial year ended March 31, 2017.

(9) General Shareholder Information

(A) Annual General Meeting (AGM):

Day, Date and time : Monday, September 25, 2017; 3.30 p.m.

Venue : The Victoria Memorial School for Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400 034

(B) Financial year : April 1, 2016 to March 31, 2017

(C) Dividend Payment Date:

The Dividend, if declared at the Annual General Meeting, would be paid/ dispatched on/after Tuesday, September 26, 2017 and within thirty days from the date of declaration of dividend. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 19, 2017 to Monday, September 25, 2017, both days inclusive, for taking record of the Members of the Company for the purpose of Annual General Meeting and determining the names of the Members eligible for final dividend on equity shares, if declared at the Annual General Meeting.

(D) Name and address of stock exchanges at which the Company's securities are listed and confirmation about payment of annual listing fees to each of stock exchanges:

The Company's equity shares are listed on the **Ahmedabad Stock exchange Limited (ASE)** - A-2, Kamdhenu Complex, Opposite Sahajanand College, 120 Feet Ring Rd, Panjara Pol, Ambawadi, Ahmedabad, Gujarat 380015, **BSE Ltd**. **(BSE)**- Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 and **National Stock Exchange of India Limited (NSE)** - Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. The Company has paid the applicable annual listing fees to ASE, BSE and NSE.

(E) Stock code :

BSE Scrip Code	531717
NSE Trading Symbol	VIDHIING
ASE Scrip Code	65175
ISIN Number for NSDL & CDSL	INE632C01026

(F) Market Price Data: High, Low during each month in last financial year*

The performance of the equity shares of the Company on BSE and NSE depicting the liquidity of the Company's equity shares for the financial year ended on March 31, 2017, on the said exchanges, is as follows:

Stock Market data – BSE

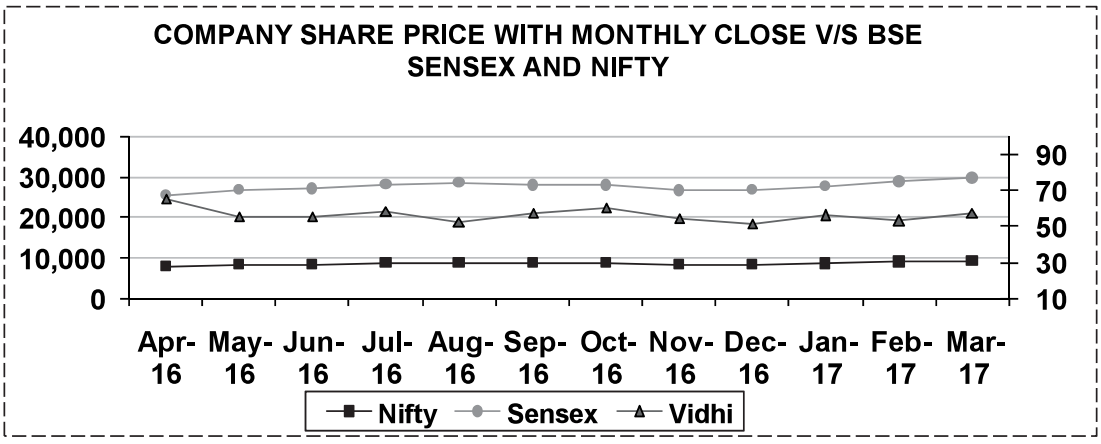
Month	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	Total Turnover
April, 2016	65.00	74.10	64.30	65.50	1170136	81493071
May, 2016	65.50	67.00	50.00	55.20	1478006	87609442
June, 2016	55.25	59.70	50.30	55.35	803090	44600120
July, 2016	55.75	63.90	50.05	58.65	955520	54798090
August, 2016	60.05	60.05	50.50	52.60	557856	30395443
September, 2016	53.00	64.00	51.00	57.70	1723916	101395953
October, 2016	58.45	63.45	56.00	60.45	861057	51444834
November, 2016	60.05	67.70	47.80	54.35	1576916	93714674
December, 2016	54.85	57.45	49.40	51.55	450790	24049281
January, 2017	51.90	60.00	51.60	56.05	682798	38056307
February, 2017	55.50	59.00	50.60	53.00	453561	24745141
March, 2017	52.80	62.00	49.10	57.25	1261866	66797968

Stock Market data – NSE

Month	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	Total Turnover
April, 2016	66.00	74.20	62.00	65.80	853603	59572684.50
May, 2016	66.55	67.75	50.50	55.15	1288016	76012340.75
June, 2016	56.00	59.95	46.20	55.35	976209	54264840.10
July, 2016	55.30	64.00	49.45	58.50	2133742	123549133.40
August, 2016	59.95	59.95	50.50	52.70	1257795	68609051.40
September, 2016	53.45	63.80	51.20	58.00	3089083	180011537.30
October, 2016	58.25	63.30	56.55	60.45	1565953	93490580.60
November, 2016	61.50	67.80	48.00	54.40	3399795	202948145.75
December, 2016	55.45	57.50	49.10	51.80	1221451	65241713.90
January, 2017	52.20	59.75	51.60	55.80	1692650	93648555.40
February, 2017	56.35	58.45	48.20	53.10	949004	51550160.00
March, 2017	53.00	61.75	50.50	57.00	1497146	83536950.05

******(Source: This information is compiled from the data available on the website of BSE and NSE)*

(G) Performance in comparison to broad-based indices:



(H) In case the securities are suspended from trading, reason thereof:

The securities of the Company have not been suspended from trading.

(I) Registrar and Share Transfer Agents (R & TA):

Sharex Dynamic (India) Private Limited,
Unit-1, Luthra Industrial Premises, 1st Floor, 44-E, M. Vasanti Marg, Andheri-Kurla Road,
Safed Pool, Andheri (East), Mumbai - 400072
Phone: 022-28545 606/2851 5644 Fax: 022-2854 2885

(J) Share Transfer System:

The Board of Directors of the Company, in order to expedite the process, has delegated the power of approving transfer, transmission, etc. of the securities of the Company to the R & TA. Securities lodged for transfer, transmission, etc. are normally processed within the stipulated time as specified under the Listing Regulations and applicable provisions of the Act. The Company has duly obtained certificates on half yearly basis from the Practicing Company Secretary, certifying due compliance with the formalities of share transfer as required under Regulation 40(9) of the Listing Regulations and submitted a copy of the certificate to the Stock Exchanges where the securities of the Company are listed.

(K) Distribution of shareholding as on March 31, 2017:

No. of Equity Shares held	No. of Members	% of Members	Total Shares	% of shares
1-5000	9848	95.71	6116749	12.25
5001- 10000	201	1.95	1562094	3.13
10001- 20000	109	1.06	1614482	3.23
20001- 30000	48	0.47	1238165	2.48
30001- 40000	25	0.24	865684	1.73
40001- 50000	16	0.16	724130	1.45
50001- 100000	22	0.21	1556172	3.12
100001 & Above	20	0.19	36267524	72.61
Total	**10289**	**100.00**	**49945000**	**100.00**

(L) Shareholding pattern of the Company (as on March 31, 2017):

Category Code	Category of the Shareholder	Number of Shareholders	Total Number of Shares	Total Share-holding as a percentage of total number of shares
[A]	**Shareholding of Promoter & Promoter Group**			
(1)	Indian (Individuals)	2	32101000	64.27
	Total Shareholding of Promoter and Promoter Group	**2**	**32101000**	**64.27**
[B]	**Public Shareholding**			
(1)	Institutions	3	80887	0.16
(2)	Non-Institutions	10284	17763113	35.57
	Total Public Shareholding	**10287**	**17844000**	**35.73**
[C]	**Shares held by Custodians and against which Depository Receipts have been issued**	0	0	0.00
	GRAND TOTAL [A]+[B]+[C]	**10289**	**49945000**	**100.00**

As on March 31, 2017 and as on the date of this report, none of the Promoter or Promoter's Group of the Company have pledged any shares of the Company.

(M) Dematerialization of shares and liquidity:

The shares of the Company are available for dematerialisation (holding of shares in electronic form) on both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2017, 98.86% of the total Subscribed and Fully Paid-up equity share capital comprising of 4,93,76,890 equity shares of the Company are in dematerialized form. Trading in equity shares of the Company is permitted only in dematerialized form as per the notification issued by Securities and Exchange Board of India. The trading / liquidity details are given in para (G) hereinbefore.

(N) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on Equity:

Not Applicable as there was no outstanding ADRs or GDRs, Warrants or any Convertible Instruments.

(O) Commodity price risk or foreign exchange risk and hedging activities:

Not applicable

(P) Location of Plant:

Factory I:

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

Factory II:

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

(Q) Address for correspondence:

(i) Registered Office:

Vidhi Specialty Food Ingredients Limited
(Formerly known as Vidhi Dyestuffs Mfg. Ltd.)
E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400034
Tel.: 022-6140 6666 Fax: 022-2352 1980

(ii) For queries on Annual Report or Investors' Assistance:

Ms. Kalika Dabholkar, Company Secretary
Vidhi Specialty Food Ingredients Limited
(Formerly known as Vidhi Dyestuffs Mfg. Ltd.)
E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034
Tel.: 022-6140 6615 Fax: 022-2352 1980

Investors can register their complaints/ grievances at the Company's e-mail id: *vdmlcs@hotmail.com*

(iii) For share transfer / dematerialisation of shares / other queries relating to the securities (Registrar & Share Transfer Agents)

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

The aforesaid e-mail id and other relevant details have been displayed on the website of the Company at *http://www.vidhifoodcolour.com/*

(10) Other Disclosures

(A) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

During the financial year under review, there were no materially significant related party transactions with the Promoters, Directors, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are entered into based on business exigencies and are intended to further the Company's interests.

(B) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties, strictures have been imposed on the Company by Stock Exchanges or Securities and Exchange Board of India or any other statutory authority.

(C) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company has a Vigil Mechanism cum Whistle Blower Policy in place, details of which have been furnished in the Board's Report. The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee.

(D) Details of compliance with mandatory requirements and adoption of the non- mandatory requirements:

The Company has complied with all the mandatory requirements of the Schedule V of the Listing Regulations. The status of compliance with the non-mandatory requirements of this clause has been detailed in point no. 12 below.

(E) Web link where policy for determining 'material' subsidiaries is disclosed:

Not Applicable since the Company does not have any Subsidiary Company.

(F) Web link where policy on dealing with related party transactions:

http://www.vidhifoodcolour.com/financials.php?m=52

(G) Disclosure of commodity price risks and commodity hedging activities:

Not applicable

(H) Risk Management:

The Company has adopted Risk Management Policy pursuant to the provisions of Section 134 and all other applicable provisions of the Act and Listing Regulations. The Company has procedures in place to inform the Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that the management controls risk through means of a properly defined framework. The Company's internal control systems are commensurate with the nature and size of its business. These are tested and reported by the Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

(I) Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted equity share capital with National Securities Depository Limited [NSDL], Central Depository Services (India) Limited [CDSL] and equity shares held in physical form and the total issued and listed equity share capital. The Audit Report confirms that the total issued/ paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. The equity shares of the Company are listed on ASE, BSE and NSE.

(11) Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed:

The Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of Clause (C) of the Schedule V of the Listing Regulations.

(12) Adoption of the discretionary requirements as specified in Part E of the Schedule II of the Listing Regulations

(A) The Board

The Company has an Executive Chairman and hence, the requirement pertaining to reimbursement of expenses to a Non - Executive Chairman does not arise.

(B) Shareholder Rights

The Company's quarterly and half-yearly results are furnished to the Stock Exchanges, also published in the newspapers and also displayed on the website of the Company and therefore results were not separately sent to the Members. Quarterly/ Half-yearly/ Annual results of the Company are displayed on the website of the Company i.e. *www.vidhifoodcolour.com*

(C) Modified opinion(s) in audit report

The Company has received a modified opinion in audit report for the financial year 2016-17 pertaining to non-provision for gratuity thereby constituting a departure from the Accounting Standard-15. The Management of the Company is in the process of obtaining actuarial valuation report and also in talk with LIC for their Report on LIC Group Gratuity Scheme to enable the Company in making provisions in the accounts as per AS-15.

(D) Separate posts of Chairman and CEO

The Managing Director is the Chairman of the Company. However, in the Company no person is designated as CEO.

(E) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

(13) Disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub - regulation (2) of regulation 46:

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub - regulation (2) of regulation 46 of the Listing Regulation. The details of the compliance of regulation 17 to 27 of the Listing Regulation are given in this Corporate Governance Report. Further, the Company has uploaded the documents/details mentioned in the clauses (b) to (i) of sub - regulation (2) of regulation 46 of the Listing Regulation on it's website at *www.vidhifoodcolour.com*

For and on behalf of the Board of Directors

Sd/-

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

Date: August 16, 2017
Place: Mumbai

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT UNDER SCHEDULE V (F) OF THE LISTING REGULATIONS:

As confirmed by the R & TA, M/s. Sharex Dynamic (India) Private Limited, the Company does not have any Demat Suspense Account/Unclaimed Suspense Account.

DECLARATION BY THE MANAGING DIRECTOR UNDER SCHEDULE V (D) OF THE LISTING REGULATIONS REGARDING ADHERENCE TO THE CODE OF CONDUCT:

To the best of my knowledge and belief, this is to affirm and declare, on behalf of the Board of Directors of the Company and Senior Management Personnel, that:

- The Board of Directors has laid down a Code of Conduct, Ethics and Business Principles for all Board Members and Senior Management of the Company ['the Code of Conduct'];
- The Code of conduct has been posted on the website of the Company;

All the Board Members and Senior Management Personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended March 31, 2017.

sd/-

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

Mumbai, August 16, 2017

COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of VIDHI SPECIALTY FOOD INGREDIENTS LIMITED (FORMERLY KNOWN AS 'VIDHI DYESTUFFS MANUFACTURING LIMITED')

We have examined the compliance of conditions of Corporate Governance, as stipulated in Regulations 17 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'] by **VIDHI SPECIALTY FOOD INGREDIENTS LIMITED (FORMERLY KNOWN AS 'VIDHI DYESTUFFS MANUFACTURING LIMITED')** ("the Company") for the financial year ended March 31, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated under the above mentioned Listing Regulations, as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations.

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

For Hemanshu Kapadia & Associates
Practicing Company Secretaries

Sd/-

Hemanshu Kapadia
Proprietor
C.P. No. 2285
FCS: 3477

Mumbai, August 16, 2017

MANAGEMENT DISCUSSION & ANALYSIS

This discussion provides an assessment by Management of the current financial position, results of operations for the financial year ended March 31, 2017. Information presented in this discussion supplements the financial statement, schedules and exhibits for the financial year ended March 31, 2017.

Global Economic Overview:

Global economic activity is picking up with a long awaited cyclical recovery in investment, manufacturing and trade. Stronger activity and expectations of more robust global demand, coupled with agreed restrictions on oil supply, have helped commodity prices recover from their troughs in early 2016. Economic activity gained some momentum in the second half of 2016, especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand and inventories started contributing positively to growth. Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union (Brexit). Activity surprised on the upside in Japan thanks to strong net exports, as well as in euro area countries, such as Germany and Spain, as a result of strong domestic demand.

Economic performance across emerging market and developing economies has remained mixed. Whereas China's growth remained strong, reflecting continued policy support, activity has slowed in India because of the impact of the currency exchange initiative, as well as in Brazil, which has been mired in a deep recession. Activity remained weak in fuel and nonfuel commodity exporters more generally, while geopolitical factors held back growth in parts of the Middle East and Turkey.

Domestic Economic Overview:

India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms, favorable terms of trade and lower external vulnerabilities. The growth in GDP during 2016-17 is estimated at 7.1% as compared to the growth rate of 7.6% in 2015-16. In 2016-17, the government's final consumption expenditure emerged as the major driver of GDP growth with an increase of over 23% as against 2.2% in 2015-16. The anticipated growth of real GVA at basic prices in 2016-17 is 7% against 7.2% in 2015-16.

The world economy faced considerable uncertainty, in the aftermath of major economic and political developments leading to declaration of growth. As per the current indications, macro-economic policy is expected to be more expansionary in certain large economies. Growth in a number of emerging economies is expected to lower in 2017.

Amidst all these developments, India stands out as a bright spot in the world economic landscape. India's macro-economic stability continues to be the foundation of economic success. There were two policy initiatives, namely, passage of the Constitution Amendment Bill got Goods and Services Tax (GST) and the progress for its implementation; and demonetization of high denomination bank notes. Even though demonetization initially impacted industrial growth in the last two quarters of 2016-17, it is expected to give a boost to GDP in the current year. GST, on the other hand is expected to be a game changer and deliver manifold benefits such as spur in growth, increasing competitiveness and ushering in indirect tax simplification and bringing in greater transparency in tax management and administration. These along with measures initiated to push for more digitalization in economic transactions are positive signs and point to an optimistic outlook for the current year.

Industry Structure & Development:

Food Colors are a part of every aspect of human life. Products from the food color have altered the quality of life world over and have contributed significantly to everyone's day-to-day requirements through breakthrough innovations. The food color industry is critical for the economic development of any country, providing products and enabling solutions. With Asia's increasing contribution to the global food color industry, India emerges as one of the focused destinations for food color Companies worldwide. Strong economic growth and rise in per-capital income has caused steady increases in demand and for food colors. The industry has moved from a low-growth and regulated environment to an increasingly mature core industry.

Vidhi is one of the leaders in the manufacture and export of food colors worldwide. This results in intense price competition in the commodity segments market. The China factor also continues to affect the food color industry.

Overview of Vidhi's Business and its Position in Food Color Manufacturing Industry

Vidhi is a globally renowned player in the food color industry and a leading manufacturer of Superior Synthetic and Natural Food Grade Colors including Synthetic water soluble colors, Aluminum lakes, D&C Colors, Iron Oxides and FD&C Certified Lakes. Its business is manufacturing and trading of food colors and trading in chemicals. The colors are being distributed and consumed in over 80 countries across 6 continents. The manufacturing facilities of the Company are spread over an area of 1,76,000 square feet, located in Dhatav Village of Raigad District in the State of Maharashtra - India. The manufacturing facilities have been audited and found satisfactory by the U.S. FDA. All the products carry Halal and Kosher certification. The Company has also set up an ultra modern R & D Facility at Dhatav Village of Raigad District in the State of Maharashtra – India. Vidhi has built up on technical services, marketing capabilities and production in bulk quantities to face competition

from domestic as well as global markets. In this way, Vidhi enjoys a position of one of the leaders in food color manufacturing industry.

The relevant industry for your Company is food colors, which occupies an important position in the Indian economy. Stronger growth in end user segments coupled with the initiatives from the government and industry to enhance manufacturing has brought the focus on the food color manufacturing segment. Simultaneously, improved competiveness of Indian manufacturers and an interest in India from global players is likely to result in significant growth of the diverse food colors segment.

Outlook:

The country's economic growth is facing challenges such as subdued manufacturing, lower exports of services, etc. However, it is expected that in financial year 2017-18 cheap borrowing costs and fading impact of demonetization could increase the private consumption and thereby drive economic growth. The implementation of GST is expected to improve tax compliance and governance and might provide an impetus to the investments and growth in the country. Due to favorable indicators such as moderate levels of inflation, reduced current account deficit, fiscal consolidation and transitory impact of demonetisation, the country is currently characterized as a stable macroeconomic situation, the Government expects India's GDP to expand at a growth rate between 6.75%-7.5% during the financial year 2017-18.

The Company is gearing itself for sustaining its market position by adjusting to the market environment through improved service levels and continuous emphasis on cost management. The Company's globalization plans and its strong base in the Foreign and Indian market provides a great opportunity for growth.

Opportunities and Threats:

China at feverish pace has put up massive chemical projects and complexes that not only meet their own demand but also global demand that will be emerging for the next several years. On this account, China not only controls the market but also the pricing policy. Indian food color and chemical industry is under threat of dumping at rock bottom prices by developed economies like China due to meltdown in their countries and their ability to sustain due to large capacities. With Strong in house technology support and efficient development facility already available on site, your Company is capable of exploiting the opportunities and contributing positively in increasing its market base.

The implementation of GST in the country holds lot of promise as manufacturing will get more competitive as GST addresses cascading effect of tax, inter-state tax, high logistics costs and fragmented market. However, increased protection from imports aims at creating a level playing field as GST provides for appropriate countervailing duty.

- Potential for technology up-gradation to provide value added products
- Lower per-capita consumption of food colors in India as compared to Western countries
- Diversified manufacturing base that produces world-class products
- India's tropical climate facilitates in open storage of bulk chemicals
- Matured industry
- Specific chemical requirements of buyers
- Developed countries are looking at outsourcing dye production to developing countries, as production facilities shift base to Asian countries like India and China
- Absence of direct substitute for a specific chemical requirement

Risks and Concerns:

The volatility of the Rupee vis-à-vis the US Dollar is a matter of concern and needs to be tackled if the food color and chemicals industry has to remain competitive. Another matter of concern is the gestation period involved in evaluation and acceptability of the Company's products by overseas customers and the costs associated with it, since many time proposals do not get converted into firm orders.

Also, fleeting of the raw materials prices in India and its cascading effect on other inputs is a matter of grave concern as it negates the key advantage of competitive pricing. There is also a great deal of uncertainty regarding pricing and availability of key intermediates from China.

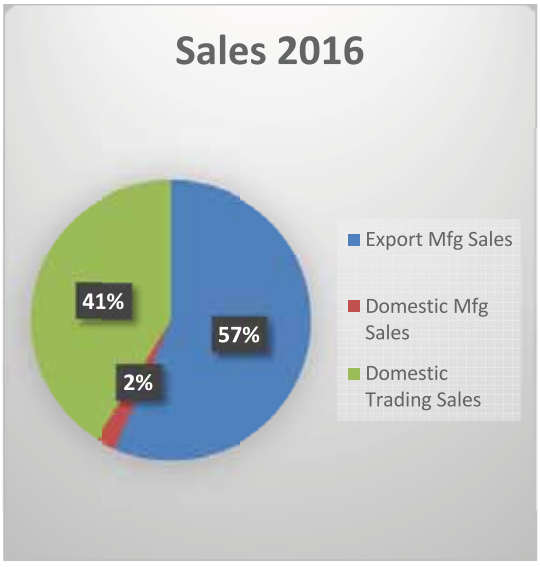
- Bilateral/multilateral trade agreements of the country
- Small plant sizes in India
- Infrastructural challenges
- High cost of power as well as finance
- Availability of skilled man power

- Lack of Competitiveness
- Environmental concerns
- High fragmentation of the chemical industry
- Cost of finance

Segment-wise or product-wise performance:

In accordance with Accounting Standard – 17, the Company has a single reportable business segment, manufacturing and trading of food colours and trading in chemicals. Thus, the segment-wise or product-wise performance report is not given in the report. The Company has manufactured 2514.05 MT food colors during the financial year 2016-17 against 2776.43 MT in the previous year.

Net sales by geography:





Discussion on financial performance with respect to operational performance:

(i) Financial performance:

Overall, the macro-economic situation is still challenging and policy measures taken by the new government are yet to impact business in a big way. On top of it, the demonetization of high value notes has had a negative effect on the forecasted sales growth in the third and last quarter of the financial year 2016-17. Though the year witnessed a slight decrease in the net profits of the Company by 1.09% as compared to previous year, total income of the Company has been increased by 3.99% as compared to the previous year.

(₹ in Lakhs)

Particulars	F.Y. 2016-17	F.Y. 2015-16
Total revenues	19,341.49	18,593.49
Revenues from Exports	10,178.63	10,564.03
PBDIT	2,577.91	2,470.60
PAT	1,457.29	1,473.22
Earnings per share	2.91	2.95

During the current financial year 2017-18, your management is aiming another good successive year and is convinced that the Company will deliver a fabulous financial year.

(ii) Operational performance:

Financial year 2016-17 proved to be a good year for the food colors and dyes industries in terms of the operations. Since the Company's considerable area of its business is overseas market and to control over the fluctuation of the foreign exchange, the Company has practice of booking the foreign exchange immediately on booking of order and not keeping the foreign exchange open applicable to both area i.e. Export and Import. Turnover of the Company has been increased by 3.40% as compared to the previous year. Thus, the overall performance of the Company has increased the Market Value of the Company.

Environmental & Hazardous Safety and Quality Assurance:

The Company commits itself to ethical and sustainable operations and development in all business activities. Sustainability enhances innovative ways to do business. This is a necessary pre-requisite for value creation. Sustainability at the company is an integral part of the way we work and this helps the Company to position itself in the sustainable market; build a competitive advantage through differentiation, support profitable growth, create added value for stakeholders, build brand image and reputation and anticipate and mitigate risk.

Our ability to treat customers, employees and the environment in a responsible way is not only ethically correct but also strengthens our partnership with those stakeholders upon whom our success as a Company ultimately depends. The company takes initiatives to reduce environment, health and safety risks in the production, storage, distribution and disposal of waste. These include efficient use of energy and resources and continuous improvement of our processes to minimize the impact of our activities on the environment.

The Company's certified management system complies with ISO 9001:2008, ISO 22000:2005 and HACCP which reflects the Company's continued commitment towards Quality, Environment, Occupational Health and Safety Approaches.

Internal Control Systems and its Adequacy:

The Internal Control Systems of the Company are commensurate with the nature of its business and size and complexity of its operations. These are routinely tested, certified and upgraded wherever required by the Statutory as well as the Internal Auditors covering all key areas of business. Significant audit observations and follow up actions and recommendations thereon are reported to the higher Management and Audit Committee for their review. An Audit Committee headed by a Non-Executive Independent Director reviews audit observations, if any on a periodic basis.

The Company is working with reputed firms specialising in internal audit function. The combined efforts are helping the Company to introduce best practices required to manage its business.

Human Resources:

The Company considers its committed and talented workforce as one of its most critical assets and key to driving sustainable performance and developing competitive advantage. In line with its business imperatives, the emphasis has been given to recruit the best talent, nurture, motivate and empower the human resources. To achieve its objective of attracting, retaining and developing its committed workforce, the Company sustained its various growth and development initiatives across the organization. Compensation and benefits packages have always been pivotal to retaining and motivating employees. The relations with the employees and workers remained cordial and harmonious throughout the year. The Company had total work force of 53 as on March 31, 2017.

Cautionary Statement

Certain statements under "Management Discussion & Analysis" may be forward looking statements within the meaning of applicable securities laws and regulations. The forward looking statements are based on certain assumptions and expectations of future events. Actual results may differ materially from those expressed or implied from the statements since the Company's operations are influenced by many external and internal factors beyond the control.

INDEPENDENT AUDITORS' REPORT

To the Members of Vidhi Specialty Food Ingredients Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Vidhi Specialty Food Ingredients Limited [Formerly known as Vidhi Dyestuffs Manufacturing Limited] ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act,2013 ("the Act") with respect to the preparation and presentation 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view 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 the Company's directors 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 on the financial statements.

Basis for Qualified Opinion

No provision is made for gratuity as per AS-15 due to non-availability of report from LIC group Gratuity Scheme which constitutes a departure from the Accounting Standard - 15 "Employee Benefits (revised 2005)". We were unable to obtain sufficient appropriate audit evidence, consequently the impact thereof on the profit for the year and liability as at year end is not ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid 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, of the state of affairs of the Company as at March 31, 2017, and its Profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c. the Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   d. except for the effect of matter described in the basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
   e. on the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act;
   f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
   g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 27 to the financial statements.
      ii. There are neither long-term contracts nor derivative contracts and hence no provision is required under the applicable law or accounting standards for material foreseeable losses.
      iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
      iv. The Company had provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. Refer Note No. 31 of the financial statements.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.: W100100

Shailesh Bhuta
Partner
Membership No.: 033958

Mumbai,
May 30, 2017

"Annexure A"

Referred to Independent Auditors' Report of even date on the financial statements for the year ended March 31, 2017 referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements"

(i) In respect of fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, all the fixed assets have not been physically verified by the management during the year but there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information & explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of its inventories:

As explained to us, inventories have been physically verified during the year by the management and in our opinion, the frequency of verification is reasonable. In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act and accordingly, clause (iii) (a) to (c) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan, not made any investment, not provided any guarantee and not provided any security during the year. Hence, compliance with Section 185 and Section 186 is not applicable to the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the provisions of Sections 73 to 76 of the Act and rules framed thereunder, and accordingly, clause (v) of the Order is not applicable to the Company.

(vi) The central government has not prescribed the maintenance of cost records under Section (1) of Section 148 of the Act, for any of the services rendered by the company.

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Income-tax, Service Tax, Custom duty, Excise duty, Value Added Tax, Central Sales-tax, Cess and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Custom duty, Excise duty, Value Added Tax, Central Sales-tax, Cess and any other statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable except tax deducted at source amounting to ₹ 2,65,021/-.

(c) According to the information and explanation given to us, there are no dues outstanding in respect of Income Tax, Sales Tax or Wealth Tax or Value Added Tax which have not been deposited on account of any dispute. According to the information and explanations given to us, the following dues in respect of CST have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	CST	8,68,350	2005-06	Central Sales Tax Appellate Authority

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loans from Government and financial institutions. The Company has not issued any debentures during the year.

(ix) Based on our audit procedures and on the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and through term loans during the year. Accordingly, clause (ix) of the Order is not applicable to the Company.

(x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with the directors. Accordingly, clause (xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.: W100100

Shailesh Bhuta
Partner
Membership No.: 033958

Mumbai,
May 30, 2017

"Annexure B"

Referred to in paragraph titled as "Report on the Internal Financial Controls under clause (i) of Sub- Section 3 of Section 143 of the Companies Act, 2013" ("the Act")

We have audited the internal financial controls over financial reporting of Vidhi Specialty Food Ingredients Limited [Formerly known as Vidhi Dyestuffs Manufacturing Limited] ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.: W100100

Shailesh Bhuta
Partner
Membership No.: 033958

Mumbai,
May 30, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(₹ in lakhs)

Particulars	Notes	2017	2016
Equity and Liabilities			
Shareholders' Funds			
(a) Share capital	2	**500.20**	500.20
(b) Reserves and surplus	3	**5,985.47**	5,011.34
		6,485.67	5,511.54
Non-Current Liabilities			
(a) Long-term borrowings	4	**300.48**	486.27
(b) Deferred tax liabilities (Net)	5	**275.97**	199.55
		576.45	685.82
Current Liabilities			
(a) Short-term borrowings	6	**5,815.78**	4,272.12
(b) Trade payables	7	**2,702.19**	1,336.47
(c) Other current liabilities	8	**294.42**	251.92
(d) Short-term provisions	9	**480.65**	220.17
		9,293.04	6,080.68
		16,355.16	12,278.04
Assets			
Non-Current assets			
(a) Fixed assets			
- Tangible assets	10	**2,998.53**	3,095.67
- Capital Work in Progress		**-**	-
(b) Non-current investments	11	**4.43**	12.56
(c) Long-term Loans and Advances	12	**123.64**	103.50
		3,126.60	3,211.73
Current assets			
(a) Inventories	13	**4,065.26**	2,807.33
(b) Trade receivables	14	**6,064.29**	3,910.69
(c) Cash and Cash equivalents	15	**528.67**	1,023.32
(d) Short-term loans and advances	16	**2,288.23**	1,098.71
(e) Other current assets	17	**282.11**	226.26
		13,228.56	9,066.31
		16,355.16	12,278.04
Significant accounting policies	1		
Notes to the financial statements	2-32		

The notes referred to above form an integral part of these financial statements

As per our report of even date

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.W100100

Shailesh Bhuta
Partner
Membership No. 033958

Mumbai, May 30, 2017

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and Managing Director
DIN : 00416441

Mihir B. Manek
Joint Managing Director
DIN : 00650613

Mitesh D. Manek
Chief Financial Officer

Kalika V. Dabholkar
Company Secretary

Mumbai, May 30, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

Particulars	Notes	2017	2016
Income			
Revenue from operations	18	**18,655.88**	18,041.73
Other operating income	19	**604.79**	424.88
Other income	20	**80.82**	126.88
		19,341.49	18,593.49
Expenditure			
Cost of material consumed	21	**5,664.22**	6,432.97
Purchases of stock-in-trade	22	**8,765.48**	5,306.23
Changes in Inventories of finished goods, work in progress and stock-in-trade	23	**(1,061.03)**	950.33
Employee Benefits Expenses	24	**418.88**	375.54
Finance cost	25	**392.08**	560.65
Depreciation expenses	10	**225.87**	216.06
Other expenses	26	**2,583.95**	2,497.18
		16,989.45	16,338.96
Profit before exceptional and extraordinary items and tax		**2,352.04**	2,254.53
Exceptional items		-	-
Profit before extraordinary items and tax		**2,352.04**	2,254.53
Extaordinary items		**-**	-
Profit before tax		**2,352.04**	2,254.53
Tax expense			
- Current year		**785.54**	690.00
- Deferred tax		**76.42**	78.98
- Earlier year		**32.78**	12.33
Profit for the period from continuing operations		**1,457.29**	**1,473.22**
Earnings per equity share			
Basic and Diluted		**2.91**	2.95
Significant accounting policies	1		
Notes to the financial statements	2-32		

The notes referred to above form an integral part of these financial statements

As per our report of even date

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.W100100

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and Managing Director
DIN : 00416441

Mihir B. Manek
Joint Managing Director
DIN : 00650613

Shailesh Bhuta
Partner
Membership No. 033958

Mitesh D. Manek
Chief Financial Officer

Kalika V. Dabholkar
Company Secretary

Mumbai, May 30, 2017

Mumbai, May 30, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(₹ in lakhs)

Particulars		2017	2016
Cash flow from operating activities			
Profit before tax		**2,352.04**	2,254.53
Adjustments for :			
Provision for Diminuition		**8.12**	-
Depreciation		**225.87**	216.06
Finance Cost		**392.08**	560.65
Sundry Balances written back (net)		**(1.59)**	(1.46)
Loss on Sale of Asset		**0.32**	-
Interest income		**(31.88)**	(34.61)
Dividend income		**(0.02)**	(0.20)
Proceeds on Maturity of Keymen Policy		**(15.77)**	-
Interest on DDT paid		**3.66**	-
Insurance claim received on fixed asset		**-**	(49.81)
		580.79	690.63
Operating profit before working capital changes		**2,932.83**	2,945.16
Decrease / (Increase) in inventories		**(1,257.94)**	1,032.78
Decrease/ (Increase) in trade receivables, loans and advances and other current assets		**(3,473.77)**	699.48
Decrease in trade and payables other liabilities		**1,566.47**	(1,856.02)
Net change in working capital		**(3,165.24)**	(123.76)
Cash generated from Operations		**(232.41)**	2,821.40
Direct taxes paid		**(595.73)**	(1,100.82)
Net cash provided by operating activities	**A**	**(828.14)**	1,720.58
Cash flow from investing activities			
Purchase of Fixed Assets		**(134.54)**	(1,611.37)
Sale of Fixed Assets		**5.50**	-
Decrease in Capital WIP		**-**	870.29
Insurance claim received on fixed asset		**-**	49.81
Dividend received		**0.02**	0.20
Interest received		**31.88**	34.61
Proceeds on Maturity of Keymen Policy		**15.77**	-
Net cash used in investing activities	**B**	**(81.37)**	(656.46)
Cash flow from financing activities			
Dividend paid		**(483.17)**	(424.53)
Interest on DDT paid		**(3.66)**	(0.42)
Finance Cost		**(392.08)**	(560.65)
Increase / (Decrease) in long term borrowings		**(249.90)**	399.16
Increase / (Decrease) in short term borrowings		**1,543.67**	(144.20)
Net cash used in financing activities	**C**	**414.86**	(730.64)
Net increase /(decrease) in cash and cash equivalents (A+B+C)		**(494.65)**	333.48
Cash and cash equivalents at the beginning of the year		**1,023.32**	680.90
Bank Overdraft at the end of the year		**-**	8.93
Cash and cash equivalents at the end of the year		**528.67**	1,023.32

As per our report of even date

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.W100100

Shailesh Bhuta
Partner
Membership No. 033958

Mumbai, May 30, 2017

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and Managing Director
DIN : 00416441

Mihir B. Manek
Joint Managing Director
DIN : 00650613

Mitesh D. Manek
Chief Financial Officer

Kalika V. Dabholkar
Company Secretary

Mumbai, May 30, 2017

Notes forming part of the financial statements as at March 31, 2017

Significant Accounting Policies:

Company Overview:

The Company was incorporated on January 19, 1994 and is engaged in the business of manufacturing and trading in synthetic food colors and trading in chemicals.

1 Significant Accounting Policies:

a. Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects the relevant provisions of the Companies Act, 2013 ("the Act"), Accounting Standards notified by the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. Use of Estimates:

Preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision of accounting estimates is recognized prospectively in current and future periods.

c. Revenue Recognition:

Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership to the customers, which is generally on dispatch of goods. Sales are stated exclusive of sales tax and net of trade and quantity discount.

Dividend Income is recognized when the right to receive the dividend is established. Interest Income is recognized on time proportion basis.

Export incentives/benefits are accounted for on accrual basis on value of exports affected during the year.

d. Inventories:

Inventories comprise all cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing the inventories to their present location and condition.

Inventories are valued at lower of cost and net realizable value on First-In-First-Out basis (FIFO).

Cost of work-in-process and finished goods include material cost, labour cost and manufacturing overheads absorbed on the basis of normal capacity of production.

Excise duty payable on production is accounted for at the time of removal from the factory.

Stores and Spares are charged to the statement of profit and loss in the year of purchase.

e. Fixed Assets and Depreciation:

Fixed Assets are stated at the Historical Cost (Net of CENVAT) of acquisition less accumulated depreciation and amortization. The costs of fixed assets include taxes, duties, freight, borrowing cost and other incidental expenses related to the acquisition and installation of the respective assets.

Depreciation on fixed assets is provided for on the straight-line method (SLM) at the rates and in the manner specified in Schedule II to the Companies Act, 2013.

Leasehold land is amortized over the period of lease.

f. Foreign Currencies:

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items outstanding at the Balance Sheet date are reported using closing rate. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss.

g. Investments:

Long term investments are stated at cost. The diminution in the market value of investments is not considered unless such diminution is considered permanent and accordingly provision for diminution is made in books of accounts.

Notes forming part of the financial statements as at March 31, 2017

h. Employee Benefits:

a. **Short–Term Employee Benefits:** Recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. **Post-Employment Benefits:**

i. **Defined Contribution Plans:** The Company's approved provident fund scheme is defined contribution plan. The Company's contribution paid/payable under the Employees' Provident Fund Scheme, 1952 is recognized as expenses in the statement of profit and loss during the period in which the employee renders the related service.

ii. **Defined Benefit Plans:** The Company's gratuity is defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

i. Earnings Per Share:

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

j. Taxation:

Direct Taxes:

Provision for current tax is made and retained in accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961, after considering MAT Credit available.

Deferred tax resulting from "timing differences" between taxable and accounting income on account of depreciation is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

Indirect Taxes:

The liabilities are provided or considered as contingent depending upon the merits of each case and/or receiving the actual demand from the department.

Additional duty on import (ADI) paid on import of chemicals is refundable on fulfillment of certain conditions within a period of 1 year from the Bill of Entry. Therefore Additional duty on import so paid is shown as receivable in financial statements. The duty which is not refundable is charged to profit and loss account.

k. Provision, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

Disclosure for contingent liability is made when there is a present or possible obligation for which it is not probable that there will be an outflow of resources. When there is a present or possible obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Loss arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and it can be reasonably estimated.

Contingent Liabilities are not recognized but are disclosed in the notes. There is no contingent liability at the year-end to be disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements.

l. Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

Notes forming part of the financial statements as at March 31, 2017

(₹ in lakhs)

Particulars	2017	2016
2 Share Capital		
Authorised Share Capital:		
60,000,000 Equity Shares of ₹ 1/- each	**600.00**	600.00
Issued:		
50,034,000 Equity Shares of ₹ 1/- each	**500.34**	500.34
Subscribed and Fully Paid up:		
49,945,000 Equity Shares of ₹ 1/- each	**499.45**	499.45
Forfeited Shares	**0.75**	0.75
	500.20	500.20

i. **Rights of Equity Shareholders**

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

ii. **The reconciliation of the number of shares outstanding is set out below:**

Particulars	2017	2016
Shares outstanding at the beginning of the year	**499.45**	499.45
Shares issued during the year	**-**	-
Shares bought back during the year	**-**	-
Shares outstanding at the end of the year	**499.45**	499.45

iii. **Details of shareholders holding more than 5% shares in the company**

Name of Shareholder	2017		2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Bipin M. Manek	**14,110,333**	**28.25**	14,110,333	28.25
Pravina B. Manek	**17,990,667**	**36.02**	17,990,667	36.02

Particulars	2017	2016
3 Reserve and Surplus		
General Reserve	**586.60**	377.17
Add: Profit and Loss Account	**145.73**	209.43
Less: Transitional Depreciation	**-**	-
	732.33	586.60
Surplus from Statement of Profit and Loss		
Opening Surplus	**4,424.74**	3,644.66
Add: Surplus for the year	**1,457.29**	1,473.22
Less: Interim Dividend	**299.67**	299.67
Less: Proposed Final Dividend	**99.89**	99.89
Less: Dividend Distribution Tax	**62.71**	62.82
Less: Dividend Distribution Tax on Proposed Final Dividend	**20.90**	20.90
Less: Interest on Dividend Distribution Tax	**-**	0.42
Less: Transfer to General Reserve	**145.73**	209.43
	5,253.14	4,424.74
	5,985.47	5,011.34

Notes forming part of the financial statements as at March 31, 2017

(₹ in lakhs)

Particulars	2017		2016	
	Non - Current	**Current**	Non - Current	Current
4 Long Term Borrowings				
Secured Loans				
a) Term Loans - from banks				
Vijaya Bank	**228.04**	**110.00**	416.29	159.09
b) Term Loans - from others				
Bajaj Allianze Life Insurance Company Limited	**72.44**	**-**	69.98	6.09
	300.48	**110.00**	486.27	165.18

4.1 Nature of Security

i. Term Loan from Vijaya bank is secured as under:

*Term Loan Taken from Vijaya Bank carries interest in the range of 11% to 13% and is repayable in 60 monthly installments.

Primary Security

Charge on Movable and Immovable assets financed under Vijaya Bank Term loan.

Collateral Security

1. Charge in favour Vijaya Bank by way of mortgage of Property mentioned as per below details:

Property Description	Type of Property	Owned by
a. Factory Land and Building situated at Plot No. 59B, Roha Industrial Area, MIDC Dhatav, Raigad	Industrial Unit	Vidhi Dyestuffs Manufacturing Limited
b. E/ 27, Commerce Centre, 78, Tardeo Road, Near Tardeo Airconditioned Market, Mumbai- 400038	Commercial Office	Jointly owned by : Mrs. Pravina Manek- Director and Alka Modi- Ex Director

2. Charge on movable and immovable assets financed under Vijaya Term Loan, in respect of working capital loans.

Property Description	Type of Property	Owned by
Factory Land and Building situated at Plot No. 68, Roha Industrial Area, MIDC Dhatav, Raigad	Industrial Unit	Vidhi Dyestuffs Manufacturing Limited

ii. Term Loans from Bajaj Allianze Life Insurance Company Limited

Term Loan taken against Keyman Insurance Policy in the Name of the Director - Bipin M. Manek and Naresh Modi.

5 Deferred Tax Liabilities (Net)		
Deferred tax is attributable to depreciation		
Opening Balance	**199.55**	120.56
Add: For the year	**76.42**	78.98
	275.97	199.55

The deferred tax arising from timing difference is accounted using tax rates that have been enacted or substantively enacted. The net difference arising thereon is debited to Statement of Profit and Loss.

6 Short Term Borrowings		
A) Secured Loans		
Repayable on demand - from banks		
HDFC Bank	**807.51**	451.00
Vijaya Bank	**3,424.75**	3,258.02
HSBC Bank	**936.40**	191.72
	5,168.66	3,900.74

Notes forming part of the financial statements as at March 31, 2017

B)	**Unsecured Loans**		
	Repayable on demand - from banks		
	Standard Chartered Bank	**647.12**	371.38
		5,815.78	4,272.12

Nature of Security (Refer Note 4.1)

i. Working capital loan from HDFC bank is secured as under:

Primary Security

1. Charge in favour of HDFC Bank, Vijaya Bank & HSBC Bank by way of hypothecation of stocks and book debts of the company.
2. Charge in favour of HDFC Bank, Vijaya Bank & HSBC Bank by way of hypothecation of existing movable and immovable asset including plant and machinery of the company.

ii. Working capital loan from Vijaya bank is secured as under:

Primary Security

1. Charge by way of hypothecation of fully insured raw material, work in progress and finished goods comprising of food colours and other material.

iii. Loan from Standard Chartered bank is secured by personal assets of a director.

(₹ in lakhs)

	Particulars	2017	2016
7	**Trade Payables**		
	- Micro, Small and Medium Enterprises	**-**	2.36
	- Others		
	Goods	**1,795.25**	965.77
	Expenses	**863.56**	334.77
	Stores and Spares	**43.38**	33.57
		2,702.19	1,336.47

7.1 The Company has not received any information from Vendors regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence disclosures relating to amounts unpaid as at the end of the reporting period together with interest paid/payable under this Act have not been given.

7.2 In the opinion of the directors, trade payables and other current liabilities have the value at which they are stated in the balance sheet. Trade Payables and Advances are subject to confirmation. Periodically, the company evaluates all supplier dues for payment.

8	**Other Current Liabilities** (Refer note : 7.2)		
	Current maturities of long - term debts (Refer Note: 4)	**110.00**	165.18
	Payable for capital goods	**32.00**	36.95
	Other payables	**16.48**	12.11
	Bank Overdraft	**-**	8.93
	Statutory Dues	**135.94**	28.75
		294.42	251.92

Notes forming part of the financial statements as at March 31, 2017

(₹ in lakhs)

Particulars	2017	2016
9 Short Term Provisions		
Provision for taxation (net of Advance tax and TDS)	**261.57**	-
Expenses Payable	**77.39**	73.25
Proposed Dividend (Refer note 9.1)	**99.89**	99.89
Dividend Distrbution Tax (Refer note 9.1)		
Mar-15	**-**	26.13
Mar-16	**-**	20.90
Mar-17	**41.80**	-
	480.65	220.17

9.1 The amount of dividend per share of ₹ 0.20 (Previous Year ₹ 0.20) has been proposed to be distributed to equity shareholders for the year ended March 31, 2017. The Total amount of dividend including dividend distribution tax for the year shall be ₹ 4,83,16,728 (Previous Year ₹ 4,82,71,910)

10. Fixed Assets

Particulars	Tangible Asset under lease	Tangible Assets not under lease											
	Land	Land	Factory Building	Administrative Building	Furniture and Fixtures	Office Premises	Office Equipments	Plant and Machinery	Electrical Installation	Computers	Telephones	Vehicles	Total
Gross Block	**36.38**	**3.75**	**1,217.58**	**29.15**	**10.79**	**287.03**	**12.40**	**2,874.22**	**179.17**	**18.47**	**4.75**	**210.24**	**4,883.93**
At 1st April 2016													
Additions	-	-	30.45	-	-	-	5.65	82.88	-		-	15.56	134.54
Deductions / adjustments	-	-	-	-	-	-	-	-	-	-	-	12.84	12.84
At 31st Mar 2017	**36.38**	**3.75**	**1,248.03**	**29.15**	**10.79**	**287.03**	**18.05**	**2,957.10**	**179.17**	**18.47**	**4.75**	**212.96**	**5,005.63**
Accumulated Depreciation													
At 1 April 2016	5.61	-	210.80	10.59	10.30	9.67	11.79	1,386.31	47.71	18.33	4.15	73.00	1,788.25
Charge for the period ended 31st Mar,2017	0.42		41.54	1.56	0.15	9.61	0.76	126.50	19.09	0.08	0.48	25.68	225.87
Deductions / adjustments /Addition	-	-	-	-	-	-	-		-	-	-	7.02	7.02
At 31st Mar 2017	**6.03**	**-**	**252.34**	**12.15**	**10.45**	**19.28**	**12.54**	**1,512.81**	**66.80**	**18.41**	**4.63**	**91.66**	**2,007.10**
Net Block													
At 31st March 2017	**30.35**	**3.75**	**995.69**	**17.00**	**0.34**	**267.75**	**5.51**	**1,444.29**	**112.37**	**0.06**	**0.12**	**121.30**	**2,998.53**
Previous Year's Figures													
Gross Block													
At 1st April 2015	36.38	3.75	807.59	29.15	10.79	1.58	12.40	2,190.73	14.27	18.28	4.75	142.88	3,272.55
Additions	-	-	409.98	-	-	285.45	-	744.47	103.92	0.19		67.36	1,611.37
Deductions / adjustments	-	-	-	-	-	-	-	(60.98)	60.98	-	-	-	-
At 31st March 2016	**36.38**	**3.75**	**1,217.58**	**29.15**	**10.79**	**287.03**	**12.40**	**2,874.22**	**179.17**	**18.47**	**4.75**	**210.24**	**4,883.92**
Accumulated Depreciation													
At 1 April 2015	5.19	-	180.01	9.02	10.09	0.56	11.07	1,272.78	12.82	18.28	3.48	48.90	1,572.19
Charge for the period ended 31st Mar,2016	0.42	-	30.79	1.57	0.21	9.11	0.72	137.14	11.28	0.05	0.67	24.10	216.06
Deductions / adjustments /Addition			-					(23.61)	23.61				-
Transferred to GR (Transitional Depreciation)					-		-	-	-	-	-		-
At 31st March, 2016	**5.61**	**-**	**210.80**	**10.59**	**10.30**	**9.67**	**11.79**	**1,386.31**	**47.71**	**18.33**	**4.15**	**73.00**	**1,788.25**
Net Block													
At 31st March 2016	**30.77**	**3.75**	**1,006.78**	**18.56**	**0.49**	**277.36**	**0.61**	**1,487.91**	**131.46**	**0.14**	**0.60**	**137.23**	**3,095.67**

Notes forming part of the financial statements as at March 31, 2017

(₹ in lakhs)

Particulars	2017	2016
11 Non-Current Investments		
(At cost - Non trade - long term)		
Investment in quoted equity instruments:		
Face Value of ₹ 10 each		
622 shares Coal India Limited	**1.45**	1.45
1380 shares Birla Machining and Toolings Limited	**1.04**	1.04
3616 shares Diamines and Chemicals Limited	**1.85**	1.85
10057 shares Ontrack Systems Limited	**5.81**	5.81
889 shares Power Grid Corporation of India Limited	**0.76**	0.76
500 shares Roman Tarmat Limited	**1.65**	1.65
Less: Provision for Diminuition of Shares	**(8.13)**	-
	4.43	12.56
Aggregate Market Value of quoted investments	**5.95**	5.56
12 Long-term Loans and Advances		
(Unsecured, considered good)		
Capital Advances	**23.37**	3.38
Deposits	**100.27**	100.12
	123.64	103.50
13 Inventories		
(As taken, valued and certified by management)		
Manufacturing Inventory		
a) Raw Materials	**769.97**	580.96
b) Packaging Materials	**34.17**	35.05
c) Stock with third parties	**181.33**	67.77
d) goods in transit	**21.38**	12.61
Work in Progress	**321.63**	422.34
Finished Goods	**658.05**	936.81
Trading Inventory		
a) stock-in-hand	**2,078.73**	709.63
b) goods in transit	**-**	42.16
	4,065.26	2,807.33
14 Trade Receivables (Refer note : 14.1)		
- Debt outstanding for a period exceeding six months from the date they are due for payment:		
Unsecured, considered good	**789.63**	656.90
- Others:		
Unsecured, considered good	**5,274.66**	3,253.79
	6,064.29	3,910.69

14.1 In the opinion of the directors, trade receivables, current assets, loans and advances have the value at which they are stated in the balance sheet, if realised in the ordinary course of business. Periodically, the company evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, general economic factors, which could affect the customer's ability to settle.

Notes forming part of the financial statements as at March 31, 2017

(₹ in lakhs)

	Particulars		2017	2016
15	**Cash and Cash equivalents**			
	Balance with Scheduled Banks :			
	- in current accounts		**49.30**	573.39
	- in margin money accounts (Refer Note 15.1)		**462.96**	437.16
	- in unpaid dividend account		**14.20**	9.14
	Cash on hand		**2.21**	3.63
			528.67	1,023.32
15.1	Margin Money deposits amounting to ₹ 4,62,95,794/- (Previous Year ₹ 4,37,16,003/-) are lying with Bank towards Bank Guarantee and Letters of Credit.			
16	**Short-term Loans and Advances**			
	Unsecured, considered good			
	Advance to suppliers		**1,417.01**	430.14
	Balance with Revenue Authorities		**805.56**	567.03
	Others		**63.71**	43.32
	Provision for taxation (net of Advance tax and TDS)		**-**	53.52
	Refund of Wealth Tax AY 12-13		**1.95**	1.95
	Income Tax AY 13-14 (Assets)		**-**	2.75
			2,288.23	1,098.71
17	**Other Current Assets**			
	Accrued Interest		**15.95**	13.05
	Export Incentives Receivables		**266.16**	213.22
			282.11	226.26
18	**Revenue from Operations**			
	- Revenue from Manufacturing Activities of food colors			
	Export Sales		**10,178.63**	10,564.03
	Local Sales		**492.72**	469.77
			10,671.35	11,033.80
	Less: Excise Duty		**392.55**	418.36
		A	**10,278.80**	10,615.44
	- Revenue from Trading Activities of chemicals			
	Local Sales		**9,408.88**	8,521.55
			9,408.88	8,521.55
	Less: Excise Duty		**1,031.80**	1,095.26
		B	**8,377.08**	7,426.29
		(A + B)	**18,655.88**	18,041.73
	Earnings in Foreign Currency			
	F.O.B. Value of Exports		**9,595.94**	10,051.34
19	**Other Operating Revenue**			
	Export Incentives		**261.92**	285.64
	Net gain on foreign currency transaction and translation		**342.87**	139.24
	Profit on sale of License			
			604.79	424.88

Notes forming part of the financial statements as at March 31, 2017

(₹ in lakhs)

	Particulars	2017	2016
20	**Other Income**		
	Interest received	**31.88**	34.61
	Dividend received	**0.02**	0.20
	Proceeds on Maturity of Keymen Policy	**15.77**	28.37
	Insurance Claim received	**-**	49.81
	Profit From Consignment Sales	**-**	2.10
	Sundry balances written off	**1.59**	1.46
	MSG Refund	**11.46**	-
	Rate difference	**20.10**	10.33
		80.82	126.88
21	**Cost of Material Consumed**		
	Opening Stock of :		
	-Raw materials and Packing material	**616.00**	458.37
	-Stock in Transit	**12.61**	252.69
	Purchase of:		
	-Raw materials	**5,309.93**	5,745.45
	-Packing material	**225.48**	221.62
	-Fuel	**67.81**	159.93
	Less: Closing Stock of :		
	-Raw Material and Packing Materials	**804.14**	616.00
	-Stock in transit	**21.38**	12.61
	Labour charges	**257.91**	223.52
		5,664.22	6,432.97
	Details of material consumed (excl. labour charges) :		
	Chemicals, Dyes and Intermediates	**5,372.86**	6,038.89
	Packing material	**226.36**	222.16
	Fuel	**65.00**	171.92
		5,664.22	6,432.97
	Imported	**3,655.76**	3,810.06
	Indigenous	**2,008.46**	2,622.91
		5,664.22	6,432.97
	Imported (%)	**64.54**	59.23
	Indigenous (%)	**35.46**	40.77
		100.00	100.00
	Value of Imports on C.I.F. basis		
	Raw Materials	**3,663.68**	3,628.67
22	**Purchases of Stock-in-Trade**		
	Purchase of Chemicals:		
	Others	**8,765.48**	5,306.23
		8,765.48	5,306.23
	Value of Imports on C.I.F. basis		
	Trading Purchases of Chemicals	**6,489.73**	4,606.09

Notes forming part of the financial statements as at March 31, 2017

(₹ in lakhs)

	Particulars	2017	2016
23	**Changes in inventories of finished goods, work in progress and stock-in-trade**		
	Opening Stock of :		
	Finished goods	**936.81**	495.54
	Work-in-progress	**490.12**	358.73
	Trading goods	**751.79**	2,274.79
		2,178.72	3,129.05
	Less: Closing Stock of :		
	Finished goods	**658.05**	936.81
	Work-in-progress	**502.97**	490.12
	Trading goods	**2,078.73**	751.79
		3,239.75	2,178.72
		(1,061.03)	950.33

In view of the accounting policy followed by the Company, excise duty payable on finished goods is neither included in the expenditure nor included in the value of such stocks, but is accounted for on clearance of the goods. This accounting treatment has no impact on profit. The amount of excise duty payable on finished goods not cleared as at March 31, 2017 is ₹ 8,225,675/- (Previous year ₹ 11,710,130/-)

24	**Employee Benefits Expenses**		
	Factory Salaries and Wages	**99.94**	96.54
	Office Salaries and Wages	**67.50**	45.76
	Bonus	**15.81**	9.91
	Remuneration & Commission to Directors	**193.91**	192.11
	Contribution to Provident and Other Funds	**8.31**	7.29
	Staff Welfare Expenses	**33.41**	23.93
		418.88	375.54
25	**Finance Cost**		
	Interest on Long Term Borrowings	**68.71**	56.86
	Interest on Short Term Borrowings	**45.11**	40.22
	Interest on Bill Discounting and PCL	**193.84**	368.49
	Bank Processing Charges	**83.50**	82.22
	Loan Processing Charges	**0.92**	12.86
		392.08	560.65

Notes forming part of the financial statements as at March 31, 2017

(₹ in lakhs)

Particulars		2017	2016
26 Other expenses			
a) *Manufacturing and Operating Expenses*			
Anti-dumping duty		**166.93**	190.58
Clearing and forwarding		**171.56**	148.50
Effluent treatment charges		**47.37**	64.25
Freight and octroi charges		**139.46**	124.95
Insurance charges		**12.19**	11.49
Power charges		**413.97**	397.80
Professional and consultancy fees		**9.24**	5.28
Repairs and Maintenance		**403.05**	392.61
Stores and spares consumed		**114.18**	104.77
Warehousing charges		**37.21**	25.71
Import Charges		**146.70**	154.47
Miscellaneous manufacturing and operating expenses		**174.86**	130.90
	A	**1,836.72**	1,751.31
b) *Administrative Expenses*			
Agency charges		**34.05**	28.57
Provision for Diminuition		**8.13**	-
Payment to auditors			
-Statutory Audit		**7.50**	7.50
-Tax Audit		**1.75**	1.75
-Certification and Others Charges		**2.50**	2.25
-IFC -FR		**0.50**	2.50
-Representation Fees		**4.00**	3.50
Printing and stationery		**17.56**	21.33
Communication expenses		**9.14**	8.95
Electricity expenses		**3.78**	4.91
Rent rates and taxes		**40.77**	0.38
Professional and consultancy charges		**38.80**	20.64
Donation		**2.29**	0.21
Listing Fees		**5.30**	5.75
Travelling Charges		**8.45**	6.58
Commission		**90.00**	90.00
Director Sitting Fees		**0.83**	1.50
Swachh Bharat Cess		**5.97**	-
Interest on Others		**11.16**	2.65
Miscellaneous administrative expenses		**63.94**	46.84
	B	**356.42**	255.80
c) *Selling and Distribution Expenses*			
Advertisement		**5.71**	3.02
Business promotion		**22.21**	21.56
Clearing and forwarding		**15.76**	23.05
Commission expenses		**30.76**	44.43
E. C. G. C. premium		**14.70**	15.95
Exhibition and trade fair expenses		**11.69**	20.45
Foreign travelling expenses		**12.96**	8.23
ISI / FDA marketing fees		**15.25**	79.34
Freight and Octroi Charges		**189.91**	200.53
Terminal handling charges		**45.09**	33.28
Packing and forwarding		**22.86**	23.68
Miscellaneous distribution and selling expenses		**3.91**	16.53
	C	**390.81**	490.07
	(A + B + C)	**2,583.95**	2,497.18

Notes forming part of the financial statements as at March 31, 2017

(₹ in lakhs)

Particulars	2017	2016
26.1 Expenditure in Foreign Currency		
Commission on Export Sales	**2.16**	10.32
Travelling Expenses	**12.96**	8.23
Exhibhition and Trade Fair Expenses	**11.69**	20.45
FDA Making Fees	**15.25**	79.34
	42.06	118.34
27 Contingent Liability		
Central Sales Tax (FY 2005-2006)	**8.68**	8.68
Central Sales Tax (FY 2006-2007)	**-**	0.92
Maharashtra VAT (FY 2009-2010)	**-**	1.15
Central Sales Tax (FY 2009-2010)	**-**	1.01
	8.68	11.77

28 Related Party Disclosures:

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

Key management personnel, relatives and related parties

Key management personnel

1. Bipin M. Manek – Chairman and Managing Director
2. Mihir B. Manek – Joint Managing Director
3. Vijay K. Atre – Technical Director
4. Pravina B. Manek – Director

Enterprises over which key management personnel have significant influence:

1. Arjun Food Colorants Manufacturing Private Limited
2. Trident Colours & Chemicals (Proprietor:- Amee Manek)

Nature of transactions	2017			2016		
	Key management personnel	**Relatives and Related parties of Key Management Personnel**	**Enterprises over which key management personnel have significant influence**	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Transactions during the year						
Managerial Remuneration						
Bipin M. Manek	**95.46**	**-**	**-**	94.56	**-**	**-**
Mihir B. Manek	**95.46**	**-**	**-**	94.56	**-**	**-**
	190.91	**-**	**-**	189.11	**-**	**-**
Technical Director Remuneration						
Vijay K. Atre	**3.00**	**-**	**-**	3.00	**-**	**-**
	3.00	-	-	3.00	-	-
Bank Guarantee Commission						
Pravina B. Manek	**45.00**			45.00		
Bipin M. Manek	**45.00**	**-**	**-**	45.00	**-**	**-**
	90.00	**-**	**-**	90.00	**-**	**-**

Notes forming part of the financial statements as at March 31, 2017

Nature of transactions	2017			2016		
	Key management personnel	**Relatives and Related parties of Key Management Personnel**	**Enterprises over which key management personnel have significant influence**	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Outstanding Receivables						
Security Deposit						
Pravina B. Manek	**-**	**-**	**20.00**	-	-	20.00
	-	**-**	**20.00**	**-**	**-**	20.00

Summary of Related Party Transactions

Nature of transactions	2017			2016		
	Key management personnel	**Relatives and Related parties of Key Management Personnel**	**Enterprises over which key management personnel have significant influence**	Key management personnel	Relatives and Related parties of Key Management Personnel	Enterprises over which key management personnel have significant influence
Transactions during the year						
Managerial Remuneration	**190.91**	**-**	**-**	189.11	-	-
Technical Director Remuneration	**3.00**	**-**	**-**	3.00	-	-
Bank Guarantee Commission	**90.00**	**-**	**-**	90.00	-	-
Outstanding Receivables						
Security Deposit	**-**	**-**	**20.00**	-	-	20.00

29 **Segment Reporting**

The Company's main activity is manufacturing and trading of food colours and trading in chemicals which constitutes a single reportable segment in the context of Accounting Standard – 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

30 The balances of Sundry Debtors, creditors and advances are subject to confirmation.

31. During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in lakhs)

Particulars	SBN*	Other Denomination notes	Total
Closing Cash in hand as at November 8, 2016	2.50	1.69	4.19
Add : Permitted Receipts #	-	10.54	10.54
Less : Permitted Payments	-	(9.39)	(9.39)
Less : Amount deposited in Bank(s)	(2.50)	-	(2.50)
Closing Cash in hand as at December 30,2016	**-**	**2.84**	**2.84**

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Permitted receipts includes withdrawal from bank

Notes forming part of the financial statements as at March 31, 2017

32 Previous period's figures have been regrouped/ reclassified, wherever necessary to make them comparable.

As per our report of even date

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No.W100100

Shailesh Bhuta
Partner
Membership No. 033958

Mumbai, May 30, 2017

For and on behalf of the Board of Directors

Bipin M. Manek
Chairman and Managing Director
DIN : 00416441

Mihir B. Manek
Joint Managing Director
DIN : 00650613

Mitesh D. Manek
Chief Financial Officer

Kalika V. Dabholkar
Company Secretary

Mumbai, May 30, 2017

Notes

Notes

VIDHI SPECIALTY FOOD INGREDIENTS LIMITED

(Formerly known as Vidhi Dyestuffs Manufacturing Limited)

CIN: L24110MH1994PLC076156

Registered office: E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400034
Tel. No.:022-6140 6666 Fax No. 022-2352 1980
E-mail: vdml@vsnl.com Website: www.vidhifoodcolour.com

Form No. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Twenty-Fourth Annual General Meeting - Monday, September 25, 2017

Name of the Member(s):
Registered Address:
Email:
Folio no. / Client ID:
DP ID:

I/We, being the member (s) of ……..…. shares of the above named company, hereby appoint

1. Name:…….....…….....EmailId:……
   Address: ……
   ……..
   Signature:…….....……., or failing him/her

2. Name:…….....…….....EmailId:……
   Address: ……
   ……..
   Signature:…….....……., or failing him/her
3. Name:…….....…….....EmailId:……
   Address: ……
   ……..
   Signature:…….....……..,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-Fourth Annual General Meeting of the Members of the Company to be held on Monday, September 25, 2017 at 3.30 p.m. at The Victoria Memorial School for Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400 034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Resolution	Voting (Optional)	
	Ordinary Business	**For**	**Against**
1.	Adoption of Audited Financial Statement of the Company for the Financial Year ended March 31, 2017 including the Audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Reports of the Board of Directors and Auditors' thereon.		
2.	Confirmation of the 1st Interim Dividend, 2nd Interim Dividend and 3rd Interim Dividend declared during the financial year 2016-17.		
3.	Declaration of Final Dividend on equity shares for the financial year 2016-17.		
4.	Appointment of Director in place of Mr. Vijay Krishnaswamirao Atre (DIN: 00416853), who retires by rotation and being eligible, offers himself for re-appointment.		
5.	Appointment of the Statutory Auditors of the Company and fix their remuneration.		

Signed this _____day of_____ 2017

Affix revenue stamp

_____

Signature of shareholder

_____ _____ _____

Signature of Proxy holder(s) Signature of Proxy holder(s) Signature of Proxy holder(s)

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.

A Truly Global Foot Print



95.74% of all colours manufactured by Vidhi are exported globally.

Australia	Argentina	Cyprus	Egypt	Iran
Bangladesh	Bolivia	Czech Republic	Georgia	Syria
China	Brazil	France	Kenya	UAE
Indonesia	Canada	Germany	South Africa	
Malaysia	Chile	Hungary		
Pakistan	Colombia	Italy		
Philippines	El Salvador	Malta		
Sri Lanka	Guatemala	Morocco		
Thailand	Mexico	Republic of Poland		
Vietnam	Paraguay	Russia		
	Peru	Spain		
	Uruguay	The Netherlands		
	USA	Turkey		
		UK		



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Vidhi Specialty Food Ingredients Limited
(Formerly known as Vidhi Dyestuffs Manufacturing Limited)
Office : E/27/28/29, Commerce Centre, 78, Tardeo Road, Mumbai – 400034, India
Tel : + 91 22 6140 6666 (100 Lines) Fax : + 91 22 2352 1980
Factory : 59/B & 68, M.I.D.C. Dhatav, Roha Dist : Raigad, Maharashtra – 402116, India
E-mail : vdml@vsnl.com Web : www.vidhifoodcolour.com

VIDHI

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Statement on Impact of Audit Qualifications

(For audit report with modified opinion for Financial Statement)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1,934,149,312	1,934,149,312
	2.	Total Expenditure	1,698,945,104	1,698,945,104
	3.	Net Profit/(Loss)	145,729,295	145,729,295
	4.	Earnings Per Share	2.91	2.91
	5.	Total Assets	1,635,516,126	1,635,516,126
	6.	Total Liabilities	986,949,071	986,949,071
	7.	Net Worth	648,567,055	648,567,055
	8.	Any other financial item(s) (as felt appropriate by the management)	--------	---------

II.		
	A. Details of Audit Qualification for Financial Statement:	As more fully explained in Notes to the Financial Statements, no provisions are made for gratuity by the Company which constitutes a departure from the Accounting Standard – 15 "Employee Benefits (Revised 2005)'. We are unable to obtain sufficient appropriate audit evidence, consequently the impact thereof on the Profit for the year and liability as at the year end is not ascertainable.
	B. Type of Audit Qualification :	Qualified Opinion
	C. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Appeared for the First Time.
	D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable.
	E. For Audit Qualification(s) where the impact is not quantified by the auditor:	The Management of the Company is in process to obtain actuarial valuation report to adopt AS-15.
	1. Management's estimation on the impact of audit qualification:	It is unascertainable.
	2. If management is unable to estimate the impact, reasons for the same:	As Actuarial Report is not available, estimate of impact is not possible.
	3. Auditors' Comments on (i) or (ii) above:	The Management of the Company is in process to obtain actuarial valuation report to adopt AS-15.

Vidhi Specialty Food Ingredients Limited.
(Formerly know as Vidhi Dyestuffs Mfg. Ltd.)
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Web : www.vidhifoodcolour.com
CIN : L24110MH1994PLC076156

III.	**Signatories:**	
	Mr. Bipin Manek (Chairman & Managing Director)	
	Mr. Mitesh Manek (Chief Financial Officer)	
	Mr. Shailesh Bhuta Partner Bhuta Shah & Co LLP Chartered Accountants (Statutory Auditors)	
	Mr. Niren Desai Independent Director (Chairman of Audit Committee Meeting)	