

23rd

ANNUAL REPORT

2009-2010

VIVID GLOBAL INDUSTRIES LTD.

(Formerly Known as : VIVID CHEMICALS LTD.)

VIVID GLOBAL INDUSTRIES LIMITED

BOARD OF DIRECTORS

SHRI SUMISH S.MODY	WHOLETIME DIRECTOR
SHRI MANOJ KUMAR CHAUHAN	DIRECTOR
SMT. ASHA S. MODY	DIRECTOR
SHRI DHARMESH D.CHOKSI	DIRECTOR

BANKERS :

BANK OF BARODA,
BACKBAY RECLAMATION BRANCH,
MUMBAI-400 020.

AUDITORS :

M/S. K.M. KAPADIA & ASSOCIATES
SHOP NO.49, 1ST FLOOR
ASHOKA SHOPPING CENTRE
L.T. MARG,
MUMBAI-400 001.

REGISTERED OFFICE :

D-21/1, M.I.D.C. TARAPUR 401 506
VIA BOISAR, DIST.THANE.

ADMINISTRATIVE OFFICE :

C/O.SUMICHEM CORPORATION
1-D, DHANNUR BUILDING,
SIR P.M.ROAD, FORT,
MUMBAI 400 001.
Email ID: vividchem@yahoo.com

REGISTRARS & SHARE TRANSFER AGENTS :

REGD.OFFICE:

SHAREPRO SERVICES (INDIA) PVT.LTD.
13AB, SAMHITA WAREHOUSING COMPLEX,
SECOND FLOOR, SAKINAKA TELEPHONE EXCHANGE LANE,
OFF ANDHERI KURLA ROAD, SAKINAKA,
ANDHERI (EAST), MUMBAI-400 072.

INVESTOR RELATION CENTRE:

SHAREPRO SERVICES (INDIA) PVT.LTD.
912, RAHEJA CENTRE,
FREE PRESS JOURNAL ROAD,
NARIMAN POINT, MUMBAI-400 021.

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Vivid Global Industries Limited, will be held at Plot No. D-21/1,M.I.D.C., Tarapur, Via Boisar, Dist. Thane on Wednesday 29th September 2010 at 11.00 A.M. to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Dharmesh Choksi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

For and on behalf of the Board of Directors

SUMISH S. MODY
MANAGING DIRECTOR

REGISTERED OFFICE :

D-21/1 M.I.D.C.,
Tarapur, Via Boisar,
Dist. Thane

Dated : 18th August, 2010

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the share transfer books will remain closed from 24th September 10 to 29th September, 10 both days inclusive.
3. Members desiring to seek further information or clarifications on the Annual Accounts or operations of the Company at the meeting are requested to send their queries so as to reach the Registered Office at least 10 days in advance of the date of meeting to enable the management to keep the information ready.
4. Members are requested to bring their copies of Annual Report and Accounts to the Meeting.
5. Members are requested to notify immediately any change in their address to the Companies Registrar and Share Transfer Agents M/s. Sharepro Services (India) Pvt. Ltd. 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072 or at 912, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai 400 021.

DIRECTOR'S REPORT

To,

The Members

Your Directors have pleasure in presenting the Twenty Third Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS :

	(Rs. in lacs)	(Rs. in lacs)
	31st March, 2010	31st March, 2009
Net Sales/Income from Operations excluding Excise & Sales Tax	1258.47 -----	597.43 -----
Gross Profit/(Loss) before Depreciation & Interest	98.89	(63.65)
Less :Depreciation	11.48	19.15
:Interest	16.15 -----	14.80 -----
	27.63 -----	33.95 -----
	71.26	(97.61)
Less: Prior years adjustments	0.20 -----	-- -----
Net Profit/(Loss) before Tax	71.06	(97.61)
Profit/ (Loss) after Tax	71.06	--
Add/(Less) Profit /Loss Brought Forward	(382.10)	(284.49)
Balance Carried to Balance Sheet	(311.04) =====	(382.10) =====

OPERATIONS :

During the year under review the Company has recorded a total Income of Rs. 1258.47 Lacs as compared to Rs. 597.43 Lacs for the previous year and the Net Profit for the year was Rs. 71.06 Lacs as compared to a Loss of Rs. 97.61 in the previous year.

During the year the Company has collaborated with another Company for the marketing of one of its products, resulting in maximum utilization of plant capacity. Also with the stabilization of the export market the export turnover for another product has also improved. In addition the Import prices for J Acid have stabilized.

Your Company with the help of in-house research has succeeded in improving the yield efficiency by approximately 5%. As a result of all these factors the turnover and profitability have substantially improved and barring unforeseen circumstances your Directors are optimistic about the current year.

DIVIDEND :

In view of the accumulated losses your Directors do not recommend any dividend.

DIRECTORATE :

Mr. Dharmesh Choksi retires by rotation and being eligible offers himself for re-appointment.

FIXED DEPOSIT :

The Company has not accepted any Deposit which attracts the provisions of Section 58A of the Companies Act, 1956.

AUDITORS :

The present statutory auditors M/s K. M. Kapadia & Associates, Chartered Accountants retire at the close of this Annual General Meeting and are eligible for re-appointment. The Company has received the consent and eligibility certificate from them. The Directors therefore recommend the re-appointment of M/s K. M. Kapadia & Associates, Chartered Accountants as Auditors of the Company.

PARTICULARS OF EMPLOYEES :

None of the employees of the Company draws remuneration more than the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) The Directors 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 and of the Profit & Loss of the Company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and detecting fraud and other irregularities to the best of their knowledge and ability.
- iv) The Directors have prepared the annual accounts on a "going concern basis".

CORPORATE GOVERNANCE :

Pursuant to Clause 49 to the Listing Agreement with the Stock Exchange a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance form part of this Report.

INDUSTRIAL RELATIONS :

The relations with the employees have remained cordial.

ACKNOWLEDGEMENTS :

Your Board of Directors would like to place on record its sincere appreciation for the whole hearted support and contributions made by Auditors, Banks, Financial Institutions, Suppliers and other Business Associates towards the conduct of the operations of the Company.

For and on behalf of the Board of Director

SUMISH S. MODY
MANAGING DIRECTOR

ASHA S.MODY
DIRECTOR

Place : Mumbai
Dated : 18th August 2010

INFORMATION AS PER SECTION 217 (1)(E) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

A) CONSERVATION OF ENERGY :

a. Though the Company's manufacturing operations do not involve substantial energy consumption the Company has taken adequate steps to improve energy utilization wherever possible.

b. **ADDITIONAL INVESTMENTS AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY.**

No additional investments made during the year.

c. **IMPACT OF THE ABOVE MEASURES : NIL**

d. **TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION.**

"Form – A" not applicable.

B). TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a. The company is examining possibilities of new technology to improve the quality of its products.

b. Imported Technology :

No technology was imported by the company during the year under review.

c). FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Activities relating to export, initiative taken to increase exports, development of new export markets for products and service and export plant:

During the current year the Company has exported its products to Far East Countries. Efforts are being made to develop new markets and the Company expects substantial increase in export during the current year.

(b) Total Foreign Exchange Earned.

Used Rs. 4,20,41,453

Earned Rs. 3,66,72,423

For and on behalf of the Board of Director

SUMISH S. MODY
MANAGING DIRECTOR

ASHA S.MODY
DIRECTOR

Place : Mumbai

Dated : 18th August 2010

MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry Structure and Development :

The Company is engaged in the business of producing intermediate dyes and trading in dyes based on a basic raw material Tobias Acid and J.Acid, which is imported from China. With the import of the basic raw material, the Company carries out processing activities on job work basis and produces the various dyes and dye intermediates.

B) Opportunities and Threats

The Company is finding a good market for its range of products in the developing Asian Countries and has also found a good market in various other countries. This growth in market share has been achieved due to collaboration with another company for marketing of the company's products. One of the main threats faced by the Company are the availability of cheaper products from China.

C) Segment-wise Performance

The Company has only one business segment viz dye intermediates and dyes and hence product-wise performance is not provided.

D) Outlook

The outlook for the Company's business depends on the Cotton textile industry since majority of the Company's products are used in cotton fabrics. Recent times have seen a reversal of trends from synthetic to cotton fabrics and with the increase in demand for cotton the Company has a tremendous potential for growth.

E) Risk and Concerns

Globalised competitive scenario in Dyes and raw materials and dumping of low price products from the Chinese markets are the major areas of risk and concern for your Company. Any unfavourable trends in the import tariffs on key raw materials may have adverse impact on the cost and selling prices thereby putting pressure on the margins.

F) Internal Control Systems and their Adequacy

The Company has satisfactory internal control system, the adequacy of which has been mentioned in the Auditors' Report.

G) Human Resources

There has been no material development on the Human Resource / Industrial relations front during the year.

Report on Corporate Governance
(pursuant to clause 49 of Listing Agreement)

1. Company's Philosophy on code of Governance:

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, customers, employees and ensuring a long term relationship of trust by maintaining transparency and disclosures. The Company is aiming at efficient conduct of the business in meeting its obligations to the shareholders.

The Company has adopted a Code of Conduct as required under clause 49 of the listing Agreement with the stock Exchanges. The Directors have confirmed compliance with the code of conduct for the year ended 31st March, 2010.

The relevant standards of Corporate Governance have been fully complied with by the Company.

2. Board of Directors :

Composition and size of the Board

The present strength of the Board is 4. The Board comprises of one Managing Director and the remaining three are Non executive Directors.

The size and composition of the Board confirms with the requirements of Corporate Governance under the Listing Agreement with the Stock Exchange and applicable laws. The Independent Non Executive Directors of the Company do not have any other material or pecuniary relationship or transaction with the Company, its promoters, its management or its subsidiaries, which in the judgement of the Board may affect independence of judgement of the Directors. Non-Executive Directors are not paid any remuneration.

No. of Board Meetings held during the year along with the dates of meeting

In the financial year 2009 – 2010, the Board met Eighth times. The Board meetings were held on

(1) 29th April 2009 (2) 16th July, 2009, (3) 29th July, 2009 (4) 26th August, 2009, (5) 29th October, 2009, (6) 5th November, 2009, (7) 29th January, 2010 (8) 26th March, 2010.

Attendance of Directors at Board Meeting and last Annual Meeting.

The composition of Board of Directors and their attendance at the Board Meetings during the year and at the last Annual General Meeting as also number of other directorship, committee memberships and chairmanships held by them, are given below:

Directors	Category	Shares held	Attendance Particulars		No. of other Directorship and Committee Membership/ Chairmanship held		
			Board Meeting	Last AGM	Director-Ships	Committee Memberships	Committee Chairmanships
Mr. Sumish S. Mody	MD	335830	8	Yes	2	Nil	Nil
Mr. Manoj Kumar Chauhan	NED	Nil	5	Yes	Nil	1	1
Mrs. Asha Mody	NED	370040	8	Yes	3	1	Nil
Mr. Dharmesh D. Choksi	NED	Nil	8	Yes	Nil	1	1

C: Chairman; MD: Managing Director; WTD: Wholetime Director; NED: Non Executive Director
Directors who are Chairpersons of Committee have been included in the list of members as well.
The Board periodically reviews compliance Reports of all laws applicable to the company as well as steps taken by the Company to rectify instances of non-compliances, if any.

None of the Directors is a Member of more than 10 Board – level Committees or Chairman of more than 5 such Committees, as required under clause 49 of the listing agreement, across all Companies in which they are Directors.

The Brief Profile of Director being appointed/re-appointed (pursuant to Clause 49 of the Listing Agreement):

1. Name of the Director	Mr. Dharmesh Choksi
2. Date of Birth	18.08.1975
3. Date of Appointment	21.04.2008
4. Experience in specific Areas	He has 5 years experience In Jewellery business in administration and organization.
5. Qualifications	B. Com, Graduate
6. Directorships in other Companies	Nil
7. Membership of committees	2

3. **Audit Committee:**

Terms of reference, Composition:

The terms of reference of this committee covers the matters specified for Audit committee under Clause 49 of the Listing Agreement. The Chairman of the Audit committee is Mr. Dharmesh Choksi, an independent director.

Audit Committee meetings were held on

(1) 29th April, 2009 (2) 29th July, 2009 (3) 29th October, 2009 (4) 29th January, 2010.

The composition of audit Committee and attendance at its meetings is given hereunder:

Member	Position	No. of Meetings attended
Mr. Dharmesh Choksi	Chairman	4
Mr. Manoj Kumar Chauhan	Member	4
Mrs. Asha Mody	Member	4

Mr. Sumish Mody, Managing Director and the statutory auditors were the invitees to the above meetings.

4. **Remuneration of Directors**

The Board has not set up a remuneration committee. The Managing Director has been paid remuneration of Rs. 1,95,000 during the year.

5. **Shareholders Grievance Committee**

The Shareholders Grievance Committee comprises of two independent Directors Mr. Dharmesh Choksi, and Mr. Manoj Kumar Chauhan. Mr. Manoj Chauhan is the Chairman of the Shareholders' Committee. Mr. Sudhir M. Mody is the Compliance Officer. There are a no complaints that have remained un –redressed.

6. **General Body Meetings**

The details of General Meetings held during last three year are as under:-

Financial Year	Day and Date	Time
2008-2009	Tuesday 29/09/2009	11.00 a.m.
2007-2008	Wednesday 17/09/2008	11.00 a.m
2006-2007	Saturday 29/09/07	11.00 a.m.

7. **Location :**

All the above General Meetings were held at the Company's Registered Office at D- 21/1 M.I.D.C., Tarapur, Via Boisar, Dist. Thane

8. Business

During the last year, there was no business, which had to be conducted through a postal ballot. At present, the Company does not have any resolution to be decided by the members by postal ballot.

9. Disclosures

1. There are no related party transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval. The transactions with the related parties are disclosed in the notes to accounts in the Annual Report.

2. During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India. The company's shares are now regularly traded on the BSE.

3. Code of Conduct

The Board of Directors of the Company has laid down two separate Codes of Conduct – one for Directors and other for Senior Management and Employees.

All Board Members and Senior Management personnel have affirmed compliance with the Code of conduct for the year review. A Declaration signed by Managing Director to this effect is annexed to this report

4. CEO/CFO Certification

As required under Clause 49 V of the listing Agreement with the Stock Exchanges, the Managing Director and CFO of the Company have certified to the Board regarding their review on the Financial Statements, Cash flow Statements and matters related to internal controls etc. in the prescribed format for the year ended 31st March, 2009.

10. Means of Communication

1. The financial results of the Company are published in widely circulating National dailies such as Free Press Journal and Nav-shakti. These are not sent individually to the shareholder.

2. The Company's results or official news are not displayed on the Company's web site. There were no presentations made to the institutional investors or to the analysts.

3. The Management Discussion and Analysis Report forms a part of this Annual Report.

11. General Shareholder Information

a. AGM Day, Date, Time	Wednesday , 29 th September, 2010 at 11a.m.
Venue	D/21/1 M.I.D.C.,Tarapur,Via Boisar, Dist.Thane
b. Financial Calendar	01.04.2010 to 31.03.2011
c. Un- Audited Financial Results	1 st Quarter Last Week of July
	2 nd Quarter Last Week of October
	3 rd Quarter Last Week of January
	4 th Quarter Last Week of April
d. Book Closure Period	24.09.10 to 29.09.10
e. Dividend Payment Date	Not Applicable

f) **High/ Low market prices of the Company shares traded on Stock Exchange, Mumbai**

The shares of the Company are traded frequently on the Stock Exchange. During the year the high price was Rs.22.60 on 18.09.2009 and the low price was Rs.6.05 on 05.03.2010.

g) Listing on stock Exchanges at :

The Equity Shares of the Company are listed at the following Stock Exchanges:-
The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

h) **Stock/Company/Security/Common Code:**

The Stock Exchange, Mumbai
B.S.E. Code: 524576

i) **Registrar and Transfer Agents**

In compliance with the SEBI Directive for all listed Companies to have a common agency to handle physical and electronic share registry work the Company has appointed M/s Sharepro Services (India) Pvt.Ltd. as the Registrar and Transfer Agents. Accordingly all documents, transfer Deeds, Demat requests and other communications in relation thereto should be addressed to the R & T at it's offices at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072 or at 912, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai 400 021.

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects.

Distribution of Shareholding as on 31st March, 2010

No. of Shares	No of Holders	%to total	No. of Share	% to total
1 to 500	3003	82.23	612493	14.99
501 to 1000	342	9.36	274090	6.71
1001 to 2000	119	3.26	190109	4.65
2001 to 3000	50	1.37	129092	3.16
3001 to 4000	30	0.82	108308	2.65
4001 to 5000	28	0.77	132056	3.23
5001 to 10000	42	1.15	319355	7.82
100001 & above	38	1.04	2320397	56.79
TOTAL:	3652	100.00	4085900	100.00

Shareholding Pattern of the Company as on 31st March, 2010

Sr. No.	Holders	Physical Form	Electronic Form	Total No. of Shares	% of Total
1.	Promoters	1709650	79000	1788650	43.78
2	NRIs / OCBs	0	6563	6563	0.16
3	Bodies Corporate	17800	265578	283378	6.94
4	Financial Institution	600	0	600	0.01
5	Indian Public	882620	1124089	2006709	49.11
	Total	2610670	1475230	4085900	100.00

Dematerialisation of Shares & Liquidity

36.11 % of the Company's share Capital is dematerialised as on 31st March, 2010. The Company's shares are regularly traded on the BSE.

Address for correspondence

C/o. Sumichem Corporation,
1-D Dhannur Building,
Sir, P. M. Road, Fort,
Mumbai 400 001.

For and on behalf of the Board of Director

Sd/-

SUMISH S. MODY
MANAGING DIRECTOR

Sd/-

ASHA S.MODY
DIRECTOR

Place : Mumbai

Dated : 18th August, 2010

Declaration on Code of Conduct

As required by Clause 49 of the Listing Agreement the Declaration for Code of Conduct is given below:

To
The Members of
Vivid Global Industries Limited

I, Mr. Sumish S.Mody, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct.

For VIVID GLOBAL INDUSTRIES LTD.

SUMISH S. MODY
MANAGING DIRECTOR

Place : Mumbai
Dated : 18th August 2010

Auditor's Certificate

The Members,

We have examined the conditions of Corporate Governance by Vivid Global Industries Limited for the year ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

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

For K.M. Kapadia & Associates
Chartered Accountants
Membership No.39707

Place : Mumbai

Date : 18th August, 2010

Auditor's Report to the Members of VIVID GLOBAL INDUSTRIES LIMITED,

We have audited the attached Balance Sheet of M/S VIVID GLOBAL INDUSTRIES LIMITED, as at 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Department of Company Affairs, Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order on the basis of such checks as we considered appropriate and according to the information and explanations given to us.

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- iii. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. In our opinion, no cess is payable under section 441A

On the basis of written representations received from the Directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

In our opinion and to the best of our information and according to the explanations given to us, subject to the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
- b. in the case of Profit and Loss Account, of the Profit for the year ended on that date.

Place: Mumbai

For K. M. KAPADIA & ASSOCIATES

Date: 18/08/2010

(KAMLESH KAPADIA)
Membership No.39707

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE SHAREHOLDERS OF VIVID GLOBAL INDUSTRIES LIMITED

As required by the Companies (Auditors Report) Order, 2003 issued by the department of Company Affairs, Government of India in terms of Section 227(4A) of the Companies Act 1956 and on the basis of such checks of Books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of audit, we further state that:

- I
 - (a) The Company has maintained reasonable records, showing particulars like the situation of Fixed Assets.
 - (b) We are informed that most of the Fixed Assets have been verified once during the year, 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 by the management as compared with the records maintained by the Company.
 - (c) The preparation of Financial Statements on a going concern basis is not affected on this account.

- II
 - (a) The Stock of Goods have been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of verification is reasonable.
 - (b) The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company is maintaining reasonable records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material.

- III In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956;
 - (a) The company has not granted loans secured / unsecured to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The balance amount due to be received from these parties as on 31st March 2010 is Rs. Nil. The maximum amount due from such loans during the year was Rs. Nil.
The company has taken interest free / interest bearing loans, secured / unsecured in the earlier years from various parties and the balance outstanding as on 31.03.2010 is Rs. Nil. The maximum amount involved during the year was Rs Nil.
However the registers required to be maintained u/s 301 of the Companies Act 1956 have been maintained in the prescribed format by the Company.
 - (b) In our opinion and according to the information and explanation given to us, the rate of interest in case of loan taken, wherever applicable, and other terms and conditions are not prima- facie prejudicial to the interest of the company.
 - (c) In respect of the loans taken by the company, the principal as well as interest is regularly paid by the company.
 - (d) There is no over due amount in respect of the loans taken by the company

- IV In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the natures of the business for the purchase of the inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness in internal controls were either reported or noticed.

- V.
 - (a) The registers required to be maintained u/s 301 of the Companies Act 1956 have been maintained in the prescribed format by the Company.
 - (b) In our opinion and according to the information given to us all the transactions entered into by the Company with related parties in pursuance to Section 301 of the Companies Act have been done with fair amount of reasonability vis-à-vis the prevailing market prices at the relevant time.

- VI During the year under review the Company has not accepted Loan or Deposits. Hence no Deposits have been accepted from public during the year

- VII The company has Internal Audit system commensurate with its size and nature of its business.

- VIII No Cost Records have been prescribed by the Central Govt. under Clause (d) of Sub Section (1) of Section 209 of the Companies Act, 1956.

- IX
 - (a) According to the records of the Company, the Company has been depositing with appropriate authorities the statutory dues such as Provident Fund, Employees State Insurance, Sales Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it. However some nominal delays have been noticed in the payment of the same during the year.
 - (b) According to the information and explanation given to us, there are no disputed matters under any of the statute under the law.

X The Company has accumulated losses for the following financial years.

DETAILS OF BROUGHT FORWARD LOSS OR DEPRECIATION ALLOWANCE PART

B, CLAUSE 25

Exhibit 5

Sr. No.	Assessment year	Nature of Loss/ Allowance Rs.	Amount Returned Rs.	Amount Assessed Rs.	Assessment Order Reference
1	1997-98	Depreciation	42,49,717	4,249,717	CIT (A) ORDER DT.11.12.2000
2	1999-00	Depreciation	44,51,443	44,51,443	
		Business Loss	23,24,406	23,24,406	
3	2000-01	Depreciation	11,97,218	11,97,218	
4	2001-02	Business Loss	67,295	67,295	
		Depreciation	27,55,584	27,55,584	
5	2002-03	Business Loss	-		CIT (A) ORDER DT. 24.05.2008
	2002-03	Depreciation	29,05,955	29,05,955	
6	2004-05	Business Loss	12,81,826	Not yet Assessed	
	2004-05	Depreciation	16,01,568	Not yet Assessed	
7	2007-08	Depreciation	8,68,793	Not Yet Assessed	
		Depreciation	6,24,381	Not Yet Assessed	
8	2009-10	Business Loss	71,42,607	Not Yet Assessed	

XI As per the explanation and information given to us the Company has not defaulted in repayment of any dues to any Financial Institution or Banks. There is no issue of any Debentures by the Company in the year under review or any of the preceding years.

XII The Company has not granted loan and advances on the basis of security by way of pledge of Shares, debentures or other securities.

XIII In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of said order are not applicable to the company.

XIV In our opinion, the company is not dealing in or trading in shares , securities, debentures and other investments. Therefore the provision of clause (xiv) of the said are not applicable to the Company.

XV According to the information and explanation given to us, the company has not given any guarantee for the loans taken by others from Banks and Financial Institutions. Accordingly, clause 4(xv) of the said order is not applicable.

XVI According to the information and explanation of the Company, term taken have been applied for the purpose for which they were obtained.

XVII In our opinion and according to the information and explanations given to us and on an overall examinations of the balance sheet of the company, we report that fund raised on short term basis have not been used for long term investment and vice-versa.

XVIII During the year, the company has not made any preferential allotment of shares to the parties and the company covered in the register maintained under section 301 of the Act.

- XIX In our opinion and according to the information and explanation given to us, the company has not issued any debentures during the period covered by our report. Accordingly, clause 4 (xix) of the said order is not applicable.
- XX During the period covered by our reports the Company has not raised any money by the public issues.
- XXI According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Mumbai.
Date : 18/08/2010

For K.M. KAPADIA & ASSOCIATES
(Chartered Accountants)

Membership No.39707

		<u>58,221,772</u>	<u>29,308,986</u>
NET CURRENT ASSETS		<u>14,601,283</u>	<u>6,959,556</u>
PROFIT AND LOSS ACCOUNT		31,103,840	38,209,832
	TOTAL ...	<u>57,233,230</u>	<u>57,693,892</u>

NOTES TO THE ACCOUNTS

11

As per our attached report of even date

For and on behalf of the Board of Directors

For K. M. KAPADIA & ASSOCIATES

Chartered Accountants

(KAMLESH KAPADIA)

Proprietor

Managing
Director

Director

Mumbai; Dated: 18.08.2010

Mumbai; Dated: 18.08.2010

VIVID GLOBAL INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended on 31st March, 10	For the year ended on 31st March, 09
	No.	Rupees	Rupees
<u>INCOME</u>			
Sales		125,846,858	59,742,980
Other income	8	3,899,934	1,847,799
TOTAL ...		129,746,792	61,590,779
<u>EXPENDITURE</u>			
Goods purchased for Manufacturing		56,484,354	43,267,236
Goods purchased for Resale		59,427,710	13,806,992
Manufacturing and other expenses	9	15,690,578	11,652,552
Depreciation		1,148,124	1,915,685
Interest		1,615,096	1,480,099
(Increase)/Decrease in stock	10	(11,745,128)	(770,946)
TOTAL ...		122,620,734	71,351,619
PROFIT / (LOSS) BEFORE PRIOR PERIOD ADJUSTMENTS		7,126,058	(9,760,840)
Adjustment pertaining to earlier year		(20,066)	-
PROFIT / (LOSS) BEFORE TAX		7,105,992	(9,760,840)
Provision for Income Tax		-	-
Deferred Tax Asset / (Liability)		-	-
Provision for Fringe Benefit Tax		-	-
PROFIT / (LOSS) AFTER TAX		7,105,992	(9,760,840)
PROFIT / (LOSS) BROUGHT FORWARD		(38,209,832)	(28,448,992)
TOTAL ...		(31,103,840)	(38,209,832)
Earning per Share:			
Basic (Nominal value Rs. 10)		1.74	(2.39)
Diluted (Nominal value Rs. 10)		1.74	(2.39)

As per our attached report of even date

For and on behalf of the Board of Directors

For **K. M. KAPADIA & ASSOCIATES**

Chartered Accountants

(KAMLESH KAPADIA)

Mem. No. : 39707

Mumbai; Dated: 18.08.2010

Managing Director

Mumbai; Dated: 18.08.2010

Director

VIVID GLOBAL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule 1

	As at 31st March, 10	As at 31st March, 09
	Rupees	Rupees
SHARE CAPITAL:		
AUTHORISED		
6,000,000 equity shares of Rs. 10/- each	60,000,000	60,000,000
ISSUED, SUBSCRIBED AND PAID-UP		
40,85,900 equity shares of Rs.10/- each fully paid-up	40,859,000	40,859,000
TOTAL...	40,859,000	40,859,000

RESERVES & SURPLUS:

Schedule 2

CAPITAL RESERVE:

Capital Subsidy:

Special Capital Incentive from Government of

Maharashtra

2,500,000

2,500,000

REVALUATION RESERVE:

Opening Balance:

9,948,563

9,948,563

Add: Additions during the year

-

-

(On account of appreciation in the value of Fixed Assets)

9,948,563

9,948,563

TOTAL...

12,448,563

12,448,563

SECURED LOANS:Schedule 3**From Financial Institution:**

HDFC Car Loan	133,051	386,457
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From banks:

Packing credit loan	3,792,616	3,999,872
---------------------	-----------	-----------

TOTAL

...

3,925,667**4,386,329**

##

Notes:

1. HDFC CAR LOAN:

Secured by hypothecation of Tempo

2. CASH CREDIT FACILITY:

Secured by hypothecation of raw material, semifinished and finished goods and book debts and a further charge by way of hypothecation of fixed assets of the company.

3. Except car loans, all the above loans are also secured by the personal guarantees of some of the directors of the Company and other associate companies.

VIVID GLOBAL INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET

FIXED ASSETS: (AS PER COMPANIES ACT)

Schedule

DESCRIPTION	GROSS BLOCK				DEPRECIATION						NET BLOCK	
	As at 1st April, 2009 Rupees	Additions during the year Rupees	Deductions during the year Rupees	As at 31st Mar, 2010 Rupees	Upto 31st March 2009 Rupees	Short / (Excess) Depreciation charged for earlier years	For the year Rupees	Addition for the year		Upto 31st Mar, 2010 Rupees	As at 31st March 2010 Rupees	As at 31st March 2011 Rupees
								Additions	Deductions			
Leasehold Land	7,510,168	-	-	7,510,168	-	-	-	-	-	-	7,510,168	7,510,168
Factory Building	7,586,158	-	-	7,586,158	3,823,968	-	123,654	-	-	3,947,621	3,638,537	3,762,181
Plant & Machinery & Electrical Installations	33,360,248	151,726	-	33,511,974	32,544,362	-	815,886	1,165	-	33,361,413	150,561	815,886
Office Equipment	680,209	-	-	680,209	636,611	-	32,310	-	-	668,921	11,288	43,288
Furnitures & Fixtures	373,872	-	-	373,872	347,113	-	23,666	-	-	370,779	3,093	26,783
Vehicles	1,594,138	-	-	1,594,138	1,252,035	-	151,443	-	-	1,403,478	190,660	342,818
TOTAL	51,104,794	151,726	-	51,256,520	38,604,089	-	1,146,960	1,165	-	39,752,212	11,504,308	12,500,704
PREVIOUS YEAR	51,104,794	0	-	51,104,794	36,688,405	-	1,915,685	-	-	38,604,089	12,500,704	14,416,793

VIVID GLOBAL INDUSTRIES LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

Schedule 5

	As at 31st March, 10 Rupees	As at 31st March, 09 Rupees
INVESTMENTS		
LONG TERM INVESTMENTS (Non-trade)		
Unquoted:		
- In Shares		
200 shares of Tima Cept Co-op Soc of Rs.100 each	20,000	20,000
Of Company under the same Management		
3,800 shares of Vivid Intermediates P. Ltd	338,000	338,000
Less : Provision for Diminishing Value of Invt.	(334,200)	(334,200)
	3,800	3,800
TOTAL ...	23,800	23,800

CURRENT ASSETS, LOANS AND ADVANCES:

Schedule 6

CURRENT ASSETS

Inventories (As verified, valued and certified by the management)

Raw materials	13,459,021	11,609,832
Work in progress	14,061,674	6,554,397
Stock in transit	3,013,920	3,425,920
Finished goods	3,358,745	558,083
Stores & spares	453,638	453,638
	34,346,998	22,601,870

SUNDRY DEBTORS (UNSECURED)

Other debts-Considered Good	29,688,908	8,280,569
-----------------------------	------------	-----------

Other debts-Considered Doubtful	682,749	-
	30,371,657	8,280,569
Less: Provision for Doubtful Debts	682,749	-
	29,688,908	8,280,569

CASH AND BANK BALANCES:

Cash balance	299,462	441,736
Balances with scheduled banks in -		
Current accounts	538,723	1,214,519
L/c Margin money	5,353,887	2,075,726
	6,192,072	3,731,981

OTHER CURRENT ASSETS:

Deposits	338,081	347,872
DEPB purchased in hand	373,086	256,700
VAT Set off receivable	116,962	116,962
	828,129	721,534

LOANS AND ADVANCES:

(Unsecured, considered good unless otherwise stated)

Advances recoverable in cash or in kind or for value

to be received	1,766,947	932,587
TOTAL ...	1,766,947	932,587

VIVID GLOBAL INDUSTRIES LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET

Schedule 7

	As at 31st March, 10 Rupees	As at 31st March, 09 Rupees
CURRENT LIABILITIES AND PROVISIONS:		
CURRENT LIABILITIES		
Sundry creditors	57,710,390	28,778,747
Amount to be credited to :		
Deposits agnst Lease of Premises	230,000	407,000
Duties & Taxes	281,382	122,639
Other liabilities	-	-
	58,221,772	29,308,386
PROVISIONS		
Provision for Fringe benefit Tax	-	600
Provision for Income Tax	-	-
	-	600
TOTAL ..	58,221,772	29,308,986

SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT

Schedule - 8

	For the year Ended 31st March, 10 Rupees	For the year Ended 31st March, 09 Rupees
OTHER INCOME		

Balance Written-Off	497,414	524,312
Commision Received	178,202	189,987
Foreign Exchange Fluctuation	1,545,168	-
Interest Recd.on Bank Fixed Deposit	-	-
Bank Interest on L/C Margin	277,094	179,405
Liasoning charges	66,180	-
Rent received Tarapur	592,100	939,200
DEPB Received	373,086	9,661
Consultancy charges	330,900	-
Income tax refund	29,790	-
Misc Income	10,000	5,234

TOTAL...

3,899,934

1,847,799

VIVID GLOBAL INDUSTRIES LIMITED

SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT

Schedule - 9

	For the year ended 31st March, 10 Rupees	For the year ended 31st March, 09 Rupees
MANUFACTURING AND OTHER EXPENSES		
Salary Head Office	1,067,933	944,556
Labour Charges	1,417,658	2,886,830
Fuel & Power Expenses	1,516,557	1,147,021
Excise Duty Paid	5,496,054	745,246
Import Expenses	1,537,175	856,512
Export Expenses	920,805	861,637
Repairs & Maintenance	698,237	282,456
Audit Fees	110,300	112,506
Freight & transportation charges	502,962	328,459
Insurance	63,420	74,640
Rent expenses	153,900	108,000
Water charges	142,419	125,718
Provision for Doubtful Debts	682,749	-
Other Expenses	1,380,409	3,178,971
TOTAL...	15,690,578	11,652,552

SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT

Schedule -10

	For the year ended on 31st March, 10 Rupees	For the year ended on 31st March, 09 Rupees
(INCREASE)/DECREASE IN STOCKS		

Opening stock:		
Raw Material	11,609,832	17,347,392
Finished goods	558,083	893,473
Store & Spare	453,638	453,638
Stock in Transit	3,425,920	-
Work in progress	6,554,397	3,136,421
	<hr/>	<hr/>
	22,601,870	21,830,924
Closing stock:		
Raw Material	13,459,021	11,609,832
Finished goods	3,358,745	558,083
Store & Spare	453,638	453,638
Stock in Transit	3,013,920	3,425,920
Work in progress	14,061,674	6,554,397
	<hr/>	<hr/>
	34,346,998	22,601,870
(INCREASE)/DECREASE IN STOCKS	<hr/> <hr/>	<hr/> <hr/>
	(11,745,128)	(770,946)

VIVID GLOBAL INDUSTRIES LIMITED

AUDIT YEAR: 2009-10

NOTES FORMING PART OF THE ACCOUNTS

1 Significant Accounting Policies:

i. Basis of Accounting:

The financial statements are prepared under historical cost convention on an accrual basis.

ii. Inventories

Inventories are valued as under:

Raw Material and Packing Material	: At cost or net realisable value, whichever is lower
Work-In-Process	: At cost or net realisable value, whichever is lower
Finished goods	: At cost or net realisable value, whichever is lower
Stores & spares	: At cost
By products/Scrap	: At Net Realisable Value
Fuel	: At cost

Cost of Raw Material and Packing Material is determined on First in First out basis.

Cost of Finished goods and work-in-process include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

iii. **Fixed Assets and Depreciation :**

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation has been provided for by the straight line method at the rates specified in Schedule XIV of the Companies Act, 1956.

Depreciation on additions during the year is charged on pro rata basis.

The amortization of the value of the Leasehold Premises has not been provided for. The Company does not follow the procedure of amortizing its leasehold assets over the period of the lease.

iv. **Revenue Recognition :**

Sales are recognised when the goods are invoiced or despatched to the customers and are recorded exclusive of excise duty and net of trade discount and sales tax.

Export sales are recognised on the date of Shipping bill.

Duty Drawback is accounted in the year in which it is received.

v. Long Term investments are valued at cost.

vi. **Foreign currency Transactions**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. All foreign currency assets and liabilities (except those towards fixed assets) are translated at year end exchange rate and related exchange gain/loss is recognised in Profit and Loss Account.

Adjustment in respect of liabilities incurred for acquisition of fixed assets are adjusted in the carrying amount of fixed assets.

vii **The following are the observations during the course of Audit under review and brought to the notice of the management :-**

Balances of Sundry Debtors and Sundry Creditors as on 31/03/2009 are subject to confirmation. No confirmations of balances have been provided from the Debtors and Creditors for the balance sheet purpose has been take as certified by the Management.

2 Contingent Liabilities :

	2009-10	2008-09
	Rupees	Rupees
The company is facing following court cases:		
i. With Central Excise department in respect of Modvat credit claimed for F.Y. 1994-95 The company has preferred an appeal against the said order and is confident of succeeding in the said appeal. (The liability disclosed above is net of predeposit of Rs. 50,000)	64,000	64,000

3 Debts due by private companies in which some of the Directors of the company are Directors :

Vivid Intermediates Private Ltd.	2,894,523	3,280,971
Vivid Finance and Holdings Private Ltd.	-	-
Vivid Exports Private Limited	559,690	1,529,441

4 Interest expenses :

On fixed loans	1,615,096	1,480,096
On other accounts	-	-
	<u>1,615,096</u>	<u>1,480,096</u>

5 Particulars of Licensed Capacity, Installed Capacity and Actual Production :

	(Kgs)	(Kgs)
a. Licensed Capacity	Not Applicable	Not Applicable
b. <u>Installed Capacity:</u> Dye Intermediates equivalent	<u>360,000</u>	<u>720,000</u>

Installed capacity is as certified by the Management and not verified by the auditors. It denotes estimated production of a product, if the entire plant & machinery working on triple shift during the year is exclusively utilised for its production. However, the plant and machinery is common for the production of various dye-intermediates and hence the installed capacity may vary depending upon the product mix adopted by the company.

6 Quantitative details in respect of opening, closing stock and sale of finished goods :

	2009-10	2008-09
	Kgs.	Kgs.
	Rupees	Rupees
<u>Opening Stock:</u>		

N.M.J.Acid	-	-	689	404,15
PHENYL J	934	401,719	780	351,18
DIJ ACID	254	156,364	93	60,35
SM2P	-	-	239	77,76
	1,188	558,083	1,801	893,47

	2009-10		2008-09	
	Kgs.	Rupees	Kgs.	Rupees
Sales:				
Tobias Acid	3,000	412,500	900	108,90
J. Acid	26,764	7,488,960	2,413	792,00
N.M.J	66,529	29,100,404	20,629	12,745,78
PH J.Acid	59,265	17,064,946	32,904	16,706,62
Di J.Acid	24,273	13,049,426	13,232	9,581,98
M.X.O.S.A.	-	-	-	-
Orange ME2RL	-	-	-	-
SM2P	-	-	234	75,92
J. Acid Urea	7,000	2,913,293	250	27,72
	186,831	70,029,529	70,561	40,038,9

	2009-10		2008-09	
	Kgs.	Rupees	Kgs.	Rupees
Closing Stock:				
Sulpho Tobias Acid	-	-	-	-
Tobias Acid	-	-	-	-
N.M.J.Acid	5,764	1,514,000	-	-
PH J.Acid	8,179	272,190	934	401,719
Di J.Acid	2,557	1,572,555	254	156,364
M.X.O.S.A.	-	-	-	-
Orange ME2RL	-	-	-	-
Others	-	-	-	-
	16,500	3,358,745	1,188	558,083

7 **Quantitative details of principal items of raw materials and packing materials consumed:**

	2009-10		2008-09	
	Kgs.	Rupees	Kgs.	Rupees
J Acid	272,935	75,057,161	70,456	24,659,635
C.S.Flakes	158,619	951,714	28,661	802,508
Soda Ash	75,607	1,134,105	12,504	212,568
Sulphuric Acid	203,263	609,789	14,407	1,008,490

Mono Methyl Amine	183,879	4,229,217	44,377	1,065,048
HCL	119,830	359,490	35,871	57,394
SBS Powder	29,048	493,816	-	-
Formic Acid	5,635	281,750	1,383	53,937
Aniline Oil	25,405	2,184,830	14,407	1,008,490
Others (Including Packing Material)	Numerous	2,464,009	Numerous	1,378,267
		87,765,880		30,246,337
Less: Excise set off		5,316,030		-
Less: Sales Tax set off		-		-
		82,449,850		30,246,337
Add : Freight Inward / Clearing & Forwarding		993,918		512,251
		83,443,768		30,758,588

	2009-10		2008-09	
	Kgs.	Rupees	Kgs.	Rupees
8	<u>Purchase of traded goods:</u>			
Dyes	199,500	25,585,009	110,250	19,133,232
9	<u>CIF value of Imports:</u>			
Raw Material	164,060	41,678,727	64,978	21,285,236
10	<u>Expenditure in foreign currency</u>			
a. Travelling expenses		130,760		-
b. Commission paid/payable		231,966		234,399
11	<u>Value of imported and indigenous goods consumed :</u>			
	Rupees	Percentage of total consumption	Rupees	Percentage of total consumption
	2009-10	2009-10	2008-09	2008-09
<u>Raw materials & packing materials:</u>				
Imported	41,678,727	47.49%	21,285,236	70.37%
Indigenous	46,087,153	52.51%	8,961,101	29.63%
	87,765,880	100%	30,246,337	1.00
Add : Freight Inward / Clearing & Forwarding	993,918		512,251	
	88,759,798		30,758,588	
Stores & Spares:	-		-	
Indigenous	-		-	
	88,759,798		30,758,588	
12	<u>Earnings in foreign exchange :</u>			
F.O.B. value of exports	36,672,423		27,062,253	

13 **Segment Reporting :**

A **Primary Segment Information**

Geographical Segments	Within India		Outside India		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previ
Segment Revenue						
External Sales to customer	89,174,435	32,680,727	36,672,423	27,062,253	125,846,858	
Other Income	1,981,680	1,838,138	1,918,254	9,661	3,899,934	
Total	91,156,115	34,518,865	38,590,677	27,071,914	129,746,792	
Segment Result	91,156,115	34,518,865	38,590,677	27,071,914	129,746,792	
Unallocated expenses					121,282,732	
Operating Profit					8,464,060	
Interest Expenses					(1,615,096)	
Interest Income					277,094	
Net profit					7,126,058	
OTHER INFORMATION						
Segment Assets	-	-	-	-	-	
Unallocated assets	-	-	-	-	57,233,230	
Total Assets					57,233,230	
Segment Liability						
Unallocable liabilities					57,233,230	
Total Liabilities					57,233,230	
Depreciation/ amortisation			-	-	1,148,124	
Non cash expenses other than depreciation						

B **Secondary segment:**

Since company deals in one line of product only ie. Chemicals , it does not satisfy the criteria of reportable segments; hence not reported.

14 **Related Party transactions :**

I **Names of Related Parties and nature of relationship.**

A. **Associates**

- 1 Vivid Intermediates Private limited
- 2 M/s Sumichem Corporation

B. **Enterprises over which Key Management Persons Have significant influence and Enterprises having Key Management Person in commom**

- 1 Nil

C. **Key Management Persons and Relatives**

- 1 Mr. Sudhir Mody
- 2 Mr. Sumish S. Mody
- 3 Mr. Miten S. Mody

II Transactions with related Parties

Sr. No.	Particulars	Amount	Associates	Enterprises over which Key Management Persons Have significant influence and Enterprises having Key Management Person in common
1	Labour Charges Paid	390,572 744,858	Vivid Intermediates Pvt. Ltd. Sumichem Corporation	---
2	Guaranties Provided	15,000,000	Vivid Intermediates Pvt. Ltd.	---
		16,135,430		

III Details of payments to Key Management Personnel:

Particulars	Amount (Rs.)
Director Remuneration	195,000
Total...	195,000

15 Earnings per share :

Earnings per share is calculated as per AS-20 issued by the ICAI. The Net Profit After Tax considered for calculation of basic and diluted earnings per share is Rs. 71,05,992/-. There is no difference between basic and diluted earnings per share.

Profit after Tax	7,105,992
Eq. Shares Issued as on 01/04/2009	4,085,900
Eq. Shares Issued as on 31/03/2010	4,085,900
Basic & Diluted EPS	1.74

16 Current Tax :

i Provision for current income tax is made at the current tax rate based on assessable income.

ii Deferred Tax Adjustment :

For the company, the deferred tax adjustment as required by AS-22 consists only of unabsorbed depreciation and losses. The company has a history of continuing losses. Though measures have been taken towards turning the company around, we do not have evidence claiming certainty of profits in the immediate future. In view of the same, the deferred tax asset/Liability is not recognised.

17 In accordance with the requirement for disclosure of amounts due to SSI units, the company has not compiled the list of its sundry creditors who satisfy this criteria.

Subject to this, the information relating to payment overdue to SSI units cannot be computed.

18 Previous years figures have been regrouped wherever necessary in order to confirm to current years presentation.

As per our attached report of even date
For **K.M.KAPADIA & ASSOCIATES**
Chartered Accountants

For and on behalf of the Board of Directors

(KAMLESH KAPADIA)
Mem.No. : 39707
Mumbai; Dated: 18.08.2010

Managing Director **Director**
Mumbai; Dated: 18.08.2010

Cash Flow Statement for the year ended 31st March 2010 :-

Sr.No.	Particulars	2009-10		2008-09	
		Rs.	Rs.	Rs.	Rs.
A	<u>Cash from Operating Activities</u>				
	Net Profit/(Loss) before Tax and extraordinary items		7,126,058		(9,760,840)
	Adjustment for :				
	Depreciation	1,148,124		1,915,685	
	Foreign Exchange Loss/ (Gain)	(1,545,168)		1,437,544	
	Interest Expenses	1,615,096		1,480,099	
	Interest Income	(277,094)		(179,405)	
	Rent Recd	(592,100)		(939,200)	
	Income tax Refund	(29,790)	319,069	-	3,714,723
	Operating Profit before working capital adjustments :-		7,445,126		(6,046,116)
	Adjustment for :				
	Trade and other receivable	(21,408,339)		6,926,903	
	Inventories	(11,745,128)		(770,946)	
	Loans & Advances	(834,361)		2,196,377	
	Other Current Assets	(106,595)		(256,700)	
	Trade Payable and Other Liabilities	28,912,786	(5,181,637)	(304,952)	7,790,683
	Operating Profit after working capital adjustments :-		2,263,489		1,744,566
	Add : Income on account of difference in Bank Reco	-		-	
	Income tax Refund	29,790		-	
	Less : Prior Period Expenses	(20,066)		-	
	Taxes paid	-	9,724	-	-
	Net Cash from operating activities (A)		2,273,213		1,744,566
B	<u>Cash flow from Investing activities</u>				
	Purchase of fixed Asset/Investments	(151,726)		-	
	Foreign Exchange (Loss)/ Gain	1,545,168		(1,437,544)	
	Interest Received	277,094		179,405	
	Rent Recd	592,100		939,200	
	Proceed from sale of fixed asset	-	2,262,636	-	(318,939)
	Net cash from investing activities (B)		2,262,636		(318,939)
C	<u>Cash flow from Financing Activities</u>				
	Interest paid	(1,615,096)		(1,480,099)	
	Proceeds from secured / unsecured loans	(460,662)	(2,075,758)	781,072	(699,027)
	Net Cash used in Financing activities (C)		(2,075,758)		(699,027)
	Net Increase / Decrease in cash (A+B+C)		2,460,091		726,600

Cash & Cash equivalents at the beginning of the year	3,731,981	3,005,380
Cash & Cash equivalents at the end of the year	6,192,072	3,731,981

6,192,072

For **K. M. KAPADIA & ASSOCIATES**
Chartered Accountants

For Vivid Global Industries
Ltd.

(**KAMLESH KAPADIA**)
Mem. No. : 39707
Mumbai; dated:

Managing Director
Mumbai; dated:

BALANCESHEET ABSTRACT AND COMPANY'S GENERAL BUISNESS PROFILE**I Registration Details**

Registration No.	43911
Balance Sheet Date	18.08.10

II Capital Raised during the year (Amount in Rs. Thousand)

Public issue	Nil
Right issue	Nil
Bonus issue	Nil
Private Placement	Nil

III Position of Mobalisation and deployment of funds (Amount in Rs.)

Total Liabilities	57233230
Total Assets	57233230

Sources of fund

Paid up capital	40859000
Reserve & Surplus	12448563
Secured Loan	3925667
Unsecured loan	NIL

Application of funds

Net fixed Assets	1150308
Investment	23800
Net Current Assets	14601283
Mis. Expenditure	0
Accumulated Losses	31103840

IV Performance of the company

Turnover	125846858
Total Expenditure	122620734
Operating Revenue & other Income	3899934
Profit / Loss before tax	7105992
Profit+ / Loss after tax	7105992

Earning per share	1.74
Dividend rate	Nil

V Generic Names of three principal product / services of the company (As per monetary terms)

Item Code No.	Product Description
32041640	Reactive dyes
29210000	N. Phenyl J. Acid
29222190	N. Methyl J. Acid
29222190	Di.J. Acid

VIVID GLOBAL INDUSTRIES LIMITED

Registered Office: D-21/1, MIDC TARAPUR 401 506, VIA BOISAR, DIST. THANE.

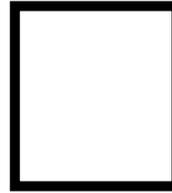
PROXY FORM

Members Folio No:

No.of Shares:

I/We _____ of
_____ being a Member/Members of Vivid Global Industries
Ltd. hereby appoint _____ of _____ or failing
him _____ of _____
_____ as my/our proxy to attend and vote for me/us, on my/our behalf at the 23rd Annual General
Meeting of the Company to be held at D-21/1, MIDC, TARAPUR 401 506, VIA BOISAR, DIST. THANE on
29th September 2010 at 11.00 a.m.

Signed this _____ day of _____ 2010



Signature

Note: The Proxy form to be valid must reach the Registered Office of the Company not less than 48 hours
before the time for holding the meeting.

VIVID GLOBAL INDUSTRIES LIMITED
Registered Office: D-21/1, MIDC TARAPUR 401 506, VIA BOISAR, DIST. THANE.

ATTENDANCE SLIP

23rd Annual General Meeting on the 29th September, 2010

L/F No. _____

Mr./Mrs.Miss _____

(Member's Name in Block Letters)

I certify that I am a Registered Member/Proxy for the registered member of the Company. I hereby record
my presence at the 22nd Annual General Meeting of the Company to be held at D-21/1, MIDC, TARAPUR
401 506, VIA BOISAR, DIST. THANE on 29th September, 2010 at 11.00 a.m.

If signed by proxy, his/her name should be
written here in Block Letters.

Member's/Proxy's Signature

Note:

1. Members/Proxy holders are requested to bring the Attendance Slip with them when they come to
the meeting and hand it over at the gate after affixing their signature on it.
2. Members who come to attend the Meeting are requested to bring their copies of the Annual Report
with them.

BOOK-POST

If Undelivered please return to :
REGISTRARS & SHARE TRANSFER AGENTS:
Regd.Affice:
Sharepro Services (India)Pvt.Ltd.
13AB, Samhita Warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane,
Off.Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai-400 072.