



**VIVID GLOBAL INDUSTRIES LTD.**

(Formerly Known as : VIVID CHEMICALS LTD.)

# **VIVID GLOBAL INDUSTRIES LIMITED**

## **BOARD OF DIRECTORS**

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

MANAGING DIRECTOR  
DIRECTOR  
DIRECTOR  
DIRECTOR

### **BANKERS :**

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

### **AUDITORS :**

M/S. K.M. KAPADIA & ASSOCIATES  
SHOP NO.49, 1<sup>ST</sup> 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:** [vividglobalind@yahoo.com](mailto:vividglobalind@yahoo.com)

**URL:** [vividglobalinds.com](http://vividglobalinds.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 Fifth Annual General Meeting of Vivid Global Industries Limited will be held at Plot No. D-21/1, M.I.D.C., Tarapur, Via Boisar, Dist. Thane on Friday 28<sup>th</sup> September 2012 at 11.00 A.M. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 and the Profit & Loss Account for the year ended on that date together with the Reports of the Director's and the Auditors thereon.
2. To appoint a Director in place of Mr. Manoj Kumar Chauhan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:

“RESOLVED THAT in accordance with

- i) the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the Act) (including any Statutory modification(s) or re-enactment thereof for the time being in force), (“the Act”) and the rules and regulations made thereunder;
- ii) the enabling provisions of the Memorandum and Articles of Association of the Company;
- iii) The provisions of the Listing Agreement entered into by the Company with the Stock Exchange where the Company's shares are listed.
- iv) The provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the “SEBI ICDR Regulations”);
- v) The provisions of any rules/regulations/guidelines issued/framed by the Central Government, Reserve Bank of India, Foreign Investment Promotion Board, Securities and Exchange Board of India, the Stock Exchange where the shares of the Company are listed and any other appropriate authorities (hereinafter collectively referred to as the “Appropriate Authorities”), and subject to
- vi) The Company obtaining necessary consents, sanctions, permissions or approvals from the Appropriate Authorities; and

Such conditions and modifications, as may be prescribed by one or more of the Appropriate Authorities while granting any such consents, sanctions, permissions or approvals (hereinafter referred to as the “requisite approvals”), which may be agreed to by the Board of Directors of the Company (hereinafter called the “Board” which term shall be deemed to include one or more Committee(s) which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution).

1. Consent, authority and approval of the Company be and is hereby accorded to the Board to create, issue, offer and allot 10,00,000 Equity Shares of face value of Rs. 10

each (each an “Equity Share” and collectively the “Issue Shares”) at a price of Rs. 10/ – (Rupees Ten each) aggregating upto Rs. 1,00,00,000/-(Rupees One Crore only), to the investors named below (the “Investors”) on preferential allotment basis in accordance with Chapter VII of the SEBI ICDR Regulations, on such occasions, in one or more tranches, on such terms and conditions and in such manner as the Board may in its absolute discretion decide in this connection:

Name of the investor	Equity Shares proposed to be issued	Proposed Issue Size (Rs.)
Vivid Intermediates Private Limited	10,00,000	1,00,00,000

2. The “Relevant Date” for the purpose of calculating the price of the Issue Shares is the date 30 days prior to the date of this Annual General Meeting i.e. Tuesday 28<sup>th</sup> August, 2012.

RESOLVED FURTHER THAT that pricing of the Equity Shares to be allotted shall be calculated in accordance with the SEBI Guidelines on the ‘Relevant Date’ as under:

- 1) The Preferential Allotment of 10,00,000 Equity Shares of Rs 10 each (Rupees Ten Only) on the following terms and conditions:
- 2) The Equity Shareholders shall pay an amount equivalent to Rs 10 (Rupees Ten Only) per share of the value of the Issue Shares on or before the date of allotment of Issue Shares.
- 3) The Issue Shares shall be issued in Dematerialized Form and shall be subject to lock-in requirements required under Chapter VII of the SEBI ICDR Regulations;
- 4) The Issue Shares shall be allotted within a period of 15 days from the date of passing of this resolution provided that if the approval or permissions by any regulatory authority, required if any, for allotment is pending, the period of 15 days shall be counted from the date of such approval or permission as the case may be.
- 5) The details of all monies utilized out of the preferential issue proceeds shall be disclosed under an appropriate head in the Balance Sheet and/or Directors’ Report of the Company, indicating the purposes for which such monies have been utilized and that the details of the unutilized monies shall also be disclosed under a separate head in the Balance Sheet of the Company indicating the form in which such unutilized monies have been invested.

“RESOLVED FURTHER THAT the Equity Shares so issued shall upon allotment have the same rights as the existing shares and be treated for all other purposes *pari passu* with the existing shares of the Company, and that the Equity Shares so allotted during the financial year shall be entitled to dividend, if any, including other corporate benefits, if any, for the financial year in which the allotment has been made and subsequent years.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s), and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in regard to such issue and allotment and to do all such acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the extent that the members shall be deemed to have given their approval thereto expressly by the authority of this

resolution.

RESOLVED FURTHER THAT the Company do apply for listing of the new Equity Shares as may be issued with the Bombay Stock Exchange.

RESOLVED FURTHER THAT the Company do make an application to the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) for admission of the New Equity Shares.

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 : 31st July, 2012

**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. An Explanatory Statement as required under Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the share transfer books will remain closed from 22<sup>nd</sup> September 12 to 28<sup>th</sup> September, 12, both days inclusive.
4. 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.
5. Members are requested to bring their copies of Annual Report and Accounts to the Meeting.
6. 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.
7. (a) Members desirous of receiving Notices and/or documents from the Company through the electronic mode are urged to update their email addresses with their **Depository Participants**, where shares are held in electronic form and to the **Share department of the Company / Share transfer Agents** where shares are held in physical form.  
(b) Email addresses of Members as advised to the **Share Department of the Company/**

**Registrar and Share Transfer Agents** where shares are held in physical mode or **registered with Depositories** where shares are held in the electronic mode will be deemed to be the Member's registered Email address for serving Company documents/ notices as per provisions of the Act and the instructions of the Ministry of Corporate Affairs. Members intending to refresh/ update their email addresses should do so as soon as possible.

8. Members holding shares, in physical form, in identical order of names in more than one Folio, are requested to write to the **Share Department of the Company / Share Transfer Agents** enclosing the relevant Share Certificates requesting consolidation of such folios into one Folio.
9. As per the provisions of the Act, the facility for making nominations is available to individuals holding shares in the Company. The Nomination **Form-2B**, prescribed by the Government for the purpose, can be obtained from the **Share Department of the Company / Share Transfer Agents**.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.**

**ITEM No. 4**

**Material Facts relating to Preferential Allotment**

The Board of Directors of the Company give below disclosures that are required to be given in the Explanatory Statement to the Special Resolution to be passed under Section 81 (1A) of the Companies Act, 1956 and in terms of the SEBI (Disclosure and Investors Protection) Guidelines.

**A. Object of the Preferential Allotment and the Manner of Activities of proceed of the Issue to be Utilized :**

The Company is planning to expand its operations, business and activities. The development plans require infusion of more capital into the Company. This would enable the Company to increase its production to 90% of it's capacity. This will require more working capital to fund the import of raw material to achieve the increased production. Therefore, the Company has proposed the Issue of Shares on Preferential Basis to selected persons to meet its capital requirements in due course.

**B. Type of security offered and the number of security offered :**

The Company propose to offer, issue and allot 10,00,000 Equity Shares of face value of Rs. 10/- each at par aggregating upto Rs.1,00,00,000 (Rupees One Crore ) on such other terms and conditions as the Board may in its absolute discretion decide at the time of issue of the shares.

**C. Important terms and conditions :**

1. The total subscription amount, payable by the Investors, shall be paid prior to the allotment of the Issue Shares.
2. The allotment of issue Shares are subject to the Investors not having sold any Equity Shares of the Company during the six months preceding the Relevant Date (defined below) and the investors not acquiring any Equity Shares until completion of the allotment of the Issue Shares under the proposed preferential issue.
3. Under Chapter VII of the SEBI ICDR Regulations, issue of Equity Shares on a preferential basis shall be made at a price not less than higher of:
  - a) The average of the weekly high and low of the closing prices of the Equity Shares quoted on a recognized stock exchange during the 26 weeks preceding the Relevant Date or
  - b) The average of the weekly high and low of the closing prices of the Equity Shares quoted on a recognized stock exchange during the 2 weeks preceding the Relevant Date;
4. The "Relevant date" for determining the issue price of the Equity Shares shall be Tuesday 28<sup>th</sup> August, 2012 being the date which is 30 days prior to the date of Shareholders resolution i.e. Friday 28<sup>th</sup> September, 2012.
5. "Stock Exchange" for this purpose shall mean BSE being the stock exchange on which

the highest trading volume in respect of the shares of the Company has been recorded during the preceding six months prior to the Relevant Date. The Company's shares are listed only on The Bombay Stock Exchange.

6. The price at which the preferential issue is being made at Rs. 10/ – (Rupees Ten only) per Equity Share and the same complies with the above pricing mechanism.

**D. Identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them consequent to the preferential issue.**

Sr. No.	Identity of proposed allottee	Pre issue shareholding of proposed allottee	Maximum number of Equity Shares proposed to be issued to the allottee	Post issue shareholding on a fully diluted basis
1	Vivid Intermediates Private Limited	<b>72500</b>	10,00,000	<b>10,72,500</b>

**E. Intention of Promoters/Directors/ Key Management personnel to subscribe to the offer:**

Vivid Intermediates Private Limited ("Vivid Intermediates"). is a Private Limited Company incorporated under the Indian Companies Act, 1956 and having its Registered Office at 1-D, Dhannur Building, Sir P.M. Road, Fort, Mumbai – 400 001 and is one of the promoters holding 72,500 Equity shares.

The intention of bringing funds is to increase the working capital for achieving its 90% installed capacity (presently running at around 55% to 60%) and "Vivid Intermediates Private Limited" was established in 1973 and having know-how of many other intermediates, the Company will expand with further new products.

None of the other Promoters, Directors or Key Management personnel intend to subscribe to the preferential offer.

**F. Pre-issue and Post-issue Shareholding Pattern of the Company:**

Sr. No.	Category of Shareholders	Shareholding Before Preferential Allotment (as on 31.03.2012)		Shareholding After Preferential Allotment	
		No. of Equity Share Held	%	No. of Equity Share Held	%
<b>(A)</b>	<b>Promoter and Promoter Group</b>				
1	Indian	1709250	41.83	1709250	33.61
2	Foreign				
3	Bodies Corporate	82500	2.02	1082500	21.28
	<b>Sub Total (A)</b>				
<b>(B)</b>	<b>Public Shareholding</b>				
1	Institutions	600	0.01	600	0.01
(i)	Mutual Funds/ UTI				
(ii)	Financial Institutions/ Banks				
(iii)	Insurance Companies				
(iv)	Foreign institution investors				
(v)	Foreign Venture Capital Investors				
	<b>Sub Total (B1)</b>				
2	Non-Institutions				
(i)	Bodies Corporate	207781	5.09	207781	4.085
(ii)	NRIs	4813	0.12	4813	0.095
(iii)	Others	2080956	50.93	2080956	40.92
	<b>Sub Total (B2)</b>				
	<b>Total Public Shareholding Sub – Total B (B1+B2)</b>				
	<b>Total Shareholding (1+2)</b>	4085900	100	5085900	100

**G. Proposed time within which the allotment shall be complete:**

The Issue Shares shall be allotted within a period of 15 days from the date of passing of the resolution provided that if the approval or permission by any regulatory authority for allotment is pending, the period of fifteen days shall be counted from the date of such approval or permission as the case may be.

**H. Lock in:**

The Equity Shares being allotted on preferential basis under the SEBI ICDR Regulations shall be locked in for period of 1 year from the date of allotment.

As per Regulation 78(6) of the SEBI ICDR Regulations, the entire pre preferential allotment shareholding of the allottees, if any, shall be locked in from the relevant date up to a period of six months from the date of preferential allotment.

**I. Auditors Certificate:**

Auditor's Certificate confirming that the proposed issue of Equity Shares are in accordance with the SEBI (Disclosure and Investors Protection) Guidelines, 2000 will be available for inspection up to the date of the Annual General Meeting at the Registered Office of the Company on any working day and also at the place of the meeting on the meeting day.

**J. Approval under the Companies Act, 1956:**

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by a further issue and allotment of shares, such shares shall be first allotted to the existing shareholders of the Company in the manner laid down in the said Section, unless the shareholders decide otherwise in General Meeting by way of Special Resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 81 and all other applicable provisions of the Companies Act, 1956, SEBI Guidelines and the Provisions of the Listing Agreement with the Stock Exchange for authorizing the Board to offer, issue and allot Equity Shares as stated in the resolution, which would result in further issuance of securities of the Company to the Selected Group of Persons on a Preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

The Board of Directors recommends the passing of this resolution as a Special Resolution as set out in Item No. 4 of the Notice.

No Director is interested in the above said resolution, however they may be deemed concerned to the extent of change in the percentage of their voting Rights in the post Equity Shareholding in the Company.

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 : 31st July, 2012

**Director's Report**

To,

The Members

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS :**

	(Rs. in lacs) 31 <sup>st</sup> March, 2012	(Rs. in lacs) 31 <sup>st</sup> March, 2011
Net Sales/Income from Operations excluding Excise & Sales Tax	823.62 -----	1313.79 -----
Gross Profit/(Loss) before Depreciation & Interest	5.48	53.12
Less : Depreciation : Interest	1.54 24.01 ----- 25.55 -----	3.02 5.01 ----- 8.03 -----
	(20.07)	45.09
Less : Prior years adjustments	0.15	0.00
Net Profit/(Loss) before Tax	----- (20.22)	----- 45.09
Less : Taxation Profit/ (Loss) after Tax	(20.22)	45.09
Add/(Less) Profit /Loss Brought Forward	(265.94) -----	(311.03) -----
Balance Carried to Balance Sheet	(286.16) =====	(265.94) =====

**OPERATIONS :**

During the year under review the Company has recorded a total Income of Rs. 823.62 Lacs as compared to Rs. 1313.79 Lacs for the previous year and Net Loss of Rs. 20.22 Lacs for the year as compared to a Profit of Rs. 45.09 Lacs in the previous year.

Your Company with the help of in-house research has succeeded in the development of high pressure evaporators producing low pressure steam. Such evaporators have already been installed in the plant and as a result of this the Company will be able to achieve the targeted production and also lower the cost of production . It will now be possible to manufacture upto 90% of the Capacity.

As a result of all these factors the turnover and profitability will be improved and barring unforeseen circumstances your Directors are optimistic about the current year. With this the Company is totally compliant with the water pollution norms as 'zero' discharge as per the Gujarat Pollution Control Board

**DIVIDEND :**

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

**DIRECTORATE :**

Mr. Manoj Kumar Chauhan 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".

**COMPLIANCE CERTIFICATE :**

The Compliance Certificate dated 8<sup>th</sup> June, 2012 in terms of Section 383 A of the Companies Act, 1956 issued by Mrs. Grishma Khandwala, Company Secretary in Whole time practice is attached.

**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 Directors

SUMISH S. MODY  
MANAGING DIRECTOR

ASHA S.MODY  
DIRECTOR

Place : Mumbai

Dated : 31<sup>st</sup> July, 2012

**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 31<sup>ST</sup> MARCH, 2012**

**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.            80,987**  
**Earned Rs.        3,86,77,286**

For and on behalf of the Board of Directors

**SUMISH S. MODY**  
MANAGING DIRECTOR

**ASHA S. MODY**  
DIRECTOR

Place : Mumbai

Dated : 31<sup>st</sup> July, 2012

## 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 31<sup>st</sup> March, 2012.

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 2011– 2012, the Board met Eight times. The Board meetings were held on

(1) 28<sup>th</sup> April 2011 (2) 10<sup>th</sup> August, 2011 (3) 17<sup>th</sup> August, 2011 (4) 3<sup>rd</sup> October, 2011 (5) 11<sup>th</sup> November, 2011 (6) 3<sup>rd</sup> January, 2012, (7)19<sup>th</sup> January, 2012 (8) 30<sup>th</sup> March, 2012.

### **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. Manoj Kumar Chauhan
2. Date of Birth	02.05.1968
3. Date of Appointment	23.01.2006
4. Experience in specific Areas	He has been looking after plant maintenance.
5. Qualifications	S.S.C
6. Directorships in other Companies	NIL
7. Membership of Committees	NIL

**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) 28<sup>th</sup> April, 2011 (2) 10<sup>th</sup> August, 2011 (3) 17<sup>th</sup> August, 2011 (4) 11<sup>th</sup> November, 2011 (5) 19<sup>th</sup> January, 2012.

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

Member	Position	No. of Meetings attended
Mr. Dharmesh Choksi	Chairman	5
Mr. Manoj Kumar Chauhan	Member	5
Mrs. Asha Mody	Member	5

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

**4. Remuneration Committee:**

The Listing Agreement with the Stock Exchanges provides that a Company may appoint a Committee for recommending managerial remuneration payable to the Directors. The Company has setup a remuneration committee for the said purpose. The main function of the Committee is to determine the remuneration payable to the Whole time Directors.

The remuneration Committee has met once during the year.

### **Remuneration Policy**

The remuneration of the Whole time Directors is recommended by the remuneration Committee based on factors such as industry benchmarks, the Company's performance etc. Mr. Sumish Mody Managing Director, is the only Director drawing a remuneration in the Company. He has been paid remuneration of Rs. 3,00,000 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 no complaints that have remained un-redressed.

### **6. General Body Meetings**

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

<i>Financial Year</i>	<i>Day and Date</i>	<i>Time</i>
2010-2011	Friday 30/09/2011	11.00 a.m
2009-2010	Wednesday 29/09/2010	11.00 a.m
2008-2009	Tuesday 29/09/2009	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



documents, transfer Deeds, Demat requests and other communications in relation thereto should be addressed to the R & T at its 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 31<sup>st</sup> March, 2012

No. of Shares	No of Holders	%to total	No. of Shares	% to total
1 to 500	2968	82.743	595730	14.580
501 to 1000	327	9.116	262008	6.412
1001 to 2000	122	3.401	190064	4.652
2001 to 3000	43	1.199	106018	2.595
3001 to 4000	24	0.669	86063	2.106
4001 to 5000	35	0.976	165417	4.048
5001 to 10000	36	1.004	264098	6.464
10001 & above	32	0.892	2416502	59.142
<b>TOTAL:</b>	<b>3587</b>	<b>100.00</b>	<b>4085900</b>	<b>100.00</b>

#### Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2012

Sr. No.	HOLDERS	PHYSICAL FORM	ELECTRONIC FORM	TOTAL NO.OF SHARES	% OF TOTAL
1.	Promoters	50900	1740850	1791750	43.85
2	NRI/OCBs	0	4813	4813	0.12
3	Bodies corporate	17400	190381	207781	5.08
4	Financial Institution	600	0	600	0.02
5	Indian Public	787420	1293536	2080956	50.93
	<b>TOTAL</b>	<b>856320</b>	<b>3229580</b>	<b>4085900</b>	<b>100.00</b>

#### Dematerialisation of Shares & Liquidity

78.85 % of the Company's share Capital is dematerialised as on 31<sup>st</sup> March, 2012. 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 Directors

SUMISH S. MODY  
MANAGING DIRECTOR

ASHA S.MODY  
DIRECTOR

Place : Mumbai

Dated : 31<sup>st</sup> July, 2012

**Declaration for 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 : 31<sup>st</sup> July, 2012

### **Auditor's Certificate**

The Members,

We have examined the conditions of Corporate Governance by Vivid Global Industries Limited for the year ended 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

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 : 31<sup>st</sup> July, 2012

### **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 31<sup>st</sup> March, 2012 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 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, 2012; and
- b. In the case of Profit and Loss Account, of the Profit for the year ended on that date.

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

**(KAMLESH KAPADIA)**  
**Membership No.39707**

**Place: Mumbai**

**Date: 31/07/2012**

**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 31<sup>st</sup> March 2012 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 31.03.2012 is Rs. Nil. The maximum amount involved during the year was Rs. Nil.
- The registers required to be maintained u/s 301 of the Companies Act 1956 have been maintained in the prescribed format by the Company.
- (a) 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.
  - (b) In respect of the loans taken by the company, the principal as well as interest is regularly paid by the company.

- (c) 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 nature of 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 not recorded any losses in the period covered by this audit as well as the financial year immediately preceeding this audit. However as the company has brought forward the losses of the earlier years, the details of the Cash Loss brought forward by them are as follows:

**DETAILS OF BROUGHT FORWARD LOSS OR DEPRECIATION ALLOWANCE PART**

<b>B, CLAUSE 25</b>		<b>Exhibit 5</b>	
<b>Sr. No.</b>	<b>Financial year</b>	<b>Depreciation</b>	<b>Cash Loss</b>
		₹	₹
1	2001-02	33,22,601	12,32,592
2	2003-04	31,03,317	68,63,786
3	2005-06	14,64,382	54,57,552
4	2006-07	19,14,972	41,35,258
5	2008-09	19,15,685	78,45,155

- 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 preceeding 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.

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

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**Membership No.39707**

Place: Mumbai.

Date : 31/07/2012

Balance Sheet as at 31st March, 2012

Particulars		Note No.	As at 31 March 2012	As at 31 March 2011
1	2	3	4	
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	1	40,859,000	40,859,000	
(b) Reserves and surplus	2	-16,168,260	-14,146,269	
(c) Money received against share warrants		-	-	
<b>2 Share application money pending allotment</b>				
		-	-	
<b>3 Non-current liabilities</b>				
(a) Long-term borrowings	3	16,843,970	5,231,551	
(b) Deferred tax liabilities (Net)				
(c) Other Long term liabilities	4	610,000	2,900,000	
(d) Long-term provisions	5	-	-	
<b>4 Current liabilities</b>				
(a) Short-term borrowings	6	-	-	
(b) Trade payables		41,860,452	68,004,904	
(c) Other current liabilities	7	88,912	142,261	
(d) Short-term provisions	8	24,314	400	
<b>TOTAL</b>			<b>84,118,388</b>	<b>102,991,847</b>
<b>II. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 (a) Fixed assets</b>				
(i) Tangible assets	9	11,545,644	11,425,962	
(ii) Intangible assets		-	-	
(iii) Capital work-in-progress		-	-	
(iv) Intangible assets under development		-	-	
(b) Non-current investments	10	23,800	23,800	
(c) Deferred tax assets (net)				
(d) Long-term loans and advances	11	343,425	361,426	
(e) Other non-current assets	12	-	-	
<b>2 Current assets</b>				
(a) Current investments	13	-	-	
(b) Inventories	14	55,139,868	42,836,360	
(c) Trade receivables	15	8,439,367	41,575,826	
(d) Cash and cash equivalents	16	7,450,423	5,715,604	
(e) Short-term loans and advances	17	1,175,862	1,052,869	
(f) Other current assets	18	-	-	
<b>TOTAL</b>			<b>84,118,388</b>	<b>102,991,847</b>
Contingent Liabilities		19		

As per our report of even date

For K. M. Kapadia & Associates  
Chartered Accountants  
(FRN 104777 W)

VIVID GLOBAL INDUSTRIES LIMITED

CA.Kamlesh Kapadia  
M. No. 39707

Managing Director

Director

Place: Mumbai  
Date: 31st July 2012

## Profit and Loss statement for the year ended 31st March, 2012

Particulars	Refer Note No.	For the year ended on 31st March 2012	For the year ended on 31st March 2011
I. Revenue from operations	20	82,362,316	130,669,427
II. Other income	21	1,626,868	1,319,381
<b>III. Total Revenue (I + II)</b>		<b>83,989,184</b>	<b>131,988,808</b>
IV. Expenses:			
<b>Cost of materials consumed</b>			
Purchases of Material	22	82,966,112	122,661,558
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	-12,303,507	-8,489,363
Employee benefits expense	24	1,425,758	1,200,985
Finance costs	25	2,415,226	1,836,499
Depreciation and amortization expense	26	153,844	302,498
Other expenses	27	11,339,138	9,967,624
Total expenses		85,996,571	127,479,801
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>-2,007,387</b>	<b>4,509,008</b>
VI. Prior Period Items	28	14,606	-
VII. Exceptional items			
<b>VIII. Profit before extraordinary items and tax (V - VI)</b>		<b>-2,021,992</b>	<b>4,509,008</b>
IX. Extraordinary Items		-	
<b>X Profit before tax (VII- VIII)</b>		<b>-2,021,992</b>	<b>4,509,008</b>
XI Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>XI Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>-2,021,992</b>	<b>4,509,008</b>
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
<b>XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		<b>-</b>	<b>-</b>
<b>XV Profit (Loss) for the period (XI + XIV)</b>		<b>-2,021,992</b>	<b>4,509,008</b>
XVI Earnings per equity share:			
(1) Basic		-0.49	1.10
(2) Diluted		-0.49	1.10

As per our report of even date

For K. M. Kapadia & Associates  
Chartered Accountants  
(FRN 104777 W)

VIVID GLOBAL INDUSTRIES LIMITED

CA.Kamlesh Kapadia  
M. No. 39707

Managing Director

Director

Place: Mumbai  
Date: 31st July 2012

Cash Flow statement for the year ended 31st March, 2012

Sr.No.	Particulars	2011-12		2010-11	
		Rs.	Rs.	Rs.	Rs.
<b>I</b>	<b>CASH INFLOWS</b>				
(1)	<b>From Operating activities</b>		(1,423)		6,068,397
(a)	Profit/Loss from operating activities				
	Adjustments:				
	Depreciation and amortization	153,844		302,498	
	Shares Compensation expenses				
	(Gain)/Loss on sale of fixed assets				
	Assets written off				
	Provision/ (Reversal) for doubtful debts and advances				
	Other Provisions		153,844		302,498
(b)	Working capital changes:				
	Decrease in inventories				
	Decrease in trade receivables	-			
	Decrease in short-term loans and advances			733,859	
	Decrease in other current assets			446,922	
	Increase in trade payables	34,850,108		12,794,514	
	Increase in other current liabilities			31,279	
	Increase in short term provisions	23,914	34,874,022		14,006,574
	<b>Total of (1)</b>		35,026,443		20,377,469
(2)	<b>From Investing activities</b>				
(a)	Proceeds from sale of fixed assets		-		-
(b)	Proceeds from sale of investments		-		-
(c)	Realisation of long-term loans and advances from subsidiaries/ associates/ business ventures		-		-
(d)	Decrease in other long-term loans and advances	18,001	18,001		-
(e)	Decrease in other non-current assets	-	-		-
(f)	Dividend received		-		-
(g)	Interest received	409,263	409,263	277,110	277,110
(h)	Other income		-		-
	<b>Total of (2)</b>		427,264		277,110
(3)	<b>From Financing activities</b>				
(a)	Proceeds from issue of share capital	-	-		-
(b)	Share application money pending allotment	-	-		-
(c)	Proceeds from long-term borrowings	749,343	749,343	1,438,935	1,438,935
(d)	Proceeds from short-term borrowings	-	-		-
	<b>Total of (3)</b>		749,343		1,438,935
	<b>Total cash inflows(1+2+3)</b>		36,203,050		22,093,514
<b>II</b>	<b>CASH OUTFLOWS</b>				
(1)	<b>From Operating activities</b>				
(a)	Profit/Loss from operating activities				
	Adjustments:				
	Depreciation and amortization				
	Share Compensation expenses (Loss)/Gain on sale of fixed assets				
	Assets written off				
	(Provision)/Reversal for doubtful debts and advances				
	Other Provisions				
	Prior Period Expenses	14,606	14,606		-
(b)	Working capital changes:				
	Increase in inventories	12,303,508		8,489,363	
	Increase in trade receivables	16,995,023		11,886,917	
	Increase in short-term loans and advances	122,993			
	Increase in other current assets	-			
	Decrease in trade payables	-			
	Decrease in other current liabilities	53,350			
	Decrease in short term provisions		29,474,873		20,376,280
(c)	Direct taxes paid (Net of refunds)				
	<b>Total of (1)</b>		29,489,479		20,376,280

## Cash Flow statement for the year ended 31st March, 2012

Sr.No. Particulars	2011-12		2010-11	
	Rs.	Rs.	Rs.	Rs.
(2) <b>From Investing activities</b>				
(a) Purchase of tangible assets/ capital work-in-progress	273,526	273,526	224,152	224,152
(b) Purchase of intangible assets/assets under development		-		-
(c) Purchase of investments		-		-
(d) Investment in subsidiaries/ associates/ business ventures		-		-
(e) Payment of long-term loans and advances to subsidiaries/ associates/business ventures		-		-
(f) Increase in other long-term loans and advances		-		-
(g) Increase in other non-current assets		-		-
<b>Total of (2)</b>		273,526		224,152
(3) <b>From Financing activities</b>				
(a) Repayment of long-term borrowings	2,290,000	2,290,000	133,051	133,051
(b) Repayment of short-term borrowings		-		-
(c) Dividends paid (including distribution tax)		-		-
(d) Interest and other finance costs	2,415,226	2,415,226	1,836,499	1,836,499
(e) Share issue expenses		-		-
<b>Total of (3)</b>		4,705,226		1,969,550
Total cash outflows (1+2+3)		34,468,231		22,569,982
<b>III Net (decrease)/increase in cash and cash equivalents</b>				
(a) From Operating activities	5,536,964		1,189	
(b) From Investing activities	153,738		52,958	
(c) From Financing activities	(3,955,883)		(530,615)	
<b>Total (A)</b>		1,734,819		(476,468)
Add: Cash and cash equivalents at the beginning of the period (B)		5,715,604		6,192,072
Cash and cash equivalents at the end of the period (A+B)		7,450,423		5,715,604

As per our report of even date

**For K. M. Kapadia & Associates**  
Chartered Accountants  
(FRN 104777 W)

VIVID GLOBAL INDUSTRIES LIMITED

**CA. Kamlesh Kapadia**  
M. No. 39707

Managing Director

Director

Place: Mumbai  
Date: 31st July 2012

**Schedule Forming Part of the Balance Sheet**

Note 1 Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule VI to the Companies Act, 1956

<u>Share Capital</u>	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
<b><u>Authorised</u></b>				
___% preference shares of ₹___ each	-	-	-	-
Equity Shares of Rs. 10/- each	6,000,000	60,000,000	6,000,000	60,000,000
<b><u>Issued</u></b>				
___% preference shares of ₹___ each	-	-	-	-
Equity Shares of Rs. 10/- each	4,085,900	40,859,000	4,085,900	40,859,000
<b><u>Subscribed &amp; Paid up</u></b>				
___% preference shares of ₹___ each	-	-	-	-
Equity Shares of Rs. 10/- each	4,085,900	40,859,000	4,085,900	40,859,000
<b><u>Subscribed but not fully Paid up</u></b>				
___% preference shares of ₹___ each, not fully paid up	-	-	-	-
Equity Shares of ₹___ each, not fully paid up	-	-	-	-
<b>Total</b>	<b>4,085,900</b>	<b>40,859,000</b>	<b>4,085,900</b>	<b>40,859,000</b>

Note 2 Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule VI to the Companies Act, 1956  
(Following disclosure should be made for each class of Shares)

Particulars	Equity Shares		Preference Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	1,914,100	19,141,000	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,914,100	19,141,000	-	-

Note 3 Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956

\_\_\_ Equity Shares (Previous year) are held by \_\_\_, the holding company.  
Above disclosure is required for each class of Shares held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

Note 4 Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to the Companies Act, 1956 (if more than 5%)

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
ASHA S MODY	370,340	9	370,040	9
MITEN S MODY	262,660	6	208,860	5
SUMISH S MODY	335,830	8	335,830	8
VIVID FINANCE & HOLDING I	-	-	295,080	7
AMISHA MITEN MODY	282,930	7	121,300	3
MEENA S MODY	264,790	6	130,000	3

Note 5 Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule VI to the Companies Act, 1956  
(Following disclosure should be made for each class of Shares)

Particulars	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-
<b>Preference Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

Note 6 Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule VI to the Companies Act, 1956

Unpaid Calls	₹
By Directors	-
By Officers	-

Note 7 Appropriate disclosures to comply with this point to be made by the Management

Note 2 Disclosure pursuant to Note no. 6(B) of Part I of Schedule VI to the Companies Act, 1956

<u>Reserves &amp; Surplus</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
<b>a. Capital Reserves</b>		
<b>Cash Subsidy</b>		
Opening Balance	2,500,000	2,500,000
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	2,500,000	2,500,000
<b>b. Revaluation Reserve</b>		
Opening Balance	9,948,563	9,948,563
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	9,948,563	9,948,563
<b>c. Surplus</b>		
Opening balance	-26,594,831	-31,103,840
(+) Net Profit/ (Net Loss) For the current year	-2,021,992	4,509,008
(+) Transfer from Reserves		
(-) Proposed Dividends		
(-) Interim Dividends		
(-) Transfer to Reserves		
Closing Balance	-28,616,823	-26,594,832
<b>Total</b>	-16,168,260	-14,146,269

Note 3 Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956

<u>Long Term Borrowings</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
<b>Secured</b>		
<b>(a) Other loans and advances (specify</b>		
Bank Current Account - Packing credit Loan	5,980,894	5,231,551
(Secured against DP Notes, Lodgment of LC's/ Confirmed Export Orders, Export Terms of Repayment _____		
	5,980,894	5,231,551
<b>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) &amp; (g)</b>		
1. Period of default	-	-
2. Amount	-	-
<b>Unsecured</b>		
From Vivid Intermediates Limited	10,863,076	-
<b>Total</b>	16,843,970	5,231,551

**Note 4 Disclosure pursuant to Note no. 6(D) of Part I of Schedule VI to the Companies Act, 1956**

<u>Other Long Term Liabilities</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Deposits towards Rent	610,000	400,000
(b) Other		2,500,000
<b>Total</b>	<b>610,000</b>	<b>2,900,000</b>

**Note 5 Disclosure pursuant to Note no. 6(E) of Part I of Schedule VI to the Companies Act, 1956**

<u>Long Term Provisions</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
<b>(a) Provision for employee benefits</b>		
Superannuation (unfunded)	-	-
Gratuity (unfunded)	-	-
Leave Encashment (unfunded)	-	-
ESOP / ESOS	-	-
<b>(b) Others</b>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 6 Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956**

<u>Short Term Borrowings</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
<u>Secured</u>		
	-	-
<u>Unsecured</u>		
<b>Total</b>	<b>-</b>	<b>-</b>

Note 7 Disclosure pursuant to Note no. 6(G) of Part I of Schedule VI to the Companies Act, 1956

<u>Other Current Liabilities *</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Duties & Taxes	88,912	142,261
(b) Others		
<b>Total</b>	<b>88,912</b>	<b>142,261</b>

Note 8 Disclosure pursuant to Note no. 6(H) of Part I of Schedule VI to the Companies Act, 1956

<u>Short Term Provisions</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	20,314	-
Contribution to PF		
Gratuity (Funded)		
Leave Encashment (funded)		
Superannuation (funded)		
ESOP / ESOS		
<b>(b) Provision for Profession Tax</b>	4,000	400
<b>Total</b>	<b>24,314</b>	<b>400</b>

**Note 9 Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part I of Schedule VI to the Companies Act, 1956**

	Fixed Assets			Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 1 April 2011	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31 March 2012	Balance as at 1 April 2011	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31 March 2012	Balance as at 1 April 2011	
<b>a</b>												
<b>Tangible Assets</b>												
Land under lease	7,510,168				7,510,168	4,071,275	123,654			7,510,168	7,510,168	
Buildings	7,586,158				7,586,158	33,371,631	23,510			3,391,228	3,514,883	
Plant and Equipment	33,715,102	273,526			33,988,628	373,872				593,487	343,471	
Furniture and Fixtures	373,872				373,872	1,354,921	3,726			35,491	-	
Vehicles	1,594,138				1,594,138	680,209				-	39,217	
Office equipment	680,209				680,209	2,801				-	-	
Computers	21,025				21,025	2,954				15,270	18,224	
<b>Total</b>	<b>51,480,672</b>	<b>273,526</b>	<b>-</b>	<b>-</b>	<b>51,754,198</b>	<b>40,054,710</b>	<b>153,844</b>	<b>-</b>	<b>-</b>	<b>11,545,644</b>	<b>11,425,962</b>	
<b>b</b>												
<b>Intangible Assets</b>												
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>c</b>												
<b>Capital Work In Progress</b>												
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>d</b>												
<b>Intangible assets under Development</b>												
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**Note 2 Disclosure pursuant to Note no. I (iv) and J (iii) of Part I of Schedule VI to the Companies Act, 1956**

The following disclosure should be made for each class of asset as required

Particulars	Year				
	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Asset details:</b>					
Balance as at 1 April	11,425,962	11,545,644	11,504,308	12,500,704	14,416,389
Impairment/ Revaluation					
Balance as at 31 March	11,425,962	11,545,644	11,504,308	12,500,704	14,416,389

Note 10 Disclosure pursuant to Note no. K (i) of Part I of Schedule VI to the Companies Act, 1956

	Particulars	As at 31 March 2012	As at 31 March 2011
		₹	₹
<b>A</b>	<b>Trade Investments (Refer A below)</b>		
	(a) Investment Properties		
	(b) Investment in Equity instruments		
	(c) Investments in preference shares		
	(d) Investments in Government or Trust securities		
	(e) Investments in debentures or bonds		
	(f) Investments in Mutual Funds		
	(g) Investments in partnership firms*		
	(h) Other non-current investments (specify nature)		
	<b>Total (A)</b>	-	-
<b>B</b>	<b>Other Investments (Refer B below)</b>		
	(a) Investment Properties		
	(b) Investment in Equity instruments	338,000	338,000
	(c) Investments in preference shares		
	(d) Investments in Government or Trust securities		
	(e) Investments in debentures or bonds		
	(f) Investments in Mutual Funds		
	(g) Investments in partnership firms*		
	(h) Other non-current investments (specify nature)	20,000	20,000
	<b>Total (B)</b>	<b>358,000</b>	<b>358,000</b>
	<b>Grand Total (A + B)</b>	<b>358,000</b>	<b>358,000</b>
	Less : Provision for dimunition in the value of Investments	334,200	334,200
	<b>Total</b>	<b>23,800</b>	<b>23,800</b>

Particulars	2,012	2,011
	₹	₹
Aggregate amount of quoted investments (Market value of ₹__ (Previous Year ₹__))	-	-
Aggregate amount of unquoted investments (Previous Year ₹__)	23,800	23,800

B. Details of Other Investments													
Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/ Controlled Entity/	No. of Shares / Units		Quoted/ Unquoted	Partly Paid/ Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost	If Answer to Column (9) is 'No' - Basis of Valuation	
			2012	2011			2012	2011	2012	2011			
-1		-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12	-13
(a)	Investment Properties												
(b)	Investment in Equity Instruments VIPL			3,800				3	3	338,000	338,000	NO	adjusting provision for diminishing value
(c)	Investments in Preference Shares												
(d)	Investments in Government or Trust securities												
(e)	Investments in Debentures or Bonds												
(f)	Investments in Mutual Funds												
(g)	Investments in partnership firms*												
(h)	Other non-current investments (specify nature)												
	TIMA CEPT CO-OP-SOC. SHARES			200						20,000	20,000	Yes	
										338,000	338,000		
	Total												

* G. Investment in _____ (Name of the Firm)	
Name of the Partners	Share of Capital
Partner 1	
Partner 2	
Total Capital	-

**Note 11 Disclosure pursuant to Note no. L (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956**

Long Term Loans and Advances	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
<b>a. Capital Advances</b>				
Secured, considered good				
Unsecured, considered good				
Doubtful				
Less: Provision for doubtful advances				
		-		-
<b>b. Security Deposits</b>				
Secured, considered good				
Unsecured, considered good		343,425		361,426
Doubtful				
Less: Provision for doubtful deposits				
		343,425		361,426
<b>c. Loans and advances to related parties (refer Note 2)</b>				
Secured, considered good				
Unsecured, considered good				
Doubtful				
Less: Provision for doubtful loans and advances				
		-		-
<b>d. Other loans and advances (specify nature)</b>				
Secured, considered good				
Unsecured, considered good				
Doubtful				
Less: Provision for				
		-		-
		343,425		361,426

**Note 2 Disclosure pursuant to Note no. L (iv) of Part I of Schedule VI to the Companies Act, 1956**

	As at 31 March 2012	As at 31 March 2011
	₹	₹
Directors *		
Other officers of the Company *		
Firm in which director is a partner *		
Private Company in which director is a member		
	-	-

Note 12 Disclosure pursuant to Note no.M (i),(ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956

	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
<b>a. Long term trade receivables (including trade receivables on deferred credit terms)</b>				
Secured, considered good				
Unsecured, considered good				
Doubtful				
Less: Provision for doubtful debts				
		-		-
<b>b. Others (specify nature)</b>				
Secured, considered good				
Unsecured, considered good				
Doubtful				
Less: Provision for _____				
		-		-
<b>c. Debts due by related parties (refer note 2)</b>				
Secured, considered good				
Unsecured, considered good				
Doubtful				
Less: Provision for doubtful debts				
		-		-
		-		-

2 Disclosure pursuant to Note no. M (iii) (iii) of Part I of Schedule VI to the Companies Act, 1956

	As at 31 March 2012	As at 31 March 2011
	₹	₹
Directors *		
Other officers of the Company * partner *		
Private Company in which director is a member		
	-	-

Note 13 Disclosure pursuant to Note no.N (i) and (ii) of Part I of Schedule VI to the Companies Act, 1956

Particulars	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Investment in Equity instruments		
(b) Investments in preference shares		
(c) Investments in Government or Trust securities		
(d) Investments in Debentures or Bonds		
(e) Investments in Mutual Funds		
(f) Investments in partnership firms*		
(g) Other non-current investments (specify nature)		
Total (A)	-	-
Less : Provision for dimunition in the value of Investments		
<b>Total</b>	-	-

Particulars	As at 31 March 2012	As at 31 March 2011
	₹	₹
Aggregate amount of quoted investments (Market value of ₹ __ (Previous Year ₹ __)		
Aggregate amount of unquoted investments (Previous Year ₹ __)		

**Note 14 Disclosure pursuant to Note no.O (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956**

Inventories	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
a. Raw Materials and components (Valued at _____)	18,711,064		14,709,048	
Goods-in transit	7,410,298		3,697,000	
	26,121,362	26,121,362		18,406,048
b. Work-in-progress (Valued at _____)	22,726,971		18,064,302	
Goods-in transit	-			
	22,726,971	22,726,971		18,064,302
c. Finished goods (Valued at _____)	5,837,897		5,912,373	
Goods-in transit	-			
	5,837,897	5,837,897		5,912,373
d. Stock-in-trade (Valued at _____)	-			
Goods-in transit	-			
	-	-		-
e. Stores and spares (Valued at _____)	453,638		453,638	
Goods-in transit	-			
	453,638	453,638		453,638
f. Loose Tools (Valued at _____)	-			
Goods-in transit	-			
	-	-		-
g. Others (Specify nature)	-			
	-	-		-
	-	-		-
<b>Total</b>		<b>55,139,868</b>		<b>42,836,361</b>

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

In view of the complexities of the business, the details provided hereunder could not be verified by us during the course of our audit and hence the following information provided is as certified by the management.

Particulars	2011-12		2010-11	
	Kgs.	Rupees	Kgs.	Rupees
<b>Opening Stock:</b>				
N.M.J.Acid	2,632	1,329,160	3,028	1,514,000
PHENYL J	2,931	1,275,085	633	272,190
DI.J ACID	5,292	3,307,669	2,557	1,572,555
SM2P	-	-	-	-
	<b>10,856</b>	<b>5,911,914</b>	<b>6,218</b>	<b>3,358,745</b>

Sales:	2011-12		2010-11	
	Kgs.	Rupees	Kgs.	Rupees
Tobias Acid	-	-	-	-
J. Acid	3,090	1,011,791	7,493	2,153,814
N.M.J	51,918	26,411,146	66,199	37,689,326
PH J.Acid	38,890	15,836,201	45,831	17,023,513
Di J.Acid	18,327	10,760,311	24,516	13,185,505
	<b>112,224</b>	<b>54,019,449</b>	<b>144,038</b>	<b>70,052,158</b>

Closing Stock:	2011-12		2010-11	
	Kgs.	Rupees	Kgs.	Rupees
Sulpho Tobias Acid	-	-	-	-
Tobias Acid	-	-	-	-
N.M.J.Acid	2,397	1,402,485	2,632	1,329,160
PH J.Acid	1,319	620,038	2,931	1,275,085
Di J.Acid	5,781	3,815,374	5,292	3,307,669
M.X.O.S.A.	-	-	-	-
Orange ME2RL	-	-	-	-
Others	-	-	-	-
	<b>9,498</b>	<b>5,837,897</b>	<b>10,856</b>	<b>5,911,914</b>

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

In view of the complexities of the business, the details provided hereunder could not be verified by us during the course of our audit and hence the following information provided is as certified by the management.

	2011-12		2010-11	
	Kgs.	Rupees	Kgs.	Rupees
J Acid Import	129,839	49,108,635		
J Acid Local	19,783	7,691,755	170,640	62,334,662
C.S.Flakes	-	-	2,550	78,754
Soda Ash	32,284	626,467	53,364	1,033,273
Sulphuric Acid	128,490	614,663	139,765	651,740
Mono Methyl Amine	116,711	2,683,442	130,031	3,470,854
HCL	79,336	269,239	80,002	356,911
SBS Powder	3,935	86,524	3,577	77,873
Formic Acid	3,186	99,470	2,079	120,599
Aniline Oil	16,335	1,437,156	20,285	1,818,906
Others (Including Packing Material)	<b>354,865</b>	<b>1,735,800</b>	<b>Numerous</b>	<b>3,975,151</b>
		<b>64,353,151</b>		<b>73,918,722</b>
Less: Excise set off				3,122,423
Less: Sales Tax set off		-		-
		<b>64,353,151</b>		<b>70,796,299</b>
Add : Freight Inward / Clearing & Forwarding		916,985		985,199
		<b>65,270,136</b>		<b>71,781,498</b>

	2011-12		2010-11	
	Kgs.	Rupees	Kgs.	Rupees
<b>Purchase of traded goods:</b>				
Dyes	123,668	23,042,700	83,550	14,966,090
<b>CIF value of Imports:</b>				
Raw Material	134,825	42,041,063	138,600	36,700,241

Value of imported and indigenous goods consumed :

	Rupees	Percentage of total	Rupees	Percentage of total
	2011-12	consumption	2010-11	consumption
		2011-12		2010-11
Raw materials & packing materials:				
Imported	42,041,063	<b>65.33%</b>	36,700,241	<b>49.65%</b>
Indigenous	22,312,088	<b>34.67%</b>	37,218,481	<b>50.35%</b>
	64,353,151	<b>100%</b>	73,918,722	<b>100.00%</b>
Add : Freight Inward / Clearing & Forwarding	916,985		985,199	
	65,270,136		74,903,921	
Stores & Spares:	-		-	
Indigenous	-		-	
	65,270,136		74,903,921	

Note 15 Disclosure pursuant to Note no.P (i), (ii), (iii) and (iv) of Part I of Schedule VI to the Companies Act, 1956

Trade Receivables	As at 31 March 2012	As at 31 March 2011
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	8,237,382	41,575,826
Unsecured, considered doubtful		
Less: Provision for doubtful debts		
	8,237,382	41,575,826
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	201,984	
Unsecured, considered doubtful		
Less: Provision for doubtful debts		
	201,984	-
<b>Total</b>	<b>8,439,366</b>	<b>41,575,826</b>

Trade Receivable stated above include debts due by:

Particulars	As at 31 March 2012	As at 31 March 2011
	₹	₹
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member		
	-	-

\*Either severally or jointly

**Note 16 Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule VI to the Companies Act, 1956**

Cash and cash equivalents	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
a. Balances with banks*		-		-
This includes:				
Bank Balances	440,106		287,016	
Margin money	6,823,153		5,125,030	
Security against borrowings	-		-	
Guarantees	146,309		67,419	
Other Commitments	-		-	
Bank deposits with more than 12 months maturity	-	7,409,568	-	5,479,465
b. Cheques, drafts on hand		-		-
c. Cash on hand*		40,855		236,139
d. Others (specify nature)		-		-
		7,450,423		5,715,604

\*Repatriation restrictions, if any, in respect of cash and bank balances shall be separately stated.

**Note 17 Disclosure pursuant to Note no.R (i), (ii) and (iii) of Part I of Schedule VI to the Companies Act, 1956**

Short-term loans and advances	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
<b>a. Loans and advances to related parties (refer note 2)</b>				
Secured, considered good				
Unsecured, considered good				
Doubtful advances				
		-		-
<b>b. Others</b>				
Excise	759,409		663,712	
Tds Deducted & Advance Tax Paid	416,453		369,376	
DEPB Receivables	-		19,781	
		1,175,862		1,052,869
		1,175,862		1,052,869

**Note 17a Disclosure pursuant to Note no.R (iv) of Part I of Schedule VI to the Companies Act, 1956**

	As at 31 March 2012	As at 31 March 2011
	₹	₹
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
	-	-

\*Either severally or jointly

**Note 18 As per Point No. 6S of General Instructions for Preparation of Balance Sheet**

Sr.no	Other current assets (specify nature)	As at 31 March 2012	As at 31 March 2011
	<b>Total</b>		
	This is an all-inclusive heading, which incorporates current assets that do not fit into any other asset categories.		

**Note 19 Disclosure pursuant to Note no. 6(T) of Part I of Schedule VI to the Companies Act, 1956**

Contingent liabilities and commitments (to the extent not provided for)	As at 31 March 2012	As at 31 March 2011
	₹	₹
<b>(i) Contingent Liabilities</b>		
The company is facing court cases 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
	64,000	64,000
<b>(ii) Commitments</b>		
	-	-
	64,000	64,000

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 members of the Company :-

- 1) Due to the complexities of business the value of the Inventory has been considered as has been verified, valued and certified by the Management.
- 2) Balances of Sundry Debtors and Sundry Creditors as on 31/03/2012 are subject to confirmation. No confirmations of balances have been obtained from the parties and hence the value of these Debtors and Creditors for the balance sheet purpose has been taken as certified by the Management.
- 3) The Company has not been following the Guidelines issued by the Institute of Chartered Accountants of India on Accounting for Excise Duty and Cenvat.
- 4) The Company has not deducted Employees Contribution of Provident Fund from the salaries of its employees and has also not provided for its Liability towards the Employers Contribution for Provident Fund. The provision required for the same is as follows:
 

a) Employees Contribution to Provident Fund	45,480/-
b) Employers Contribution to provident Fund	45,480/-
c) Administration charges for the Year	6,102/-
	<u>97,062/-*</u>

\* The above charges do not include the interest which shall be levied on delayed payments and Penalty leviable on the above matter.

	<u>2011-12</u>	<u>2010-11</u>	
a. Travelling expenses	-	214,948	-
b. Commission paid/payable	80,987	158,879	-

	<u>2011-12</u>	<u>2010-11</u>
	<u>Rupees</u>	<u>Rupees</u>
<b>Earnings in foreign exchange :</b>		
F.O.B. value of exports	38,677,286	38,128,497

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

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 is operated on triple shift basis during the year and 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.

**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 common**

- 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	459494	Vivid Intermediates Pvt. Ltd. Sumichem Corporation	---
		870000		
2	Guaranties Provided	15,000,000	Vivid Intermediates Pvt. Ltd.	---
3	Rent Paid	168000	Vivid Intermediates Pvt. Ltd.	
		-		
		<u>16,497,494</u>		

**III Details of payments to Key Management Personnel:**

Particulars	Amount ( Rs.)
Director Remuneration	300,000
<b>Total...</b>	<u>300,000</u>

**Segment Reporting :**

**Primary Segment Information**

Geographical Segments	Within India		Outside India		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
<b>Segment Revenue</b>						
External Sales to customer	42,310,230	91,637,830	38,677,286	38,128,497	80,987,516	129,766,327
Other Income	2,592,405	1,618,594		-5,481	2,592,405	1,613,113
<b>Total</b>	<b>45,191,962</b>	<b>93,256,424</b>	<b>36,804,290</b>	<b>38,123,016</b>	<b>83,579,921</b>	<b>131,379,440</b>
<b>Total</b>						
<b>Segment Result</b>	45,191,962	93,256,424	36,804,290	38,123,016	83,579,921	131,379,440
Unallocated expenses					83,442,106	126,450,872
<b>Operating Profit</b>					137,815	5,077,222
Interest Expenses					2,415,226	-501,073
Interest Income					409,263	81,513
<b>Net profit</b>					-1,868,148	4,657,661
<b>OTHER INFORMATION</b>						
Segment Assets	-	-	-	-	-	-
Unallocated assets	-	-	-	-	134,249,870	58,510,142
<b>Total Assets</b>					<b>58,539,114</b>	<b>58,510,142</b>
Segment Liability						
Unallocable liabilities					109,559,130	58,539,114
<b>Total Liabilities</b>					<b>58,539,114</b>	<b>58,539,114</b>
Depreciation/ amortisation			-	-	153,844	153,844
Non cash expenses other than depreciation						

**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.

**Current Tax :**

Provision for current income tax is made at the current tax rate based on assessable income. However as the company has accumulated losses of the earlier years, the Provision of Taxation is not required for the year under review.

**Deferred Tax Adjustment :**

For the company, the deferred tax adjustment as required by AS-22 consists only of unabsorbed depreciation and losses. As the company has incurred a Loss during the year under consideration and as the Company has accumulated Losses of the earlier years , it is estimated the same are not sufficient to cover the accumulated losses of the earlier years. In view of the same the deferred tax asset/liability has not been recognised.

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.

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

**For K. M. Kapadia & Associates**

Chartered Accountants  
(FRN 104777 W)

**VIVID GLOBAL INDUSTRIES LIMITED**

**CA.Kamlesh Kapadia**

M. No. 39707

Managing Director

Director

Place: Mumbai

Date: 31st July 2012

**Note 20 Disclosure pursuant to Note no. 2 of Part II of Schedule VI to the Companies Act, 1956**

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
Sale of products	80,987,516	129,766,327
Sale of services		
Other operating revenues	1,374,800	903,100
Less:		
Excise duty		
<b>Total</b>	<b>82,362,316</b>	<b>130,669,427</b>

**Note 21 Disclosure pursuant to Note no. 4 of Part II of Schedule VI to the Companies Act, 1956**

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
Interest Income (in case of a company other than a finance company)	409,263	277,110
Commission Income	11	
Duty Drawback Incentives	360,235	
DEPB	331,145	619,269
Sundry Balances written off	526,214	
Rebate on Purchase		419,502
Miscellaneous Income		3,500
<b>Total</b>	<b>1,626,868</b>	<b>1,319,381</b>

Note 22	Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011
		₹	₹	₹
	<b>Purchases of Material</b>			
	Import Purchase			
	Purchase (Import)	41,487,079		35,535,654
	Local Purchase	-		
	Purchase Tarapur	2,585,516		52,459,510
	Purchase Trading Goods	23,042,700		31,301,794
	Purchase Vapi	15,850,817	82,966,112	3,364,600
			82,966,112	122,661,558

Note 23	Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011
		₹	₹	₹
	<b>Changes in inventories of finished goods work-in-progress and Stock-in-Trade</b>			
	Opening Stock		42,836,361	34,346,998
	Less: Closing Stock		55,139,868	42,836,361
			-12,303,507	-8,489,363

Note 24	Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011
		₹	₹	₹
	Employee benefits expense			
	Salary Expnses	1,123,758		957,485
	Directors Remuneration	300,000		240,000
	Sitting Fees	2,000	1,425,758	3,500
			1,425,758	1,200,985

Note 25	Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011
		₹	₹	₹
	<b>Finance costs</b>			
	Interest expense	2,415,226		1,836,499
	Other borrowing costs			
	Applicable net gain/loss on foreign currency transactions and translation		2,415,226	
			2,415,226	1,836,499

Note 26	Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011
		₹	₹	₹
	<b>Depreciation and amortization expense</b>			
	Depreciation	153,844		302,498
	Amortization expense		153,844	
			153,844	302,498

Note 27	Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011
		₹	₹	₹
	<b>Other expenses</b>			
	<b>Direct Expenses</b>			
	CLEARING & FORWG EXPORT PUR	111,129		124,297
	CLEARING & FORWG IMPORT PUR	417,616		497,247
	ELECTRICITY CHARGES - VAPI	972,695		1,168,567
	ELECTRICITY EXPENSE TARAPUR	54,916		68,115
	Excise Duty Paid	1,370,586		1,802,315
	LICENCE UTILISED AGNST.IMPORT	75,966		52,487
	Pollution Board Exp	37,856		30,425
	Testing & Analysis Charges	19,796		16,291
	VAPI WASTE & EFFLUENT MANGT.CO.L.	26,805		33,156
	Waste & Effluent Charges	8,180		22,180
	Water Charges	224,274		190,277
	EXPORT EXPENSE OTHERS	108,669		137,291
	E C G C PREMIUMS	59,172		67,601
	Gas Connection Charges	242,751		49,744
	IMPORT DUTY ADJ.AG.DEPB	716,792		29,622
	LABOUR SUPPLIED	1,382,480		1,618,796
	PURCHASE TRANSPORT CHARGES (AG.-CFORM)	193,000		188,412
	TRANSPORT CHARGES PURCHASE	209,565		270,999
		6,232,248		
	<b>Indirect Expenses</b>			
	Repairs & Maintenance	781,363		901,611
	Exchange Rate Fluctuation	2,204,141		624,750
	Tarapur Exp	689		
	Insurance Expenses	19,588		
	Mumbai Labour Union			200,000
	Travelling Exp			214,948
	Audit Fees	150,495		120,000
	Accountants Fees	18,000		72,000
	Rent Paid			128,100
	Valuation Assets Expenses			19,030
	Legal & Professional Charges	252,880		403,939
	Selling & Distribution	1,149,702		1,096,402
	Other Expenses	479,002		447,049
	Provision for Bad Debt/Creditors			-682,749
	Telephone Exp	51,029		54,722
		5,106,890	11,339,138	9,967,624

Note 28	Particulars	For the year ended 31 March 2012		For the year ended 31 March 2011
		₹	₹	₹
	<b>Exceptional Items</b>			
	Prior Period Expenses	123,813		
	Consultancy Charges	-109,207	14,606	
			14,606	-

Note 1 Disclosure pursuant to Note no. 5(i)(a) of Part II of Schedule VI to the Companies Act, 1956

Employee Benefits Expense	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
(a) Salaries and incentives (incl. of Directors Remuneration)	1,423,758	1,173,044
(b) Contributions to -		
(i) Provident fund		
(ii) Superannuation scheme	0	0
(c) Gratuity fund contributions	0	0
(d) Social security and other benefit plans for overseas employees	0	0
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP),	0	0
(f) Staff welfare expenses	0	0
<b>Total</b>	<b>1,423,758</b>	<b>1,173,044</b>

Note 2 Disclosure pursuant to Note no. 5(i)(g) of Part II of Schedule VI to the Companies Act, 1956

Payments to the auditor as	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
a. auditor	150,495	120,000
b. for taxation matters		
c. for company law matters		
d. for management services		
e. for other services		
f. for reimbursement of expenses		
<b>Total</b>	<b>150,495</b>	<b>120,000</b>



## 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 25th Annual General Meeting of the Company to be held at D-21/1, MIDC,  
TARAPUR 401 506, VIA BOISAR, DIST. THANE on 28th September 2012 at 11.00 a.m.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

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.

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## VIVID GLOBAL INDUSTRIES LIMITED

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

### ATTENDANCE SLIP

25th Annual General Meeting on 28<sup>th</sup> September, 2012

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 25<sup>th</sup> Annual General Meeting of the Company to be held at D-21/1, MIDC, TARAPUR 401 506, VIA BOISAR, DIST. THANE on 28<sup>th</sup> September, 2012 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.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.