

**24th
ANNUAL REPORT
2010-2011**



VIVID GLOBAL INDUSTRIES LTD.

(Formerly Known as : VIVID CHEMICALS LTD.)

VIVID GLOBAL INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

BANKERS :

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

AUDITORS :

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

REGISTERED OFFICE :

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

ADMINISTRATIVE OFFICE :

C/O.SUMICHEM CORPORATION
1-D, DHANNUR BUILDING,
SIR P.M.ROAD, FORT,
MUMBAI 400 001.

Email ID: vividchem@yahoo.com

URL : 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 Fourth Annual General Meeting of the Vivid Global Industries Limited, will be held at Plot No. D-21/1,M.I.D.C., Tarapur, Via Boisar, Dist. Thane on Friday 30th September 2011 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 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr.Sumish S. Mody, 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 modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT subject to the provisions of Sections 198,269,309, and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, as amended up to date, consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration and perquisites to Mr. Sumish S. Mody as Managing Director of the Company for a period of five years with effect from 1st November, 2011 on the terms and conditions set out in the agreement to be entered into between the Company and Mr. Sumish S. Mody, a draft whereof is placed before the Meeting and is initialed by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary or increase the remuneration and perquisites including the monetary value thereof as specified in the said Agreement to the extent the Board of Directors may consider appropriate and as may be permitted or authorized in accordance with any provision under the Act for the time being in force, provided, however that the remuneration payable to Mr. Sumish S. Mody shall be within the limits set out in the said Act including the said Schedule XIII to the said Act or any amendments thereto or any modifications or statutory re-enactments thereof and / or Rules or Regulations framed thereunder and the terms of the aforesaid Agreement between the Company and Mr. Sumish S. Mody shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. Sumish S. Mody as Managing Director, the remuneration and perquisites as set out in the aforesaid agreement shall nevertheless be paid or granted to Mr. Sumish S. Mody as minimum remuneration, provided that in any event the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956 as may be amended from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

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 : 17th August, 2011

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 24th September, 11 to 30th September, 11 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.

Explanatory Statement under Section 173 of the Companies Act,1956**Item No. 4**

At the Twenty Second Annual General meeting of the Company held on 29th September, 2009 the members approved the revision in the terms of remuneration of Mr. Sumish S. Mody and the change in his designation to Managing Director for a period of remainder of the tenure of his term upto 31st October, 2011. In order to enable the Company to continue to benefit from the wide and varied knowledge and experience in the industry possessed by Mr. Sumish S. Mody, the Board of Directors have, subject to the approval of the Shareholders re-appointed Mr. Sumish S. Mody as Managing Director of the Company for a further period of 5 years commencing from 1st November, 2011 to 30th October, 2016 at the remuneration and on terms and conditions specified below.

Period of appointment : 5 years from 1st November, 2011 to 30th October, 2016.

Salary

Rs. 25,000/- per month in the scale of 25,000 – 75,000 with authority to the Board of Directors of the Company to grant such increments within the said scale as it may determine from time to time.

Perquisites:

- a. Medical Reimbursement: Expenses incurred for self and family.
- b. Leave Travel Concession: for self and family, once in a year in accordance with the rules of the Company.
- c. He shall be covered under Personal Accident Insurance policy as per the rules of the Company.
- d. Contribution to Provident Fund/ Superannuation Fund/ Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act.
- e. Gratuity payable shall be calculated as per the provisions of the 'Payment of Gratuity Act, 1972.
- f. He shall be entitled to Encashment of Leave at the end of tenure in accordance with the rules of the Company.
- g. Provision for use on Company's Cars and telephone and mobile at Residence (not to be considered as perquisite).
- h. The Company shall pay fee of clubs as per rules of the Company, subject to a maximum of two clubs.

The perquisites wherever applicable, shall be valued as per the Income Tax Rules, 1962.

Where in any financial year during the **Tenure** of the terms of Mr. Sumish Mody as Managing Director the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Sumish S. Mody, remuneration and perquisites within limits specified in part II of Schedule XIII of the said Act, or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

Other Terms

- i) Reimbursement of expenses: Reimbursement of travelling, entertainment and other expenses incurred by him during the course of the business of the Company as per the rules of the Company.
- ii) He shall not be paid any sitting fees for attending Board/Committee Meetings.
- iii) He shall not become interested or otherwise be connected directly or through his wife and /or dependent children in any selling agency of the Company without prior approval of the Central Government.
- iv) The appointment may be terminated by the Company or by Mr. Sumish S. Mody by giving not less than three months' prior notice in writing.
- v) In the event of death during the term of his office, the Company shall pay to Mr. Sumish S. Mody's legal heirs his full salary and other emoluments for that month and three months thereafter.

Mr. Sumish S. Mody has a degree in marketing from Rider University U.S.A. and has more than 15 years experience in the field of Dyes and Dye intermediates. This appointment at the remuneration detailed above is subject to the approval of the Shareholders.

The Directors' are of the opinion that Mr. Sumish S. Mody's knowledge and experience will be of immense value to the Company. The Directors therefore recommend the resolution for approval of Members.

A copy of the draft agreement referred to in the resolution at Item No. 4 will be available at the Registered Office of the Company and are open for inspection by the members between 10.00 a.m. to 1.00 p.m. on any working day except Saturday.

Mr. Sumish S. Mody and Mrs. Asha S. Mody are concerned or interested in the Resolution at Item No. 4.

The Explanatory Statement together with the Notice should be treated as an abstract of the terms of the Agreement and Memorandum of Concern or Interest under Section 302 of the Companies Act, 1956.

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 : 17th August, 2011

DIRECTOR'S REPORT

To,
The Members

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS :

	(Rs. in lacs) 31st March, 2011	(Rs. in lacs) 31st March, 2010
Net Sales/Income from Operations excluding Excise & Sales Tax	<u>1297.66</u>	<u>1258.47</u>
Gross Profit/(Loss) before Depreciation & Interest	125.43	98.89
Less : Depreciation	30.24	11.48
: Interest	<u>50.10</u>	<u>16.15</u>
	<u>80.34</u>	<u>27.63</u>
	45.09	71.26
Less: Prior years adjustments	<u>0.00</u>	<u>0.20</u>
Net Profit/(Loss) before Tax	45.09	71.06
Profit/ (Loss) after Tax	45.09	71.06
Add/(Less) Profit /Loss Brought Forward	<u>(311.03)</u>	<u>(382.10)</u>
Balance Carried to Balance Sheet	<u>(265.94)</u>	<u>(311.04)</u>

OPERATIONS :

During the year under review the Company has recorded a total Income of Rs. 1297.66 Lacs as compared to Rs. 1258.47 Lacs for the previous year and Net Profit of Rs. 45.09 Lacs for the year as compared to a Profit of Rs. 71.26 Lacs in the previous year.

Your Company with the help of in-house research started regenerating steam from mother liquor and reusing salt in the process has succeeded in improving the yield efficiency by approximately 5% and by that way company has also reduced the effluent discharge. As a result of all these factors the turnover and profitability have substantially improved and barring unforeseen circumstances your Directors are optimistic about the current year.

DIVIDEND :

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

DIRECTORATE :

Mr. Sumish S Mody retires by rotation and being eligible offers himself for re-appointment.

FIXED DEPOSIT :

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

AUDITORS :

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

PARTICULARS OF EMPLOYEES :

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit & Loss of the Company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and detecting fraud and other irregularities to the best of their knowledge and ability.
- iv) The Directors have prepared the annual accounts on a "going concern basis".

CORPORATE GOVERNANCE :

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

INDUSTRIAL RELATIONS :

The relations with the employees have remained cordial.

ACKNOWLEDGEMENTS :

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

For and on behalf of the Board of Director

SUMISH S. MODY
MANAGING DIRECTOR

ASHA S. MODY
DIRECTOR

Place : Mumbai

Dated : 17th August, 2011

INFORMATION AS PER SECTION 217 (1)(E) OF THE COMPANIES ACT, 1956, READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2011

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. 3,73,827

Earned Rs. 3,81,28,497

For and on behalf of the Board of Director

SUMISH S. MODY
MANAGING DIRECTOR

ASHA S. MODY
DIRECTOR

Place : Mumbai

Dated : 17th August, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

- A) Industry Structure and Development :
The Company is engaged in the business of producing intermediate dyes and trading in dyes based on a basic raw material Tobias Acid and J.Acid, which is imported from China. With the import of the basic raw material, the Company carries out processing activities on job work basis and produces the various dyes and dye intermediates.
- B) Opportunities and Threats
The Company is finding a good market for its range of products in the developing Asian Countries and has also found a good market in various other countries. This growth in market share has been achieved due to collaboration with another company for marketing of the company's products. One of the main threats faced by the Company are the availability of cheaper products from China.
- C) Segment-wise Performance
The Company has only one business segment viz dye intermediates and dyes and hence product-wise performance is not provided.
- D) Outlook
The outlook for the Company's business depends on the Cotton textile industry since majority of the Company's products are used in cotton fabrics. Recent times have seen a reversal of trends from synthetic to cotton fabrics and with the increase in demand for cotton the Company has a tremendous potential for growth.
- E) Risk and Concerns
Globalised competitive scenario in Dyes and raw materials and dumping of low price products from the Chinese markets are the major areas of risk and concern for your Company. Any unfavourable trends in the import tariffs on key raw materials may have adverse impact on the cost and selling prices thereby putting pressure on the margins.
- F) Internal Control Systems and their Adequacy
The Company has satisfactory internal control system, the adequacy of which has been mentioned in the Auditors' Report.
- G) Human Resources
There has been no material development on the Human Resource / Industrial relations front during the year.

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

1. Company's Philosophy on code of Governance:

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

The Company has adopted a Code of Conduct as required under clause 49 of the listing Agreement with the stock Exchanges. The Directors have confirmed compliance with the code of conduct for the year ended 31st March, 2011.

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 2010 – 2011, the Board met Eight times. The Board meetings were held on

(1) 30th April 2010 (2) 5th July, 2010, (3) 30th July, 2010 (4) 18th August, 2010, (5) 23rd September, 2010, (6) 28th October, 2010, (7) 28th January, 2011 (8) 30th March, 2011.

VIVID GLOBAL INDUSTRIES LTD.

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. Sumish S. Mody
2. Date of Birth	09.06.1972
3. Date of Appointment	06.09.1993
4. Experience in specific Areas	He has more than 15 years experience In th field of Dyes & Dye Intermediates.
5. Qualifications	Degree in Marketing from Rider University U.S.A.
6. Directorships in other Companies	Vivid Intermediates Pvt. Ltd. Vivid Finance & Holdings Pvt. Ltd.
7. Membership of committees	2

3. Audit Committee:

Terms of reference, Composition:

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

Audit Committee meetings were held on

(1) 30th April, 2010 (2) 30th July, 2010 (3) 28th October, 2010 (4) 28th January, 2011.

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

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

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

4. Remuneration 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. 2,40,000 during the year. Mr. Sumish S. Mody's Contract as Managing Director of the Company expires on 31st October, 2011 and subject to the approval of the members a new contract will be entered into for a period of 5 years with effect from 1st November, 2011 up to 31st October, 2016 terminable by 3 months Notice on either side. The Company does not have any stock option scheme. No sitting fees are paid to the Non – Executive Directors.

5. Shareholders Grievance Committee

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

6. General Body Meetings

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

<u>Financial Year</u>	<u>Day and Date</u>	<u>Time</u>
2009-2010	Wednesday 29/09/2010	11.00 a.m.
2008-2009	Tuesday 29/09/2008	11.00 a.m
2007-2008	Wednesday 17/09/2008	11.00 a.m

7. Location :

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

8. Business

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

9. Disclosures

1. There are no related party transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval. The transactions with the related parties are disclosed in the notes to accounts in the Annual Report.
2. During the last three years, there were no strictures or penalties imposed either by Securities and Exchange Board of India. The company's shares are now regularly traded on the BSE.
3. Code of Conduct

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

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

4. CEO/CFO Certification

As required under Clause 49 V of the listing Agreement with the Stock Exchanges, the Managing Director and CFO of the Company have certified to the Board regarding their review on the Financial Statements, Cash flow Statements and matters related to internal controls etc. in the prescribed format for the year ended 31st March, 2011.

10. Means of Communication

1. The financial results of the Company are published in widely circulating National dailies such as Free Press Journal and Nav-shakti. These are not sent individually to the shareholder.
2. The Company's results or official news are not displayed on the Company's web site. There were no presentations made to the institutional investors or to the analysts.
3. The Management Discussion and Analysis Report forms a part of this Annual Report.

11. General Shareholder Information

a. AGM Day, Date, Time Venue	Friday, 30 th September, 2011 at 11a.m. D/21/1 M.I.D.C., Tarapur, Via Boisar, Dist.Thane
b. Financial Calendar	01.04.2011 to 31.03.2012
c. Un- Audited Financial Results	1 st Quarter Last Week of July
	2 nd Quarter Last Week of October
	3 rd Quarter Last Week of January
	4 th Quarter Last Week of April
d. Book Closure Period	24.09.11 to 30.09.11
e. Dividend Payment Date	Not Applicable

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

The shares of the Company are traded frequently on the Stock Exchange. During the year the high price was Rs.10.10 on 14.09.2010 and the low price was Rs.6.02 on 29.03.2010.

g) Listing on stock Exchanges at :

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

h) Stock/Company/Security/Common Code:

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

i) Registrar and Transfer Agents

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

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

Distribution of Shareholding as on 31st March, 2011

No. of Shares	No of Holders	%to total	No. of Share	% to total
1 to 500	2976	82.37	603108	14.76
501 to 1000	325	9.00	260263	6.37
1001 to 2000	125	3.46	197083	4.82
2001 to 3000	49	1.36	122769	3.01
3001 to 4000	25	0.69	88627	2.17
4001 to 5000	37	1.02	173796	4.25
5001 to 10000	37	1.02	279633	6.84
100001 & above	39	1.08	2360621	57.78
TOTAL:	3613	100.00	4085900	100.00

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Shareholding Pattern of the Company as on 31st March, 2011

Sr. No.	Holders	Physical Form	Electronic Form	Total No. of Shares	% of Total
1.	Promoters	1709650	79000	1788650	43.78
2	NRIs / OCBs	-	5113	5113	0.13
3	Bodies Corporate	17300	193359	210659	5.15
4	Financial Institution	600	0	600	0.01
5	Indian Public	800320	1280558	2080878	50.93
	Total	2527870	1558030	4085900	100.00

Dematerialisation of Shares & Liquidity

38.13 % of the Company's share Capital is dematerialised as on 31st March, 2011. The Company's shares are regularly traded on the BSE.

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

For and on behalf of the Board of Director

Sd/-
SUMISH S. MODY
MANAGING DIRECTOR

Sd/-
ASHA S. MODY
DIRECTOR

Place : Mumbai
Dated : 17th August, 2011

Declaration on Code of Conduct

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

To
The Members of
Vivid Global Industries Limited

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

For VIVID GLOBAL INDUSTRIES LTD.

SUMISH S. MODY
MANAGING DIRECTOR

Place : Mumbai
Dated : 17th August 2011

Auditor's Certificate

The Members,

We have examined the conditions of Corporate Governance by Vivid Global Industries Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

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

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

Place : Mumbai

Date : 17th August, 2011

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

We have audited the attached Balance Sheet of M/S VIVID GLOBAL INDUSTRIES LIMITED, as at 31st March, 2011 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 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, 2011; and
- b. in the case of Profit and Loss Account, of the Profit for the year ended on that date.

Place: Mumbai

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

Date:17/08/2011

(KAMLESH KAPADIA)
Membership No.39707

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

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

- I (a) The Company has maintained reasonable records, showing particulars like the situation of Fixed Assets.
(b) We are informed that most of the Fixed Assets have been verified once during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed by the management as compared with the records maintained by the Company.
(c) The preparation of Financial Statements on a going concern basis is not affected on this account.
- II (a) The Stock of Goods have been physically verified by the management during the year at reasonable intervals. In our opinion the frequency of verification is reasonable.
(b) The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company is maintaining reasonable records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material.
- III In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956;
(a) The company has not granted loans secured / unsecured to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. The balance amount due to be received from these parties as on 31st March 2011 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 31.03.2011 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.
(b) In our opinion and according to the information and explanation given to us, the rate of interest in case of loan taken, wherever applicable, and other terms and conditions are not prima- facie prejudicial to the interest of the company.
(c) In respect of the loans taken by the company, the principal as well as interest is regularly paid by the company.
(d) There is no over due amount in respect of the loans taken by the company.
- IV In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the 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.

VIVID GLOBAL INDUSTRIES LTD.

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, CLAUSE 25

Exhibit 5

Sr. No.	Financial year	Depriciation	Cash Loss	
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.

Place: Mumbai.
Date : 17/08/2011

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

Membership No.39707

VIVID GLOBAL INDUSTRIES LTD.

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule No.	As at 31st March, 11 Rupees	As at 31st March, 10 Rupees
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital	1	40,859,000	40,859,000
Reserves and surplus	2	12,448,563	12,448,563
		53,307,563	53,307,563
LOAN FUNDS			
Secured loans	3	5,231,551	3,925,667
Unsecured loans		-	-
		58,539,114	57,233,230
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	4	51,480,671	51,256,520
Less: Depreciation		40,054,710	39,752,212
Net block		11,425,961	11,504,308
INVESTMENTS	5	23,800	23,800
DEFERRED TAX ASSET		-	-
CURRENT ASSETS, LOANS AND ADVANCES	6		
Inventories		42,836,361	34,346,998
Sundry debtors		41,575,826	29,688,908
Cash and bank balances		5,648,185	6,192,072
Other current assets		448,626	828,129
Loans and advances		1,033,088	1,766,947
		91,542,086	72,823,055
LESS: CURRENT LIABILITIES & PROVISIONS	7		
Current liabilities		71,047,565	58,221,772
Provisions		-	-
		71,047,565	58,221,772
NET CURRENT ASSETS		20,494,521	14,601,283
PROFIT AND LOSS ACCOUNT		26,594,832	31,103,840
	TOTAL ...	58,539,114	57,233,230

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

(KAMLESH KAPADIA)
Proprietor
Mumbai; Dated: 17.08.2011
Membership No. : 39707

For and on behalf of the Board of Directors

Managing Director
Mumbai; Dated: 17.08.2011

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule No.	For the year ended on 31st March, 11 Rupees	For the year ended on 31st March, 10 Rupees
<u>INCOME</u>			
Sales		129,766,327	125,846,858
Other income	8	1,613,113	3,899,934
	TOTAL ...	131,379,440	129,746,792
<u>EXPENDITURE</u>			
Goods purchased for Manufacturing		55,235,958	56,484,354
Goods purchased for Resale		67,425,600	59,427,710
Manufacturing and other expenses	9	11,894,666	15,690,578
Depreciation		302,498	1,148,124
Interest		501,073	1,615,096
(Increase)/Decrease in stock	10	(8,489,363)	(11,745,128)
	TOTAL ...	126,870,433	122,620,734
PROFIT / (LOSS) BEFORE PRIOR PERIOD ADJUSTMENTS		4,509,008	7,126,058
Adjustment pertaining to earlier year		-	(20,066)
PROFIT / (LOSS) BEFORE TAX		4,509,008	7,105,992
Provision for Income Tax		-	-
Deferred Tax Asset / (Liability)		-	-
Provision for Fringe Benefit Tax		-	-
PROFIT / (LOSS) AFTER TAX		4,509,008	7,105,992
PROFIT / (LOSS) BROUGHT FORWARD		(31,103,840)	(38,209,832)
	TOTAL ...	(26,594,832)	(31,103,840)
Earning per Share:			
Basic (Nominal value Rs. 10)		1.10	(2)
Diluted (Nominal value Rs. 10)		1.10	(2)

NOTES TO THE ACCOUNTS

11

As per our attached report of even date

For and on behalf of the Board of Directors

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

Chartered Accountants

(KAMLESH KAPADIA)

Mem. No. : 39707

Mumbai; Dated: 17.08.2011

Managing Director

Mumbai; Dated: 17.08.2011

Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 11 Rupees	As at 31st March, 10 Rupees
<u>Schedule 1</u>		
SHARE CAPITAL:		
AUTHORISED		
6,000,000 equity shares of Rs. 10/- each	60,000,000	60,000,000
ISSUED, SUBSCRIBED AND PAID-UP		
40,85,900 equity shares of Rs.10/- each fully paid-up	40,859,000	40,859,000
TOTAL...	40,859,000	40,859,000
<u>Schedule 2</u>		
RESERVES & SURPLUS:		
CAPITAL RESERVE:		
Capital Subsidy:		
Special Capital Incentive from Government of Maharashtra	2,500,000	2,500,000
REVALUATION RESERVE:		
Opening Balance:	9,948,563	9,948,563
Add: Additions during the year	-	-
(On account of appreciation in the value of Fixed Assets)	9,948,563	9,948,563
TOTAL...	12,448,563	12,448,563
<u>Schedule 3</u>		
SECURED LOANS:		
<u>From Financial Institution:</u>		
HDFC Car Loan	-	133,051
<u>From banks:</u>		
Packing credit loan	5,231,551	3,792,616
TOTAL ...	5,231,551	3,925,667

Notes:

1. HDFC CAR LOAN :
Secured by hypothecation of car and this has been repaid in the year
2. CASH CREDIT FACILITY :
Secured by hypothecation of raw material, semifinished and finished goods and book debts and a further charge by way of hypothecation of fixed assets of the company.
3. Except car loans, all the above loans are also secured by the personal guarantees of some of the directors of the Company and other associate companies.

**VIVID GLOBAL INDUSTRIES LIMITED
SCHEDULE FORMING PART OF THE BALANCE SHEET**

Schedule - 4

FIXED ASSETS: (AS PER COMPANIES ACT)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at 1st April, 2010 Rupees	Additions during the year Rupees	Deductions during the year Rupees	As at 31st Mar, 2011 Rupees	Upto 31st March 2010 Rupees	Short / (Excess) Depreciation charged for earlier years	For the year Rupees	Addition for the year		Upto 31st March 2011 Rupees	As at 31st March 2011 Rupees	As at 31st March 2010 Rupees
								Additions	Deductions			
Leasehold Land	7,510,168	-	-	7,510,168	-	-	-	-	-	-	7,510,168	7,510,168
Factory Building	7,586,158	-	-	7,586,158	3,947,621	-	123,654	-	-	4,071,275	3,514,883	3,638,537
Plant & Machinery & Electrical Installations	151,726	203,127	-	354,853	1,165	-	7,207	3,011	-	11,383	343,470	150,561
Plant & Machinery Electrical Installations	33,360,248	-	-	33,360,248	33,360,248	-	-	-	-	33,360,248	-	-
Office Equipment	680,209	-	-	680,209	668,921	-	11,288	-	-	680,209	-	11,288
Furnitures & Fixtures	373,872	-	-	373,872	370,779	-	3,093	-	-	373,872	-	3,093
Vehicles	1,594,138	-	-	1,594,138	1,403,478	-	151,443	-	-	1,554,921	39,217	190,660
Computers	-	21,025	-	21,025	-	-	-	2,801	-	2,801	18,224	-
TOTAL	51,256,519	224,152	-	51,480,671	39,752,212	-	296,685	5,813	-	40,064,710	11,425,961	11,504,370
PREVIOUS YEAR	51,104,794	151,726	-	51,256,520	38,604,089	-	114,690	1,165	-	39,752,212	11,504,308	12,500,704

VIVID GLOBAL INDUSTRIES LTD.

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 11 Rupees	As at 31st March, 10 Rupees
Schedule 5		
INVESTMENTS		
LONG TERM INVESTMENTS (Non-trade)		
Unquoted:		
- In Shares		
200 shares of Tima Cept Co-op Soc of Rs.100 each Of Company under the same Management	20,000	20,000
3,800 shares of Vivid Intermediates P. Ltd	338,000	338,000
Less : Provision for Diminishing Value of Invt.	(334,200)	(334,200)
	3,800	3,800
TOTAL ...	23,800	23,800
CURRENT ASSETS, LOANS AND ADVANCES:		
CURRENT ASSETS		
Inventories (As verified, valued and certified by the management)		
Raw materials	14,709,048	13,459,021
Work in progress	18,064,302	14,061,674
Stock in transit	3,697,000	3,013,920
Finished goods	5,912,373	3,358,745
Stores & spares	453,638	453,638
	42,836,361	34,346,998
SUNDRY DEBTORS (UNSECURED)		
Other debts-Considered Good	41,575,826	29,688,908
Other debts-Considered Doubtful	-	682,749
	41,575,826	29,006,159
Less: Provision for Doubtful Debts	-	682,749
	41,575,826	29,688,908
CASH AND BANK BALANCES:		
Cash balance	236,139	299,462
Balances with scheduled banks in -		
Current accounts	287,016	538,723
L/c Margin money	5,125,030	5,353,887
	5,648,185	6,192,072
OTHER CURRENT ASSETS:		
Deposits	361,426	338,081
DEPB purchased in hand	19,781	373,086
VAT Set off receivable	-	116,962
MARGIN (BANK GUARANTEE) GSPC GAS CO L	67,419	
	448,626	828,129
LOANS AND ADVANCES:		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	1,033,088	1,766,947
TOTAL ...	1,033,088	1,766,947

SCHEDULE FORMING PART OF THE BALANCE SHEET

Schedule 7

	As at 31st March, 11 Rupees	As at 31st March, 10 Rupees
CURRENT LIABILITIES AND PROVISIONS:		
CURRENT LIABILITIES		
Sundry creditors	70,504,904	57,710,390
Amount to be credited to :		
Deposits against Lease of Premises	400,000	230,000
Duties & Taxes	145,022	281,382
Other liabilities	(2,361)	-
	71,047,565	58,221,772
PROVISIONS		
Provision for Fringe benefit Tax	-	-
Provision for Income Tax	-	-
	-	-
TOTAL ..	71,047,565	58,221,772

SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT

Schedule - 8

	For the year Ended 31st March, 11 Rupees	For the year Ended 31st March, 10 Rupees
OTHER INCOME		
Balance Written-Off	15,382	497,414
Commision Received	-	178,202
Foreign Exchange Fluctuation	(624,750)	1,545,168
Interest Recd.from Bank	195,470	-
Bank Interest on L/C Margin	81,513	277,094
Liasoning charges	-	66,180
Rent received Tarapur	903,100	592,100
DEPB in Hand	619,269	373,086
Consultancy charges	-	330,900
Income tax refund	-	29,790
Misc Income	3,500	10,000
Rebate on Purchase	419,502	-
Interest recd on GSPC Com Ltd	127	-
TOTAL...	1,613,113	3,899,934

SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT

Schedule - 9

MANUFACTURING & OTHER EXPENSES :	For the year ended 31st March, 11 Rupees	For the year ended 31st March, 10 Rupees
Salary Head Office	1,197,485	1,067,933
Labour Charges	1,844,201	1,417,658
Fuel & Power Expenses	1,331,809	1,516,557
Excise Duty Paid	1,802,315	5,496,054
Import Expenses	519,356	1,537,175
Export Expenses	1,336,725	920,805
Repairs & Maintenance	676,206	698,237
Audit Fees	120,000	110,300
Freight & transportation charges	547,952	502,962
Insurance	64,856	63,420
Rent expenses	128,100	153,900
Water charges	190,277	142,419
Provision for Doubtful Debts	(682,749)	682,749
Other Expenses	2,818,133	1,380,409
TOTAL...	<u>11,894,666</u>	<u>15,690,578</u>

SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT

Schedule -10

(INCREASE)/DECREASE IN STOCKS	For the year ended on 31st March, 11 Rupees	For the year ended on 31st March, 10 Rupees
Opening stock		
Raw Material	13,459,021	11,609,832
Finished goods	3,358,745	558,083
Store & Spare	453,638	453,638
Stock in Transit	3,013,920	3,425,920
Work in progress	14,061,674	6,554,397
	<u>34,346,998</u>	<u>22,601,870</u>
Closing stock:		
Raw Material	14,709,048	13,459,021
Finished goods	5,912,373	3,358,745
Store & Spare	453,638	453,638
Stock in Transit	3,697,000	3,013,920
Work in progress	18,064,302	14,061,674
	<u>42,836,361</u>	<u>34,346,998</u>
(INCREASE)/DECREASE IN STOCKS	<u>(8,489,363)</u>	<u>(11,745,128)</u>

AUDIT YEAR: 2010-11

NOTES FORMING PART OF THE ACCOUNTS

Schedule 11

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 ScheduleXIV 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 :-**

a) Balances of Sundry Debtors and Sundry Creditors as on 31/03/2011 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 take as certified by the Management.

b) The Company has not been following the Guidelines issued by the Institute of Chartered Accountants of India on Accounting for Excise Duty and Cenvat. The Company records the Purchases inclusive of Excise Duty and Credits the Purchase Account for the Excise Duty Payable on its Sales. All the Payments made by the Company towards the Excise Duty are debited to the Profit & Loss Account. However the Excise Duty on Export Sales (Refundable) is recorded as an Asset but no corresponding liability for the same is recognised.

VIVID GLOBAL INDUSTRIES LTD.

2 Contingent Liabilities :

	2010-11 Rupees	2009-10 Rupees
The company is facing following court cases:		
i. With Central Excise department in respect of Modvat credit claimed for F.Y. 1994-95 The company has preferred an appeal against the said order and is confident of succeeding in the said appeal. (The liability disclosed above is net of predeposit of Rs. 50,000)	64,000	64,000

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

Vivid Intermediates Private Ltd.	3,172,845	2,894,523
Vivid Finance and Holdings Private Ltd.	-	-
Vivid Exports Private Limited	-	559,690

4 Interest expenses :

On fixed loans	501,073	1,615,096
On other accounts	-	-
	501,073	1,615,096

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

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

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.

6 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.

	2010-11 Kgs.	Rupees	2009-10 Kgs.	Rupees
<u>Opening Stock:</u>				
N.M.J.Acid	3,028	1,514,000	-	-
PHENYL J	633	272,190	934	401,719
DI.J ACID	2,557	1,572,555	254	156,364
SM2P	-	-	-	-
	6,218	3,358,745	1,188	558,083
	2010-11 Kgs.	Rupees	2009-10 Kgs.	Rupees
<u>Sales:</u>				
Tobias Acid	-	-	3,000	412,500
J. Acid	7,493	2,153,814	26,764	7,488,960
N.M.J	66,199	37,689,326	66,529	29,100,404
PH J.Acid	45,831	17,023,513	59,265	17,064,946
Di J.Acid	24,516	13,185,505	24,273	13,049,426
M.X.O.S.A.	-	-	-	-
Orange ME2RL	-	-	-	-
SM2P	-	-	-	-
J. Acid Urea	-	-	7,000	2,913,293
	144,038	70,052,158	186,831	70,029,529

VIVID GLOBAL INDUSTRIES LTD.

Closing Stock:	2010-11		2009-10	
	Kgs.	Rupees	Kgs.	Rupees
Sulpho Tobias Acid	-	-	-	-
Tobias Acid	-	-	-	-
N.M.J.Acid	2,632	1,329,160	5,764	1,514,000
PH J.Acid	2,931	1,275,085	8,179	272,190
Di J.Acid	5,292	3,307,669	2,557	1,572,555
M.X.O.S.A.	-	-	-	-
Orange ME2RL	-	-	-	-
Others	-	-	-	-
	10,856	5,911,914	16,500	3,358,745

7. 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.

	Kgs.	Rupees	Kgs.	Rupees
J Acid	170,640	62,334,662	272,935	75,057,161
C.S.Flakes	2,550	78,754	158,619	951,714
Soda Ash	53,364	1,033,273	75,607	1,134,105
Sulphuric Acid	139,765	651,740	203,263	609,789
Mono Methyl Amine	130,031	3,470,854	183,879	4,229,217
HCL	80,002	356,911	119,830	359,490
SBS Powder	3,577	77,873	29,048	493,816
Formic Acid	2,079	120,599	5,635	281,750
Aniline Oil	20,285	1,818,906	25,405	2,184,830
Others (Including Packing Material)	Numerous	3,975,151	Numerous	2,464,009
		73,918,722		87,765,880
Less: Excise set off		3,122,423		5,316,030
Less: Sales Tax set off		-		-
		70,796,299		82,449,850
Add : Freight Inward / Clearing & Forwarding		985,199		993,918
		71,781,498		83,443,768

	2009-10	Rupees	2009-10	Rupees
	Kgs.		Kgs.	
8 Purchase of traded goods:				
Dyes	83,550	14,966,090	199,500	25,585,009
9 CiF value of Imports:				
Raw Material	138,600	36,700,241	164,060	41,678,727
10 Expenditure in foreign currency				
a. Travelling expenses		214,948		130,760
b. Commission paid/payable		158,879		231,966

11 Value of imported and indigenous goods consumed :

	Rupees	Percentage of total	Rupees	Percentage of total
	2010-11	consumption	2009-10	consumption
		2010-11		2009-10
<u>Raw materials & packing materials:</u>				
Imported	36,700,241	49.65%	41,678,727	47.49%
Indigenous	37,218,481	50.35%	46,087,153	52.51%
	73,918,722	100%	87,765,880	100.00%
Add : Freight Inward / Clearing & Forwarding	985,199		993,918	
	74,903,921		88,759,798	
Stores & Spares :	-		-	
Indigenous	-		-	
	74,903,921		88,759,798	

12 Earnings in foreign exchange :	2010-11	2009-10
	Rupees	Rupees
F.O.B. value of exports	38,128,497	36,672,423

VIVID GLOBAL INDUSTRIES LTD.

13 Segment Reporting :

A Primary Segment Information

Geographical Segments	Within India		Outside India		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment Revenue						
External Sales to customer	91,637,830	89,174,435	38,128,497	36,672,423	129,766,327	125,846,858
Other Income	1,618,594	1,981,680	(5,481)	1,918,254	1,613,113	3,899,934
Total	93,256,424	91,156,115	38,123,016	38,590,677	131,379,440	
Segment Result	93,256,424	91,156,115	38,123,016	38,590,677	131,379,440	129,746,792
Unallocated expenses					126,450,872	121,282,732
Operating Profit					4,928,568	8,464,060
Interest Expenses					(501,073)	(1,615,096)
Interest Income					81,513	277,094
Net profit					4,509,008	7,126,058
OTHER INFORMATION						
Segment Assets	-	-	-	-	-	-
Unallocated assets	-	-	-	-	58,539,114	57,233,230
Total Assets					58,539,114	57,233,230
Segment Liability						-
Unallocable liabilities					58,539,114	57,233,230
Total Liabilities					58,539,114	57,233,230
Depreciation/ amortisation	-	-	-	-	302,498	1,148,124
Non cash expenses other than depreciation						

B Secondary segment:

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

14 Related Party transactions :

I Names of Related Parties and nature of relationship.

A. Associates

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

B. Enterprises over which Key Management Persons Have significant influence and Enterprises having Key Management Person in 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	403,691	Vivid Intermediates Pvt. Ltd.	—
		868,355	Sumichem Corporation	
2	Guaranties Provided	15,000,000	Vivid Intermediates Pvt. Ltd.	—
3	Rent Paid	123,000	Vivid Intermediates Pvt. Ltd.	—
		16,395,046		

III Details of payments to Key Management Personnel :

Particulars	Amount (Rs.)
Director Remuneration	240,000
Total...	240,000

15 Earnings per share :

Earnings per share is calculated as per AS-20 issued by the ICAI. The Net Profit After Tax considered for calculation of basic and diluted earnings per share is Rs. 45,09,008/-. There is no difference between basic and diluted earnings per share.

Profit after Tax	4,509,008
Eq. Shares Issued as on 01/04/2010	4,085,900
Eq. Shares Issued as on 31/03/2011	4,085,900
Basic & Diluted EPS	1.10

16 Current Tax :

i 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.

ii Deferred Tax Adjustment :

For the company, the deferred tax adjustment as required by AS-22 consists only of unabsorbed depreciation and losses. Though the company has made nominal profits during the year under consideration as well as the earlier year, 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.

17 In accordance with the requirement for disclosure of amounts due to SSI units, the company has not compiled the list of its sundry creditors who satisfy this criteria. Subject to this, the information relating to payment overdue to SSI units cannot be computed.

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

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

For and on behalf of the Board of Directors

(KAMLESH KAPADIA)
Mem.No. : 39707
Mumbai; Dated: 17.08.2011

Managing Director
Mumbai; Dated: 17.08.2011

Director

VIVID GLOBAL INDUSTRIES LTD.

Cash Flow Statement for the year ended 31st March 2011 :-

Sr. No.	Particulars	2010-11		2009-10	
		Rs.	Rs.	Rs.	Rs.
A	Cash from Operating Activities				
	Net Profit/(Loss) before Tax and extraordinary items		4,509,008		7,126,058
	Adjustment for :				
	Depreciation	302,498		1,148,124	
	Foreign Exchange Loss/ (Gain)	624,750		(1,545,168)	
	Interest Expenses	501,073		1,615,096	
	Interest Income	(81,513)		(277,094)	
	Rent Recd	(903,100)		(592,100)	
	Income tax Refund	-	443,708	(29,790)	319,069
	Operating Profit before working capital adjustments :-		4,952,716		7,445,126
	Adjustment for :				
	Trade and other receivable	(11,886,918)		(21,408,339)	
	Inventories	(8,489,363)		(11,745,128)	
	Loans & Advances	733,859		(834,361)	
	Other Current Assets	379,503		(106,595)	
	Trade Payable and Other Liabilities	12,825,793	(6,437,125)	28,912,786	(5,181,637)
	Operating Profit after working capital adjustments :-		(1,484,409)		2,263,489
	Add : Income on account of difference in Bank Reco	-		-	
	Income tax Refund	-		29,790	
	Less : Prior Period Expenses	-		(20,066)	
	Taxes paid	-	-	-	9,724
	Net Cash from operating activities (A)		(1,484,409)		2,273,213
B	Cash flow from Investing activities				
	Purchase of fixed Asset/Investments	(224,152)		(151,726)	
	Foreign Exchange (Loss)/ Gain	(624,750)		1,545,168	
	Interest Received	81,513		277,094	
	Rent Recd	903,100		592,100	
	Proceed from sale of fixed asset	-	135,711	-	2,262,636
	Net cash from investing activities (B)		135,711		2,262,636
C	Cash flow from Financing Activities				
	Interest paid	(501,073)		(1,615,096)	
	Proceeds from secured / unsecured loans	1,305,884	804,811	(460,662)	(2,075,758)
	Net Cash used in Financing activities (C)		804,811		(2,075,758)
	Net Increase / Decrease in cash (A+B+C)		(543,888)		2,460,091
	Cash & Cash equivalents at the beginning of the year		6,192,072		3,731,981
	Cash & Cash equivalents at the end of the year		5,648,185		6,192,072

5,648,185

6,192,072

For K. M. KAPADIA & ASSOCIATES
Chartered Accountants

For Vivid Global Industries Ltd.

(KAMLESH KAPADIA)

Mem. No. : 39707

Mumbai, dated : 17th August 2011

Managing Director

Mumbai, dated : 17th August 2011

BALANCESHEET ABSTRACT AND COMPANY'S GENERAL BUISNESS PROFILE

I Registration Details

Registration No.	43911
Balance Sheet Date	17.08.2011

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

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

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

Total Liabilities	58539114
Total Assets	58539114

Sources of fund

Paid up capital	40859000
Reserve & Surplus	12448563
Secured Loan	5231551
Unsecured loan	NIL

Application of funds

Net fixed Assets	11425961
Investment	23800
Net Current Assets	20494521
Mis. Expenditure	0
Accumulated Losses	26594832

IV Performance of the company

Turnover	129766327
Total Expenditure	126870433
Operating Revenue & other Income	1613113
Profit / Loss before tax	4509008
Profit+ / Loss after tax	4509008

Earning per share	1.10
Dividend rate	Nil

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

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

VIVID GLOBAL INDUSTRIES LIMITED

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

PROXY FORM

Members Folio No:

No.of Shares:

I/We _____ of _____ being a Member/Members of Vivid Global Industries Ltd. hereby appoint _____ of _____ or failing him _____ of _____ as my/our proxy to attend and vote for me/us, on my/our behalf at the 24th Annual General Meeting of the Company to be held at D-21/1, MIDC, TARAPUR 401 506, VIA BOISAR, DIST. THANE on 30th September 2011 at 11.00 a.m.

Signed this _____ day of _____ 2011

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.

Tear Here

VIVID GLOBAL INDUSTRIES LIMITED

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

ATTENDANCE SLIP

24th Annual General Meeting on the 30th September, 2011

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 24th Annual General Meeting of the Company to be held at D-21/1, MIDC, TARAPUR 401 506, VIA BOISAR, DIST. THANE on 30th September, 2011 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.
13 A-B, Samhita Warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 072.