31st ANNUAL REPORT

2023-2024

VIDHI

Vidhi Specialty Food Ingredients Limited

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Corporate Information

BOARD OF DIRECTORS

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

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

Mrs. Vidhi H. Parekh (DIN: 07584061)
Whole-time Director

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

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

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

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

Mr. Ashit K. Doshi (DIN: 08486679)
Independent Director

Ms. Jyoti S. Modi (DIN: 08699101)
Independent Director

Mrs. Pranali P. Govekar (DIN: 10727843)
Additional Independent Director

Mr. Anil Udeshi (DIN: 0828567)
Additional Independent Director

CHIEF FINANCIAL OFFICER

Mr. Mitesh D. Manek

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Vishkha Pandya

STATUTORY AUDITORS

M/s. Bhuta Shah & Co LLP.
Chartered Accountants

SECRETARIAL AUDITORS

M/s. Hemanshu Kapadia & Associates
Practicing Company Secretaries

INTERNAL AUDITORS

M/s. Jayesh Kothari & Co.
Chartered Accountants

BANKERS

HDFC Bank
Bank of Baroda

REGISTRAR & SHARE TRANSFER AGENTS (R & TA):

Link Intime India Private Limited
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai - 400 083.
Tel: 022- 4918 6270 Fax: 022- 4918 6060
Website: www.linkintime.co.in
E-mail: rnt.helpdesk@linkintime.co.in

REGISTERED OFFICE:

Vidhi Specialty Food Ingredients Limited
CIN: L24110MH1994PLC076156
E/27, Commerce Centre,
78, Tardeo Road,
Mumbai – 400034
Tel: + 91 22 6140 6666
Fax: + 91 22 2352 1980
E-mail: mitesh.mitesh.manek@vidhifoodcolors.com
Website: https://vidhifoodcolors.com/

CORPORATE OFFICE:

Vidhi Specialty Food Ingredients Limited
E/28 & 29, Commerce Centre,
78, Tardeo Road,
Mumbai – 400034
Tel: + 91 22 6140 6615

LOCATIONS OF PLANTS:

Factory I:

Plot No. 59/B & 68, M.I.D.C Dhatav - Roha,
Dist. Raigad, Maharashtra – 402 116

Factory II:

Plot No. Z/61 & Z/62, Dahej, SEZ Tal:
Vagra Dist: Bharuch, Gujrat-392130, India.

About Us:

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

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

Our company has two state-of-the-art manufacturing facilities, one located in the Dhatav village of Raigad district in Maharashtra and the recently commercialized Greenfield expansion in Dahej of Gujarat. This Greenfield expansion will enable Vidhi to address the growing demand supply gap and will result in increasing better realizations as the company forays into new high-margin products. Our manufacturing facilities are spread over an area of 1,76,000 square feet, located in Dhatav Village of Raigad District in the state of Maharashtra – India and and 1,08,250 square feet, located in Vagra Taluka in Bharuch District in the State of Gujrat – India. Today Vidhi is an ISO 9001:2000, ISO 22000:2005 and HACCP certified company. Vidhi is 1st Company in the field of manufacturing synthetic food colours in India to be awarded with ISO 9002 in the year of 2000. Our company continue to penetrate into newer geographies and add new customers across diversified end-user industries and further improve our wallet share from our existing customers. With the new greenfield expansion, vidhi has focus to enhance product portfolio and improve operational efficiencies and operating leverage. The board strives for a bright future for the company with overall growth and turnover, as well as profit through expansion of its production facility. Our Manufacturing facilities have been audited and found satisfactory by the U.S. FDA. All our products carry HALAL and Kosher certification. Vidhi is steadfastly working towards adoptions of standards like GFSI compliance.

Product Portfolio:

Synthetic Water Soluble Colours: (European Commission & JECFA Approved)

Available in microfine powder, fine plating grade powder & in granular forms.

Aluminum Lakes: (European Commission & JECFA Approved)

Food grade insoluble pigments available in microfine powder form.

FD&C Colours: (U. S. FDA Approved)

Available in microfine powder, fine plating grade powder as well as granular forms.

FD&C Lakes: (U. S. FDA Approved)

Food grade insoluble pigments available in microfine powder form.

D&C Colours: (U. S. FDA Approved)

Available in microfine powder for drug & cosmetic applications.

Blends: (European Commission, JECFA & U. S. FDA Approved)

Useful for acquiring any desired shade.

Co-Blended Lakes & Co-Blended Granules:(European Commission, JECFA & U. S. FDA Approved)

To achieve custom blended shades.

Natural Colours: (European Commission, JECFA & U. S. FDA Approved)

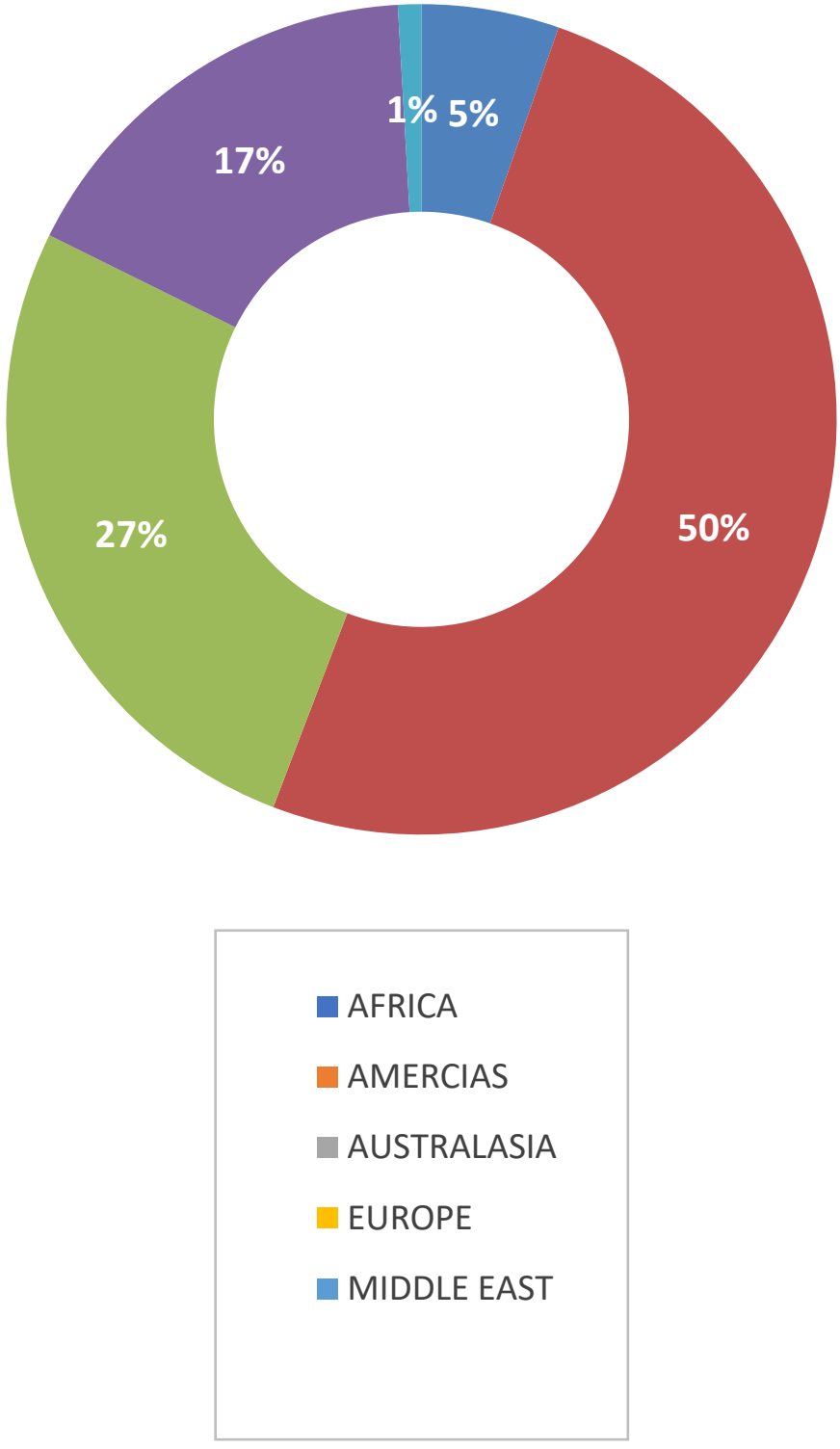
Natural colour formulations tailor made to suit any product applications.

A Truly Global Foot Print

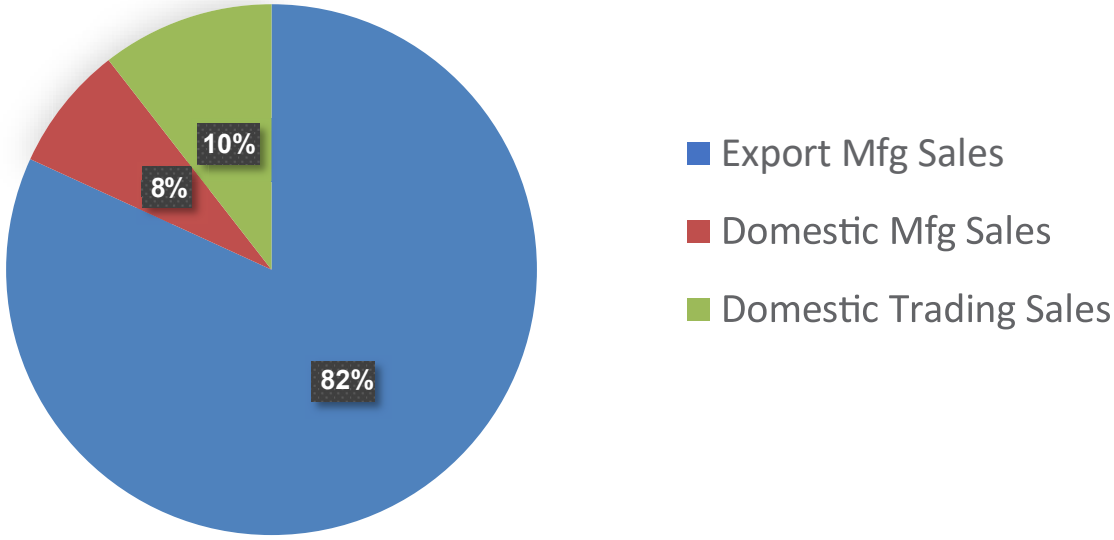
95.20% of all colours manufactured by VSFIL are exported globally.

Americas	Europe	Africa	Middle East
Argentina	Czech Republic	Egypt	Hongkong
Bolivia	France	Kenya	Iran
Brazil	Germany	South Africa	Singapore
Canada	Hungary	Uganda	Syria
Chile	Italy		UAE
Colombia	Malta		
Costarica	Morocco		
El Salvador	Republic of Poland		
Guatemala	Russian Federation		
Mexico	Spain		
Peru	The Nethelands		
Trinidad	Turkey		
USA	Ukraine		
URUGUAY	UK		
Venezuela			

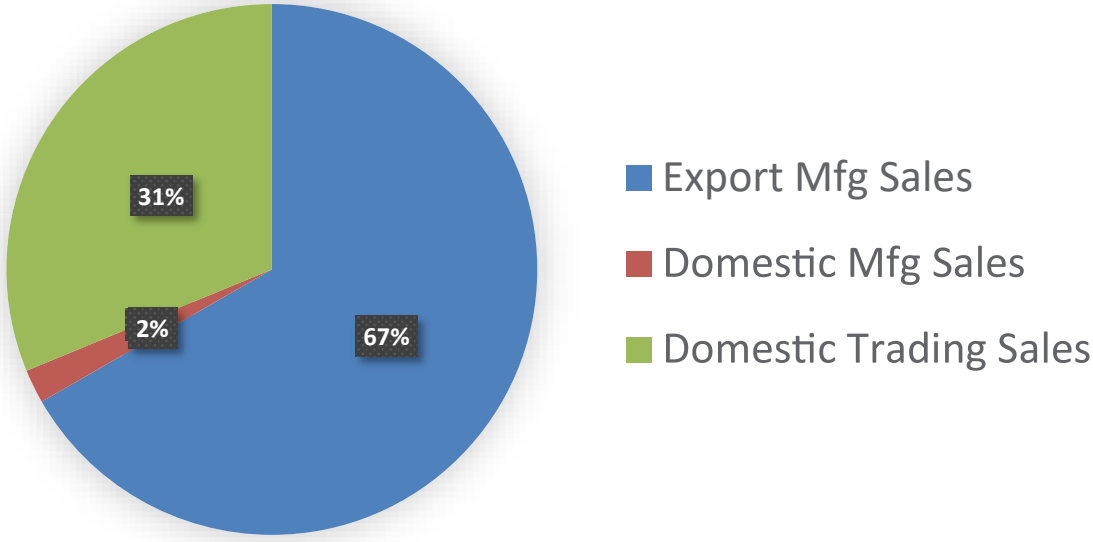
Continent Wise Break Up In Sales



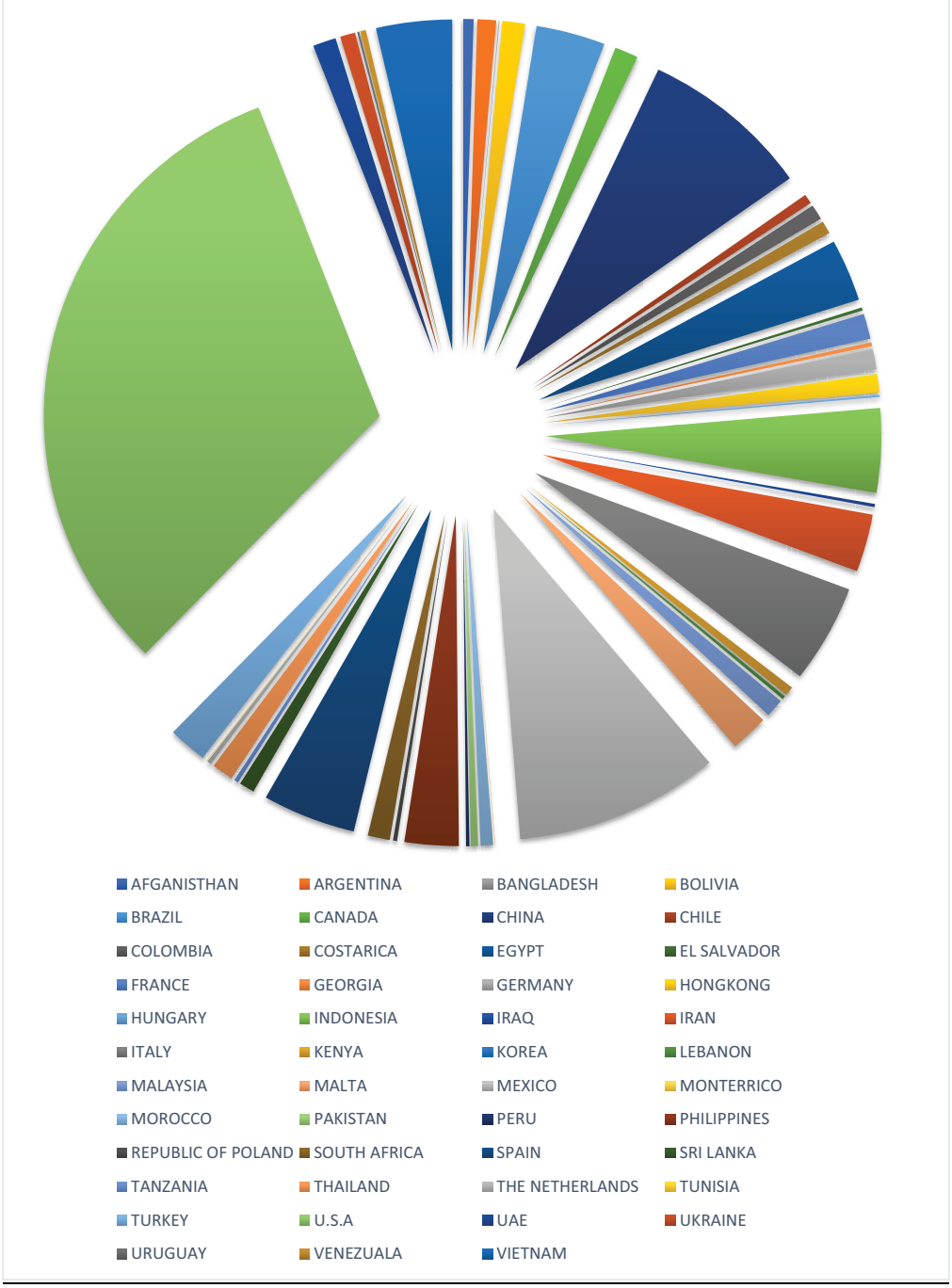
Sales 2024



Sales 2023

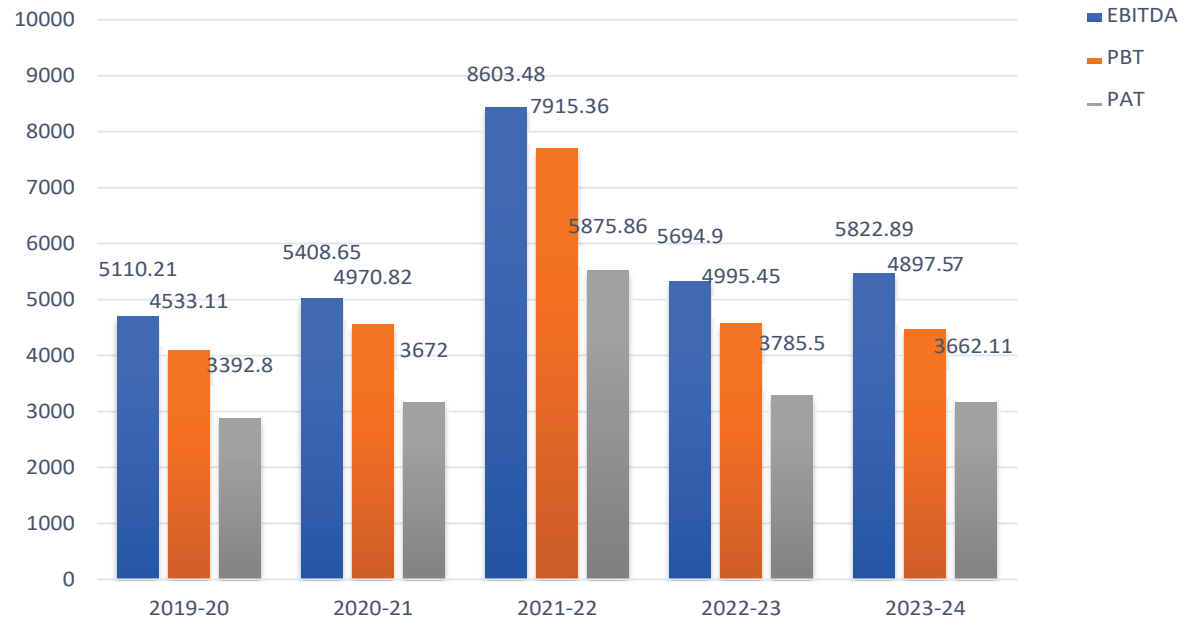


Country Wise Break Up In Sales

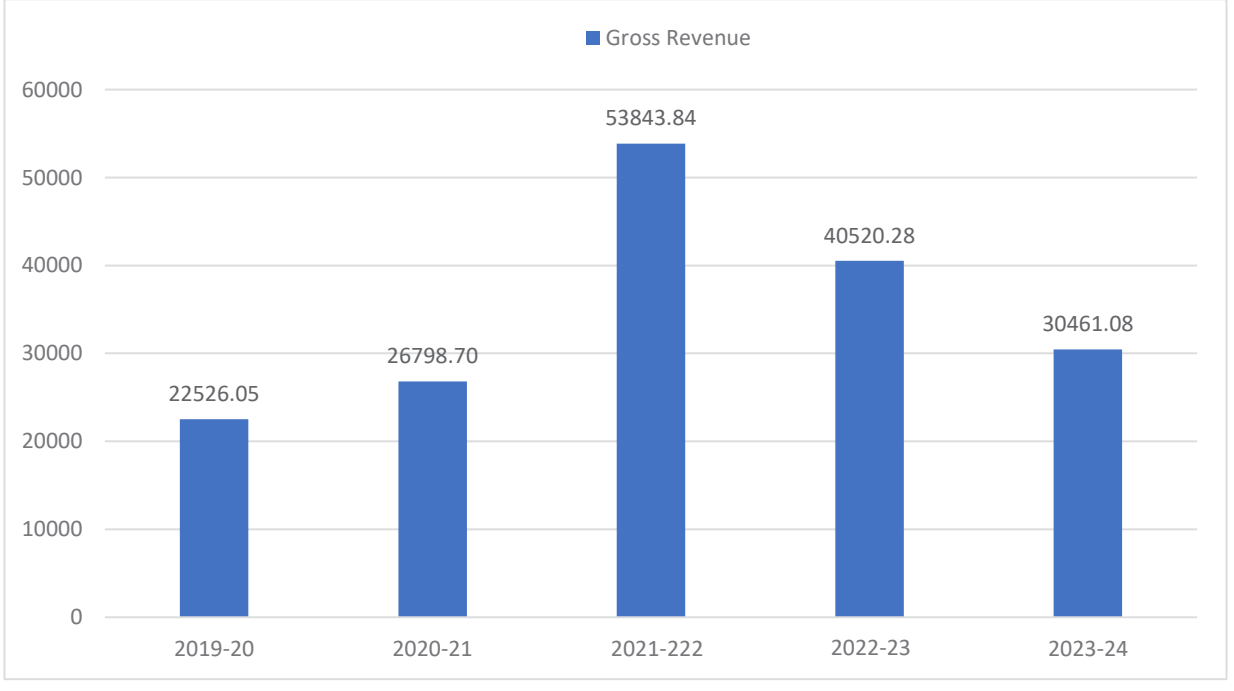


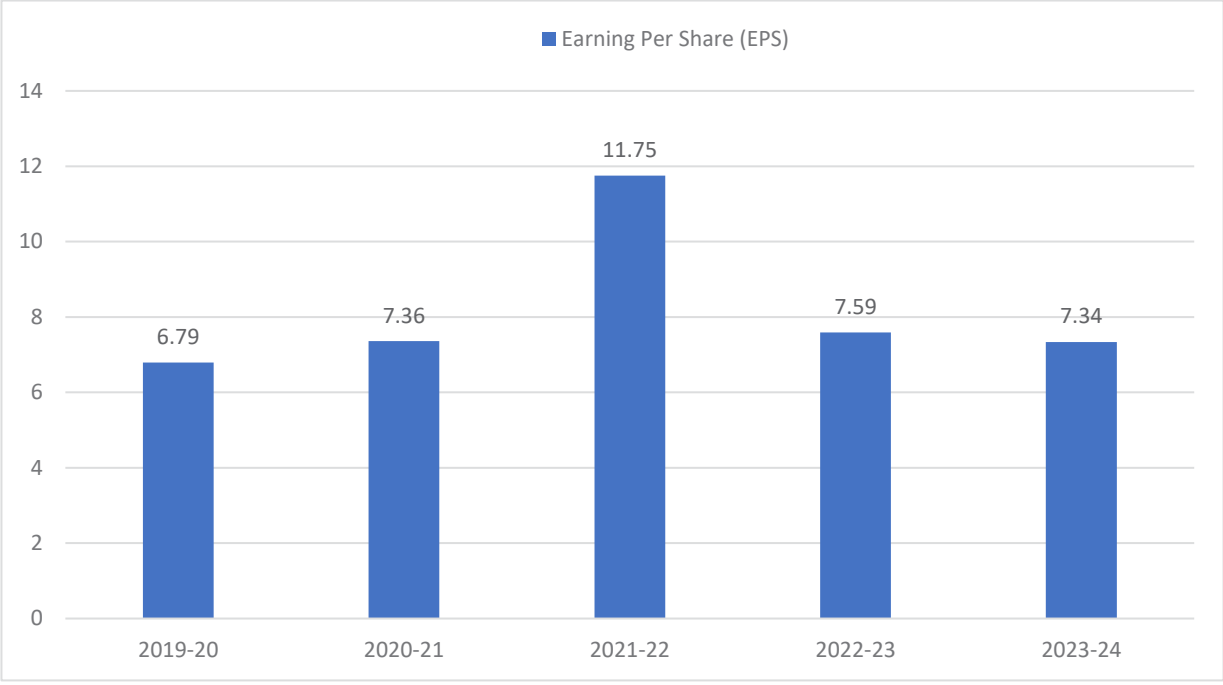
Key Performance Indicators

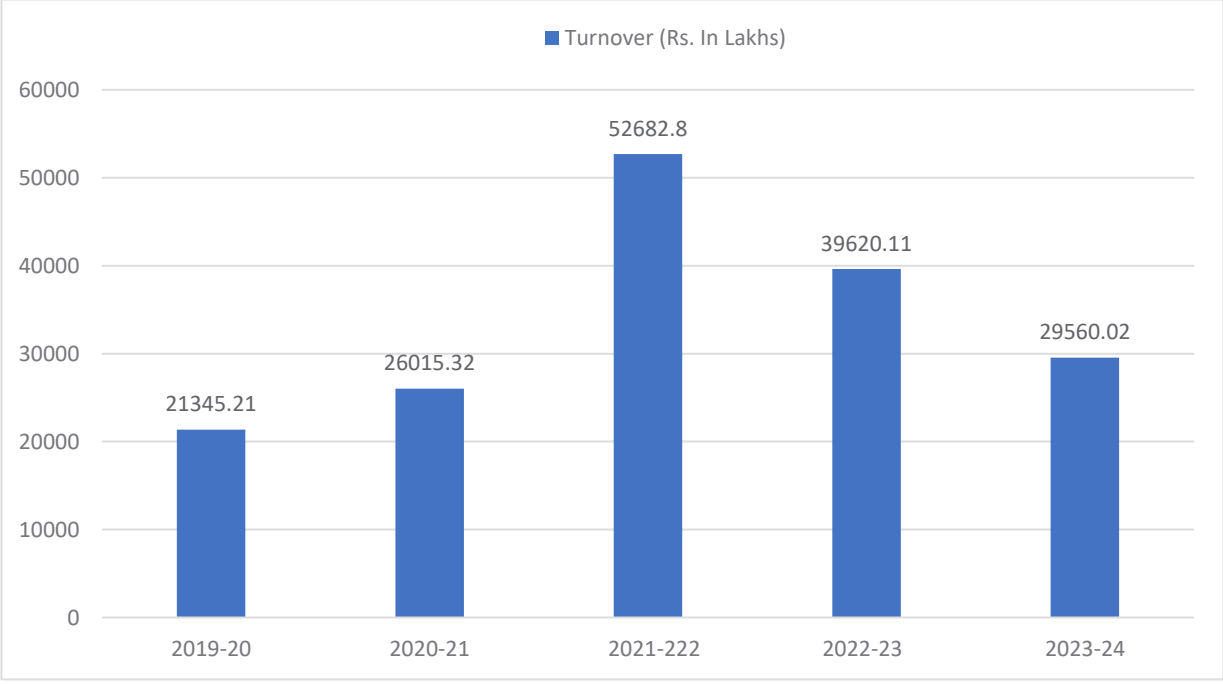
₹. In Lakhs

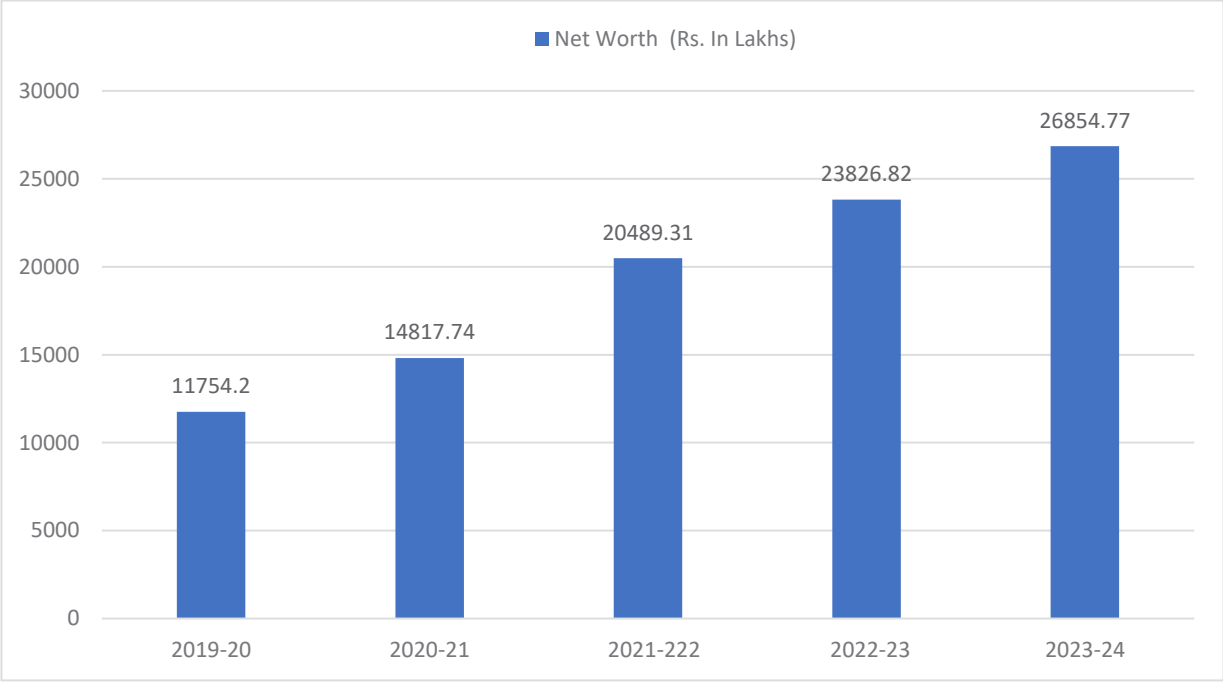


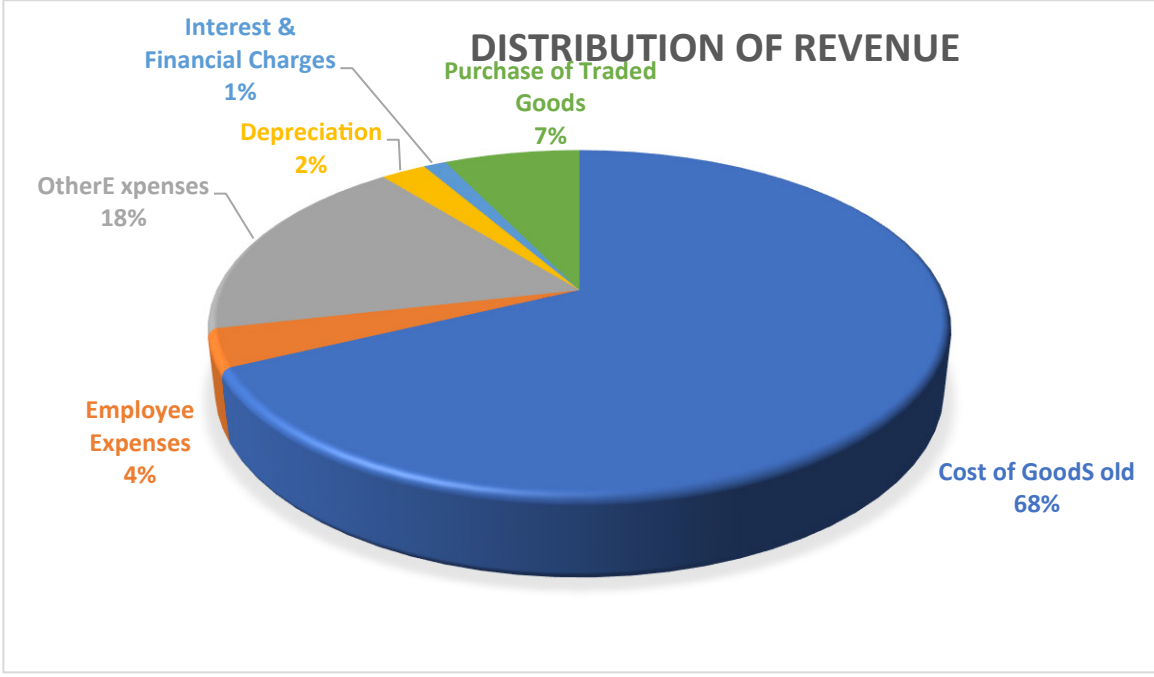
₹. In Lakhs




Earning Per Share (EPS)
14
12
10
8
6
4
2
0
6.79
7.36
11.75
7.59
7.34
2019-20
2020-21
2021-22
2022-23
2023-24


Turnover (Rs. In Lakhs)
60000
50000
40000
30000
20000
10000
0
21345.21
26015.32
52682.8
39620.11
29560.02
2019-20
2020-21
2021-222
2022-23
2023-24


Net Worth (Rs. In Lakhs)
30000
25000
20000
15000
10000
5000
0
11754.2
14817.74
20489.31
23826.82
26854.77
2019-20
2020-21
2021-222
2022-23
2023-24


DISTRIBUTION OF REVENUE
Interest & Financial Charges 1%
Purchase of Traded Goods 7%
Depreciation 2%
OtherE xpenses 18%
Employee Expenses 4%
Cost of GoodS old 68%

BOARD OF DIRECTORS

Mr. Bipin M. Manek
Executive Chairman & Managing Director

- One of the Promoters of the Company
- Actively associated with the Company since its inception
- Acknowledged as a thought leader in transforming the Company from a small food color manufacturing Company to the Asia's 2nd largest food color manufacturing Company
- Played a key role in bringing the Company to its present heights
- A Commerce Graduate
- Over 38 years of experience in the field of Imports & Exports in food colour industries and Business Management

Mrs. Pravina B. Manek
Woman Director Non-Executive

- One of the Promoters of the Company
- Associated with the Company since its inception
- An Arts Graduate from University of Mumbai
- Over 23 years of vast experience and expertise in food colour business

Mr. Mihir B. Manek
Executive Joint Managing Director

- A Science Graduate from University of Mumbai with a major in Industrial Chemistry
- Associated with the Company for more than 16 years
- Played a significant role in leading multiple initiatives to accelerate production and sales of the Company
- An experience and expertise in the business of procurement of imported raw materials and distribution of various chemicals for over 18 years

Mrs. Vidhi Harsh Parekh
Executive - Whole-time Director

- She is a Commerce Graduate.
- She has an experience of more than 18 years relating to handling work pertaining to the Directorate General of foreign trade viz. import licensing, export incentives, duty drawback etc.
- She has an experience of more than 18 years relating to handling work pertaining to Human Resources Development.

Mr. Prafullachandra A. Shah
Director Non-Executive & Independent

- An Engineering Graduate in Mechanical and Electricals
- His areas of strength include industrial Constructions & Project Works
- Over 63 years of experience in Construction Industry
- Associated with the Company for more than 21 years

Mr. Nirenbhai D. Desai
Director Non-Executive & Independent

- An Engineering Graduate in Mechanicals and Machine Tools
- Associated with the Company since 2005
- A dynamic experience of 42 years in the field of Indirect Industrial Hardware & Machine Tools

Mr. Rahul C. Berde
Director Non-Executive & Independent

- A Science Graduate from Mumbai University and holds the Masters Degree in Analytical Chemistry
- Associated with Vidhi Specialty Food Ingredients Limited for 10 years
- Formerly associated with Water's India Limited as a Senior Marketing Manager
- 18 years of experience as a manager of Biotage India Private Limited

Mr. Ashit Doshi
Director Non-Executive & Independent

- A remisier in equity market since last 24 years
- Associated with Mansi Shares and Stock Advisiors Private Limited as a remisier past 15 years
- Formerly associated with Setu Securities as a remisier for 10 years
- A SYBcom graduate
- He is acting as a Director in Nariman Investment Holdings Private Limited

Mrs. Jyoti S. Modi
Director Non-Executive & Independent

- An Arts Graduate and B.H.S.C. by qualification from Pune University
- Appointed on the Board of the Company w.e.f. March 19, 2020
- More than 7 Years of experience in food industry

Mrs. Pranali P. Govekar
Additional Director Non-Executive & Independent

- She has done Bachielor's Degree in Biochemistry from University of Mumbai in 2007.
- Appointed on the Board of the Company w.e.f. August 08, 2024
- More than 17 Years of experience in cost estimation of residential, commercial, industrial, healthcare, data center, infrastructure and hospitality projects.

Mr. Anil P. Udeshi
Additional Director Non-Executive & Independent

- He holds degree in Government Commercial Diploma in Accounts.
- Appointed on the Board of the Company w.e.f. August 08, 2024
- More than 45 Years of dynamic experience in the field of Printer Part for Copier Machine Spare & Toners

CHAIRMAN'S SPEECH

Dear Esteemed Stakeholders,

I hope that you and your loved ones are safe and in good health. I am pleased to communicate that our previous financial year has been marked by significant achievements in various aspects of our business.

As the years roll on, the temptation to look at the rear view mirror rather than the windshield in front increases for both the company and the individual. And if the past has been positive, it is even more so. Succumbing to that is dangerous. What matters is the road ahead and it is important to sift the past between lessons and baggage of history. Vidhi Specialty Food Ingredients Limited (VSFIL) is at one such juncture, where it has to not only embrace the change, but accelerate it. At the same time, Victor Hugo's words ring a bell: "Change your opinions, keep your principles; change your leaves, keep your roots intact."

An institution has to outlive individuals, including those who founded it. But like the water in an ocean, each contributory stream collectively makes up the institution. It is this continuous 'Manthan' that strengthens the core. I look at VSFIL as a constant confluence of river waters, collaborating to build a sustainable ocean, aspiring to live in perpetuity.

What does it take to build a sustainable institution for the future? Product excellence, trust complete customer satisfaction viz. Quality, Timely Shipment, Technical Backup and Excellent After Sales Service.

The Economy since 2019 has been eventful, starting with COVID-19 pandemic impacting supply-chain disruptions, then war between Russia-Ukraine followed by war between Israel and Palestine and growing tension between Chaina and Taiwan, change in weather conditions, all of which has impacted the global economy and triggered global energy and food crisis which in turn increased the inflation and trend of recession in many part of the worlds. While initial signs of stability began to emerge, the military conflicts have further intensified this year and continue to impact the global supply chains. The global environment around the world continues to go through significant shifts. I would like to reassure you that your Company will remain focused and committed on operational excellence and deliver strong growth and enhance shareholders and other stakeholders' values in every possible ways.

Our company has two state-of-the-art manufacturing facilities, one located in the Dhatav village of Raigad district in Maharashtra and the recently commercialized Greenfield expansion in Dahej of Gujarat. The Dahej plant began production on December 12th, 2023, following a successful trial run that began on August 27th of 2023. With this addition, the company's overall capacity has doubled from 325 metric tons per month to 675 metric tons per month. This Greenfield expansion will enable Vidhi to address the growing demand supply gap and will result in increasing better realizations as the company forays into new high-margin products. The Board strive for bright future for your Company with overall growth in turnover as well as profit with expansion of its production facility.

Now let me take this opportunity to report back to you on your Companies performance as well as the future outlook:

Company is consistent with their transformation strategy to increase the manufacturing activities and gradually exit low-margin trading business. Manufacturing sales remained almost at same level .Whereas there is substantial decrease in Trading Sales by 74.86% in Current FY i.e 203-24 as compare to 56.12% in Pervious FY i.e 2022-2023.

Your company is optimistic of revenue & profitability growth going forward due to penetration into newer geographies, addition of new customers, addition of wallet share from existing customers, enhancement of product portfolio and operational efficiencies & operating leverage.

In Current Year i.e 2023-2024 EBITDA is turn up by 2.25% attributable to marginal Increase in the Profit Margin.

You will be pleased to note that considering the operational and financial performance, Company has declared a 1st Interim Dividend of Rs. 0.40/- per equity share of Rs. 1/- each and an 2nd Interim Dividend of Rs. 0.60/- per equity share of Rs. 1/- each (totaling to Rs. 1/- per share i.e. 100%) during the financial year 2023-24 and has also recommended a final dividend payment of Re. 1/- per equity share of Rs. 1/- each (i.e. 100%) for the financial year 2023-2024.

In closing, let me express my deep gratitude to our clients, partners, employees, directors and other stakeholders who have placed their trust and confidence in us.

Thank you once again for being an integral part of our Company.

NOTICE OF THE THIRTY-FIRST ANNUAL GENERAL MEETING

To,

The Members

Vidhi Specialty Food Ingredients Limited,

Notice is hereby given that the **Thirty-First Annual General Meeting** of the Members of **Vidhi Specialty Food Ingredients Limited ("the Company")** will be held on Tuesday, September 24, 2024 at 03:30 p.m. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") which will be deemed to be held at the Registered Office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Financial Statement of the Company for the financial year ended March 31, 2024, including the Audited Balance Sheet as at March 31, 2024, the Change in Equity, Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Reports of the Board and Auditors' thereon.

2. To receive, consider and adopt the Consolidated Audited Financial Statement of the Company for the financial year ended March 31, 2024 including the Audited Balance Sheet as at March 31, 2024, the Change in Equity, Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date and notes related thereto together with the Report of Auditors' thereon.

3. To confirm the 1st Interim Dividend and 2nd Interim Dividend declared in the financial year 2023-24.

4. To declare Final Dividend on Equity Shares for the financial year 2023-24.

5. To appoint a Director in place of Mrs. Pravina B. Manek (DIN: 00416533), who retires by rotation pursuant to the provisions of Section 152 of the Companies Act, 2013 ('the Act') and who is not disqualified to become Director under the Act and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

6. To re-appoint Mrs. Jyoti Sunil Modi (DIN: 08699101) as an Non-executive, Independent (Women) Director for a second term of 5 (five) consecutive years.

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (hereinafter referred to as "the Act") and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (hereinafter referred to as "the Listing Regulations"), Mrs. Jyoti Sunil Modi (DIN: 08699101), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from March 19, 2020 to March 18, 2025 (both days inclusive) and who shall hold office of the Independent Directors upto March 18, 2025 and who being eligible for re-appointment as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Act from a Member proposing her candidature for the office of Director and who has submitted declaration that she meets the criteria for independence as provided under section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations and who is eligible for re-appointment and based on her evaluation of performance, the Nomination and Remuneration Committee has recommended her re-appointment to the Board and the Board has approve the same and recommended to the Members, be and is hereby re-appointed as an Non-executive, Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. March 19, 2025 to March 18, 2030 on the terms and conditions as set out in the Explanatory Statement pursuant to Section 102 of the Act annexed to this Notice.

RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters and to do any other formalities to give effect to this resolution."

7. To appoint Mrs. Pranali Prathamesh Govekar (DIN: 10727843) as a Non-Executive, Independent Director.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152, 160 and 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (hereinafter referred to as "the Act") and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (hereinafter referred to as "the Listing Regulations"), Mrs. Pranali Prathamesh Govekar (DIN: 10727843), who was appointed by the Board of Directors, as an Additional Independent Director of the Company with effect from August 08, 2024 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing under section 160 of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable Rules made under the Act read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable regulations the Listing Regulations, Mrs. Pranali Prathamesh Govekar (DIN: 10727843), who meets the criteria for independence as provided in Section 149(6) of the Act and the Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as the Independent Non-Executive Director not liable to retire by rotation, for a term of 5 (five) consecutive years commencing from August 08, 2024 to August 07, 2029, on such terms and conditions as set out in the Statement pursuant to Section 102 of the Act annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

8. To appoint Mr. Anil Popatlal Udeshi (DIN: 08285657) as a Non-Executive, Independent Director.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152, 160 and 161 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (hereinafter referred to as "the Act") and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (hereinafter referred to as "the Listing Regulations"), Mr. Anil Popatlal Udeshi (DIN: 08285657), who was appointed by the Board of Directors, as an Additional Independent Director of the Company with effect from August 08, 2024 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Act and in respect of whom the Company has received a notice in writing under section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable Rules made under the Act read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable regulations of the Listing Regulations, Mr. Anil Popatlal Udeshi (DIN: 08285657), who meets the criteria for independence as provided in Section 149(6) of the Act and the Listing Regulations and who has submitted a declaration to that effect and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as the Independent Non-Executive Director not liable to retire by rotation for a term of 5 (five) consecutive years commencing from August 08, 2024 to August 07, 2029, on such terms and conditions as set out in the Statement pursuant to Section 102 of the Act annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board of Directors
For Vidhi Specialty Food Ingredients Limited,

Date: August 08, 2024
Place: Mumbai

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 1601, Artesia Tower,
Plot No 249 and 249A,
Hind Cycle Compound, Worli, Mumbai - 400030

Registered Office:
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400 034
CIN: L24110MH1994PLC076156
www.vidhifoodcolors.com

NOTES:

a) The Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 09/2023 dated September 25, 2023 read with General Circular No.10/2022 dated December 28, 2022, General Circular No.14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') without the physical presence of the Members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the provisions of the Companies Act, 2013 (the 'Act') and MCA Circulars, the 31st AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM will be the Registered Office of the Company.

b) The Securities and Exchange Board of India ("SEBI") vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 read with Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "SEBI Circulars") has provided relaxation from requirement of sending the hard copy of annual report and sending proxy forms, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations). In line with the MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report for FY 2023-24 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/R&TA/Depositories, i.e. National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL").

   The Notice of AGM and Annual Report 2023-24 are available on the Company's website viz. **https://vidhifoodcolors.com/investor-relation/annual-reports/** and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com**, respectively. The AGM Notice is also on the website of NSDL (agency for providing the Remote e-Voting facility) at **www.evoting.nsdl.com**.

c) As per the provisions of clause 3.A.II. of the General Circular No. 20/2020 dated May 05, 2020 read with other MCA Circulars, the matters of Special Business, as appearing at item nos. 6,7 & 8 of the accompanying Notice, are considered to be unavoidable by the Board and hence, form part of this Notice.

d) As per Section 105 of the Act, a Member entitled to attend and vote at the general meeting is entitled to appoint a proxy, who need not be a Member, to attend and vote on poll on behalf of himself/herself. Since this AGM is being held through VC/OAVM pursuant to the MCA Circulars and SEBI Circulars, the requirement of physical attendance of Members has been dispensed with. Accordingly, in terms of the MCA Circulars and the SEBI Circulars, the facility for appointment of proxies by the Members will not be available for this AGM and hence the proxy form, attendance slip and route map of AGM are not annexed to this notice. However, in pursuance of Sections 112 and 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

e) The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 6, 7 & 8 of the Notice, is annexed hereto. Further, the relevant details with respect to Item Nos. 5 to 8 pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment and re-appointment at this AGM are also annexed.

   Brief resume of the Directors of the Company has also been furnished separately in the Annual Report. The Directors proposed to be appointed/re-appointed have furnished the relevant consent for their re-appointment.

f) The Company's Registrar & Share Transfer Agents are Link Intime India Private Limited ('R & TA') having their office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel: 8108116767 Fax: 022-4918 6060 Email Id: ***mumbai@linkintime.co.in.***

g) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 18, 2024 to Tuesday, September 24, 2024, both days inclusive, for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for payment of final dividend on equity shares for the financial year 2023-24, if declared at the AGM.

h) If the final dividend, as recommended by the Board of Directors, is approved at the AGM, such dividend, subject to deduction of tax at source, will be paid/ dispatched on/after Saturday, September 28, 2024 but within thirty days from the date of declaration of dividend to those persons (or their mandates):

- whose names appear as beneficial owners as at the end of the business hours on Tuesday, September 17, 2024 in the list of the Beneficial Owners to be obtained from the Depositories i.e. National Securities Depository Limited and Central Depository Services (India) Limited, in respect of the shares held in electronic/dematerialized mode; and
- whose names appear as Members in the Register of Members of the Company as on Tuesday, September 17, 2024 , after giving effect to valid transmission or transposition request lodged with the Company/R & TA, in respect of the shares held in physical mode.

i) Steps for updation of mandate for receiving dividend directly in bank account through Electronic Clearing System or any other means in a timely manner are as follows:

- **Shares held in physical form:** Members are requested to send the following details/documents to R&TA before September 11, 2024:

  i) Form ISR-1 along with supporting documents. The said form is available on the website of the Company at ***https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/12.%20Form%20ISR-1.pdf*** and on the website of the RTA at ***https://liiplweb.linkintime.co.in/KYC-downloads.html***.

  ii) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:

    - Cancelled cheque in original,
    - Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch.

  iii) Self-attested copy of the PAN Card of all the holders; and

  iv) Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

- **Shares held in electronic form:** Members may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not be able to accede to any direct request from such Members for change/addition/deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to ensure that their Electronic Bank Mandate is updated with their respective DPs on or before September 17, 2024.

  Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

j) In respect of the Members holding shares in electronic form, the bank details obtained from the respective depositories will be used for the purpose of distribution of dividend through various approved/permissible electronic mode of payment viz. National Automated Clearing House ('NACH'), Electronic Clearing Services (ECS), National Electronic Funds Transfer (NEFT), Real Time Gross Settlement (RTGS), etc.

In respect of the Members holding shares in the physical form, the bank details obtained from the R &TA will be used for the purpose of distribution of dividend through various approved/permissible electronic modes of payment. Any query related to dividend should be directed to R & TA.

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated November 3, 2021 (subsequently amended by Circular Nos. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2021/687 dated December 14, 2021, SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 March 16, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 November 17, 2023) has mandated that with effect from April 01, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.

The FAQs published by SEBI on its website in this regard can be viewed at the following link: ***https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf***

k) Members may note that the Income Tax Act, 1961 ("IT Act"), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 01, 2020 shall be taxable in the hands of the Members. The Company shall therefore be required to deduct Tax at Source ("TDS") at the time of making the final dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

1. For Resident Shareholders, TDS shall be deducted under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number (PAN) updated in the Company's Register of Members	10%* or as notified by the Government of India
Members not having PAN / valid PAN not updated in the Company's Register of Members/ PAN is not linked with AADHAR in case of an individual	20% or as notified by the Government of India

**As per the Finance Act, 2021, Section 206AB has been inserted effective July 01, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section.*

However, no TDS shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2024-25 does not exceed Rs. 5,000, and also in cases where members provide Form 15G/Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower/nil withholding of tax. PAN is mandatory for members providing Form 15G/15H or any other document as mentioned above. Please note that this includes the future dividend, if any, which may be declared by the Board in the financial year 2024-25.

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source.

2. **For Non-resident Members**, TDS is required to be deducted in accordance with the provisions of Section 195 of the IT Act at the rates in force. As per the relevant provisions of the IT Act, the tax shall be deducted @ 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable to them. However, as per Section 90 of the IT Act, the non-resident Member has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the Country of tax residence of the Member, if they are more beneficial to them.

For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income tax Rules, 1962
- Copy of the Tax Residency Certificate for financial year 2023-24 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders
- Self-declaration in Form 10F
- Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the shareholders

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act at the rate of 20%** (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

** As per the Finance Act, 2021, Section 206AB has been inserted effective from July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid section. However, in case a non-resident shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non- Resident Member.

l) Form 15G/15H/10F for current financial year can be downloaded from the Link **https://liiplweb.linkintime.co.in/client-downloads.html** under general tab.

m) Kindly note that the aforementioned documents can be submitted to the Company/R&TA at **rnt.helpdesk@linkintime.co.in** or can be uploaded on the link **https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html** on or before September 15, 2024 in order to enable your Company to determine and deduct appropriate TDS rate. No communication on the tax determination / deduction shall be entertained post September 15, 2024. It may be further noted that in case the tax on said dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

n) The Company will issue soft copy of TDS certificate to its Members through email registered with Company/ Company's RTA post payment of dividend. In addition, Members will be able to download the TDS certificate from the Income Tax Department's website **https://incometaxindiaefiling.gov.in** (refer to Form 26AS).

o) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Members, such Members will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any assessment/appellate proceedings.

p) This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

q) Members, who have not encashed/received the dividend warrants so far in respect of the below mentioned periods, are requested to make their claim to the R&TA well in advance before due dates. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid and Unclaimed Dividend Account, will be transferred to the Investor Education and Protection Funds (IEPF). Pursuant to the provisions of Section 124(2) of the Act read with the Rules made thereunder, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on its website: **https://vidhifoodcolors.com/investor-relation/unclaimed-dividends/** and also on the website of the Ministry of Corporate Affairs.

Due dates of transferring unclaimed and unpaid dividends declared by the Company for the financial year 2017-18 and thereafter to IEPF:

Financial Year	**Date of declaration of dividend**	**Last date for claiming unpaid/ unclaimed dividend**
2017-18 (Final Dividend for FY 2016-17)	September 25, 2017	October 29, 2024*
2017-18 (1st Interim Dividend)	September 25, 2017	October 29, 2024*
2017-18 (2nd Interim Dividend)	November 24, 2017	December 28, 2024*
2017-18 (3rd Interim Dividend)	February 14, 2018	March 20, 2025*
2018-19 (1st Interim Dividend)	August 10, 2018	September 13, 2025
2018-19 (Final Dividend for FY 2017-18)	September 28, 2018	November 01, 2025
2018-19 (2nd Interim Dividend)	November 05, 2018	December 09, 2025
2018-19 (3rd Interim Dividend)	February 12, 2019	March 16, 2026
2019-20 (1st Interim Dividend)	August 14, 2019	September 17, 2026
2019-20 (Final Dividend for FY 2018-19)	September 23, 2019	October 27, 2026
2019-20 (2nd Interim Dividend)	November 12, 2019	December 16, 2026
2019-20 (3rd Interim Dividend)	February 11, 2020	March 15, 2027
2020-21 (1st Interim Dividend)	August 14, 2020	September 17, 2027
2020-21 (Final Dividend for FY 2019-20)	September 29, 2020	November 02, 2027
2020-21 (2nd Interim Dividend)	November 12, 2020	December 16, 2027
2020-21 (3rd Interim Dividend)	February 09, 2021	March 13, 2028
2021-22 (Final Dividend for FY 2020-21)	September 28, 2021	November 01, 2028
2021-22 (1st Interim Dividend)	November 08, 2021	December 12, 2028
2022-23 (Final Dividend for FY 2021-22)	September 30, 2022	October 10, 2029
2022-23 (1st Interim Dividend)	November 11, 2022	December 15, 2029
2023-24 (Final Dividend for FY 2022-23)	September 29, 2023	November 02, 2030
2023-24 (1st Interim Dividend)	November 08, 2023	December 12, 2030
2023-24 (2nd Interim Dividend)	February 07,2024	March 11, 2031

** Unclaimed/unpaid amount due to be transferred to IEPF during the current financial year.*

r) Pursuant to the applicable provisions of the Act read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more shall also be transferred to the demat account created by the IEPF Authority. During the current financial year 1st Interim Dividend for the financial year 2017-18 declared in the Board Meeting dated September 25, 2017; Final Dividend for the financial year 2016-17 declared in the Annual General Meeting held on September 25, 2017; 2nd Interim Dividend for the financial year 2017-18 declared in the Board Meeting dated November 24, 2017 and 3rd Interim Dividend for the financial year 2017-18 declared in the Board Meeting dated February 14, 2018 are due to be transferred in IEPF as seven years will be completed from the date of transfer of amount to Unpaid Dividend Account. The Members whose dividend/Shares, if transferred to the IEPF Authority, can claim the same from the Authority by following the procedure as detailed on the website of IEPF Authority i.e. **https://www.iepf.gov.in/IEPF/refund.html**. Further, as per the IEPF Rules the Members/ Claimants can file only one consolidated claim in a financial year for a Company.

s) In compliance with the requirements set out in the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial years 2023-24, had transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares so far transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: **https://vidhifoodcolors.com/investor-relation/unclaimed-dividends/**

t) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held in electronic form and to the RTA in case shares are held by them in physical form in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023.

u) The Members may note that the SEBI has mandated the submission of PAN by every participant in securities market. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 in Form ISR-1. The Form ISR-1 is also available on the website of the Company at **https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/12.%20Form%20ISR-1.pdf** and on the website of the RTA at **https://liiplweb.linkintime.co.in/KYC-downloads.html** under the tab KYC. Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR–1.

v) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.

w) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on a first come first served basis as per the MCA Circulars. This limit will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Board Committees, Auditors etc., who are allowed to attend this AGM without restriction on account of first come first served basis.

x) In terms of Section 72 of the Act read with the applicable Rules made under the Act, every holder of shares in the Company may at any time nominate, in the prescribed manner (Form No. SH-13), a person to whom his/her shares in the Company shall vest, in the event of his/her death. Accordingly, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR-3 or Form SH-14, as the case may be.

The said forms can be downloaded from the Company's website as follows –

1. Form SH-13 - https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/10.%20Form%20SH-13.pdf
2. Form SH-14 - https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/11.%20Form%20SH-14.pdf
3. Form ISR-3 - https://vidhifoodcolors.com/INVPDFDocs/General%20Announcement/2021-22/13.%20Form%20ISR-3.pdf

The same are also available on the website of the R&TA at https://liiplweb.linkintime.co.in/KYC-downloads.html under the tab KYC.

The duly filled in Nomination Form shall be sent to R & TA by the Members holding shares in physical mode. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

y) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members/Beneficial Holders of the Company will be entitled to vote at the AGM.

z) Non-Resident Indian (NRI) Members are requested to inform the Company/R&TA the following immediately:

   i) Change in the residential status on return to India for settling permanently, if any/applicable.

   ii) Particulars of NRE Bank Account maintained in India with complete name & address of the Bank, if not furnished earlier.

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

ab) Members desiring any information pertaining to the Financial Statement or any matter to be placed at the AGM, are requested to write to Ms. Vishakha Pandya, Company Secretary of the Company, at **vdmlcs@hotmail.com** on or before September 17, 2024 through your registered email address quoting their Folio no./ DP ID & Client ID so as to enable the Management to reply at the AGM.

ac) Electronic copies of all the documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be made available for inspection electronically without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. till September 24, 2024. Members seeking to inspect such documents can send an email to **vdmlcs@hotmail.com**. During the 31st AGM also, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act; the Register of Contracts and Arrangements in which Directors are interested maintained under section 189 of the Act.

ad) As per Regulation 40 of Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form. In view of the same, to eliminate all risks associated with physical shares, for ease of portfolio management and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or R&TA for assistance in this regard.

ae) SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated issuance of Securities in dematerialized form in case of Investor Service Requests received from holder of physical shares pertaining to; (i) Issue of duplicate securities certificate; (ii) Claim from Unclaimed Suspense Account; (iii) Renewal / Exchange of securities certificate; (iv) Endorsement; (v) Sub-division / Splitting of securities certificate; (vi) Consolidation of securities certificates/folios; (vii) Transmission; and (viii) Transposition. The R&TA will issue a 'Letter of Confirmation' in place of Security certificate. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities. In case the securities holder/claimant fails to submit the demat request within 120 days from the date of issuance of letter of confirmation, RTA/Issuer Companies shall credit the securities to the Suspense Escrow Demat Account of the Company.

af) The Company has made special arrangement with the R&TA for registration of e-mail addresses in terms of the MCA Circulars for Members who wish to receive the Annual Report along with the AGM Notice electronically and to cast the vote electronically. In order to register the email id for receiving the Notice of 31st AGM and Annual Report through email please visit the link Email at **rnt.helpdesk@linkintime.co.in** and provide the requisite information and attach requisite documents. The system will then confirm the e-mail address for the limited purpose of servicing the Notice of this AGM along with the Annual Report for the year 2023-24.

ag) SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/ CIR/2023/131 dated July 31, 2023, and SEBI/HO/ OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/ OIAE_IAD-1/P/ CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the R&TA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal **(https://smartodr.in/login)** and the investor can also access the ODR portal available on the website of the Company at **https://vidhifoodcolors.com/investor-relation/investor-contact/**

ah) Voting through Electronic Means:

1. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations, as amended, MCA Circulars and the SEBI Circulars, the Company is providing its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 31st AGM by electronic means (by using the electronic voting system provided by NSDL) either by (a) remote e-voting prior to the AGM or (b) remote e-voting during the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. Instructions for Members for attending the AGM through VC/OAVM are explained below.

2. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the Listing Regulations (as amended), MCA Circulars, the Company is providing its Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means (by using the electronic voting system provided by NSDL). The instructions for e-voting system are given herein below.

3. Subject to the applicable provisions of the Act read with the Rules made there under (as amended), the voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date for the purpose of remote e-voting, being Tuesday, September 17, 2024. Members are eligible to cast vote only if they are holding shares as on Tuesday, September 17, 2024.

4. **The remote e-voting period will commence at 09:00 a.m. (IST) on Saturday, September 21, 2024 and will end at 05:00 p.m. (IST) on Monday, September 23, 2024.** During this period, the Members of the Company holding shares in physical form or in dematerialized form as on cut-off date may cast their vote through remote e-voting. **The remote e-voting module shall be blocked/disabled for voting thereafter.**

5. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. Tuesday, September 17, 2024, may obtain the login ID and password by sending a request at **evoting@nsdl.com** However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

6. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website **www.cdslindia.com** and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e- Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website **www.cdslindia.com** and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a e-voting link available on **www.cdslindia.com** home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.com** or call at 022 - 4886 7000 .
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at toll free no. 1800 00 21 099 11

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at **https://eservices.nsdl.com/** with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c. How to retrieve your 'initial password'?
      i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.com** mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of Vidhi to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **evoting@nsdl.com**. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on 022 - 4886 7000 or send a request to Ms. Prajakta pawle at **evoting@nsdl.com**

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **vdmlcs@hotmail.com**.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **vdmlcs@hotmail.com**. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to **evoting@nsdl.com** for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members, who would like to express their views/have questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number to reach the Company's email address **vdmlcs@hotmail.com** on or before 05:00 p.m. (IST) on Tuesday, September 17, 2024. The same will be replied by the Company suitably.

6. Members, who need assistance before or during the AGM, can contact NSDL on **evoting@nsdl.com** or call on 022 - 4886 7000 or send a request to Ms. Prajakta Pawle at **evoting@nsdl.com**

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

aj) The Scrutinizers shall immediately, after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting and make, within 48 hours from the conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against of the resolutions transacted in the AGM and submit forthwith the same to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

ak) The Chairman or the authorised person shall declare the results of the voting forthwith and the results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. **https://vidhifoodcolors.com/investor-relation/announcements/#general-meeting** and on the website of NSDL i.e. **www.evoting.nsdl.com.** The Company shall also simultaneously forward the results to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the Company are listed.

al) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Thirty-First AGM i.e. Tuesday, September 24, 2024.

By Order of the Board of Directors
For Vidhi Specialty Food Ingredients Limited,

Date: August 08, 2024
Place: Mumbai

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 1601, Artesia Tower,
Plot No 249 and 249A,
Hind Cycle Compound, Worli, Mumbai - 400030

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS TO BE TRANSACTED AT THE THIRTY-FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF VIDHI SPECIALTY FOOD INGREDIENTS LIMITED TO BE HELD ON TUESDAY, SEPTEMBER 24, 2024

Item No. 6:

In terms of Section 149 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), Members of the Company at the 27th Annual General Meeting ("AGM') held on September 29, 2020 approved the appointment of Mrs. Jyoti Sunil Modi (DIN: 08699101) as Non-Executive Women Independent Directors of the Company for a continuous period of 5 (five) years w.e.f. March 19, 2020 to March 18, 2025 ("first term").

Section 149 of the Act provides that an Independent Director shall hold office for a term of 5 (five) consecutive years and shall be eligible for re-appointment, on passing a Special Resolution by the Members of the Company, for a second term of another 5 (five) consecutive years i.e. holding office up to two consecutive terms of five years, whose term of office shall not be liable to retire by rotation.

The Board of Directors, based on the performance evaluation on various parameters of Independent Directors and recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Act and applicable provisions of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, (hereinafter referred to as "the Listing Regulations") considered that given the background and contributions made by Mrs. Jyoti Sunil Modi (DIN: 08699101) during her tenure, her continued association would be beneficial to the Company and hence it is desirable to continue to avail her services as Independent Directors. Accordingly, the Board of Directors approved her re-appointment as Independent Director of the Company for second term of 5 consecutive years, not liable to retire by rotation, and recommended the same to the Members for their approval by passing Special Resolution.

Mrs. Jyoti Sunil Modi (DIN: 08699101) is not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given his consent to act as Director. The Company has also received declaration from her that she meets criteria of independence as prescribed under section 149(6) of the Act and the Listing Regulations and that she is not debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India ("SEBI") or any such authority.

As per the requirement of the Circular from the Stock Exchanges dated June 20, 2018, Nomination and Remuneration Committee and the Board, while considering her reappointment have verified that she is not debarred from holding the office of a director pursuant to any SEBI order. Accordingly, the Company affirms that the Director proposed to be reappointed is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

The Company has received all the statutory consent, declarations, and disclosures from her including:

(i) Consent in writing to act as Director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014;

(ii) Intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified in accordance with Section 164 of the Act;

(iii) Declaration that she meets the criteria of independence as provided in Section 149 of the Act and in the Listing Regulations and she is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence and that she is independent of the management and that she is not disqualified to become a director under the Act; and

(iv) Declaration that she is not debarred or restrained from acting as a Director by any order from the Securities and Exchange Board of India ('SEBI') or any other such authority.

In the opinion of the Board, Mrs. Jyoti Sunil Modi (DIN: 08699101) fulfill the conditions specified in the Listing Regulations and the Act along with the Rules made thereunder and Schedule IV of the Act for her re-appointment as Independent Directors of the Company and she is independent of the Management and possesses appropriate skills, experience, knowledge and capabilities required for the role of Independent Director.

The Company has received notices in writing from a Member pursuant to provision of Section 160 of the Act proposing candidature of Mrs. Jyoti Sunil Modi (DIN: 08699101) for the office of Independent Director of the Company.

The brief profile of Mrs. Jyoti Sunil Modi (DIN: 08699101) is given in the annexure to the Notice of 31st AGM pursuant to the provisions of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India, which shall form part of the Explanatory Statement.

Mrs. Jyoti Sunil Modi (DIN: 08699101) shall be entitled to receive the remuneration, commission, sitting fees for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in the Board and Committee meetings, as permitted to be received in a capacity of the Independent Director pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder and the Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and Members of the Company from time to time.

The terms & conditions of her re-appointment and all the documents referred to in resolution mentioned at item no. 6 of the accompanying Notice of the 31st AGM and the Explanatory Statement shall be made available for inspection electronically without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. till September 24, 2024. Members seeking to inspect such documents can send an email to **vdmlcs@hotmail.com**.

Mrs. Jyoti Sunil Modi (DIN: 08699101) and their relatives are concerned and interested in the resolution set out at Item No. 6 of the Notice with regard to her re-appointment. None of the other Directors or Key Managerial Personnel of the Company or their respective relatives, except, mentioned above, are in any way concerned or interested, financially or otherwise, in the Resolution set out at item no. 6.

In accordance with the provisions of Section 149 read with Schedule IV of the Act and other applicable provisions of the Act and in terms of Regulation 25(2A) of the Listing Regulations, re-appointment of Mrs. Jyoti Sunil Modi (DIN: 08699101) as an Independent Director requires approval of Members of the Company by passing a Special Resolution. Accordingly, the Board recommends the Special Resolution at Item No. 6 for approval by the Members.

Item No. 7 & 8:

Since second term of five years of Mr. Prafullachandra Shah (DIN: 00417022) and Mr. Nirenbhai Desai (DIN: 01978382) as Independent Directors of the Company was valid till September 26, 2024 and of Mr. Rahul Berde (DIN: 06981981) was valid till September 29, 2024. In terms of provisions of Section 149 of the Companies Act, 2013 (hereinafter referred to as "the Act") and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), they will cease as Directors of the Company and due to which Board composition will be changed. In order to comply with the requirements of Regulation 17 and any other regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to appoint minimum two Independent Directors on the Board of the Company.

In order to comply with the requirements of the Act and the Listing Regulations to have proper Board composition, the Board of Directors, on the basis of recommendation of the Nomination and Remuneration Committee, by passing resolution in its meeting held on August 08, 2024 has appointed Mr. Anil Popatlal Udeshi (DIN: 08285657) and Mrs. Pranali Prathamesh Govekar (DIN: 10727843) as an Additional Independent Director of the Company, not liable to retire by rotation, for a term of 5 (five) years w.e.f. August 08, 2024 to August 07, 2029 subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, as an Additional Director they hold office up to the date of this Annual General Meeting ("AGM") and are eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing notices from

a Member, proposing candidature of Mr. Anil Popatlal Udeshi (DIN: 08285657) and Mrs. Pranali Prathamesh Govekar (DIN: 10727843) for the office of Director.

The Company has received declaration from Mr. Anil Popatlal Udeshi (DIN: 08285657) and Mrs. Pranali Prathamesh Govekar (DIN: 10727843) to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16 of the Listing Regulations. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, they fulfill the conditions specified in the Act, Rules and Listing Regulations for appointment as an Independent Directors and they are independent of the Management of the Company.

As per the requirement of the Circular from the Stock Exchanges dated June 20, 2018, Nomination and Remuneration Committee and the Board, while considering their appointment have verified that they are not debarred from holding the office of Directors pursuant to any SEBI order. Accordingly, the Company affirms that the Directors proposed to be appointed are not debarred from holding the office of Directors by virtue of any SEBI order or any other such authority.

The Company has received following documents and declaration from Mr. Anil Popatlal Udeshi (DIN: 08285657) and Mrs. Pranali Prathamesh Govekar (DIN: 10727843):

a) Letter of consents to act as Directors in the prescribed form DIR-2 pursuant to Section 152 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Qualification of Directors) Rules 2014,

b) Letter of intimation in the prescribed form DIR-8 pursuant to Section 164 of the Companies Act, 2013 and Rule 14 of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that they are not disqualified to become Directors under the Act,

c) Notice of disclosure of interest in prescribed form MBP-1 pursuant to Section 184(1) of the Companies Act, 2013 and Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014,

d) Declaration that they meet the criteria of independence as provided in Section 149 of the Act and in the Listing Regulations and they are not aware of any circumstances or situations, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management and that they are not disqualified to become a director under the Act; and

e) Declaration that they are not debarred or restrained from acting as Directors by any order from the Securities and Exchange Board of India (‘SEBI’) or any other such authority.

The Nomination and Remuneration Committee has recommended appointment of Mr. Anil Popatlal Udeshi (DIN: 08285657) and Mrs. Pranali Prathamesh Govekar (DIN: 10727843) as Independent Directors for a term of 5 (five) consecutive years. In the opinion of the Board of Directors Mr. Anil Popatlal Udeshi (DIN: 08285657) and Mrs. Pranali Prathamesh Govekar (DIN: 10727843) fulfill the conditions specified in the Act, Rules made thereunder and Schedule IV of the Act and the Listing Regulations, as amended, for their appointment as Independent Directors of the Company and that they are independent of the Management and are not disqualified to become Directors under the Act and possesses appropriate skills, experience, knowledge and capabilities required for the role of Independent Director. The Board believes that their association would be of immense benefit to the Company and it is desirable to avail their services as an Independent Directors. Accordingly, the Board of Directors has appointed them as Independent Directors of the Company, not liable to retire by rotation, for a term of 5 (five) years w.e.f. August 08, 2024 to August 07, 2029.

The brief profile of Mr. Anil Popatlal Udeshi (DIN: 08285657) and Mrs. Pranali Prathamesh Govekar (DIN: 10727843) pursuant to the provisions of Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India is given in the Annexure to the Notice convening 31st AGM and which shall form part of the Explanatory Statement.

Both the Directors shall be entitled to receive the remuneration, commission, sitting fees for attending meetings of the Board or Committees thereof, reimbursement of expenses for participating in the Board and Committee

meetings, as permitted to be received in a capacity of the Independent Director pursuant to the provisions of Sections 149, 197 and other applicable provisions of the Act and the Rules made thereunder and the Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and Members of the Company from time to time.

The terms & conditions of their appointment and all the documents referred to in resolution mentioned at item no. 6 of the accompanying Notice of the 31st AGM and the Explanatory Statement shall be made available for inspection electronically without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. till September 24, 2024. Members seeking to inspect such documents can send an email to **vdmlcs@hotmail.com**.

Mrs. Pranali Prathamesh Govekar (DIN: 10727843) and her relatives are concerned or interested in the Resolution mentioned at Item No. 7 relating to her own appointment. None of the other Directors and Key Managerial Personnel of the Company or their respective relatives, except, mentioned above, are in any way, concerned or interested, in the Resolution set out at Item No. 7 of the Notice.

Mr. Anil Popatlal Udeshi (DIN: 08285657) and his relatives are concerned or interested in the Resolution mentioned at Item No. 8 relating to his own appointment. None of the other Directors and Key Managerial Personnel of the Company or their respective relatives, except, mentioned above, are in any way, concerned or interested, in the Resolution set out at Item No. 8 of the Notice.

In accordance with the provisions of Section 149 read with Schedule IV of the Act and other applicable provisions of the Act and in terms of Regulation 25(2A) of the Listing Regulations, appointment of Mr. Anil Popatlal Udeshi (DIN: 08285657) and Mrs. Pranali Prathamesh Govekar (DIN: 10727843) as an Independent Director requires approval of Members of the Company by passing a Ordinary Resolution. Accordingly, the Board recommends the Oridnary Resolutions at Item No. 7 and 8 for approval by the Members.

By Order of the Board of Directors
For Vidhi Specialty Food Ingredients Limited,

Date: August 08, 2024
Place: Mumbai

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 1601, Artesia Tower,
Plot No 249 and 249A,
Hind Cycle Compound, Worli, Mumbai - 400030

Annexure to Item No. 5 to 8 of the Notice:

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

Name of the Director	**Mrs. Pravina Bipin Manek**	**Mrs. Jyoti Sunil Modi**
DIN	00416533	08699101
Date of Birth	February 29, 1956	November 06, 1970
Age	68 Years	53 years
Qualifications	B. A	B.A. and B.H.S.C.
Nationality	Indian	Indian
Experience	Over 23 years of vast experience and expertise in the business of food colour. Proposed to be re-appointed as a Director whose office is liable to retire by rotation.	She has an experience of more than 7 years in food industry
Terms and conditions of appointment/ reappointment	Proposed to be re-appointed as a Director whose office is liable to retire by rotation.	Proposed to be re-appointed as an Independent Non-Executive Director on existing terms and conditions till March 18, 2030.
Details of remuneration sought to be paid	No Remuneration paid	Existing remuneration
Date of first appointment on the Board	January 19, 1994	March 19, 2020
Shareholding in the Company	34,90,667 Equity shares (excluding shares held as one of the Trustees of three Private Trusts)	Nil
List of Directorships held in other Companies	1. Arjun Food Colorants Manufacturing Private Limited 2. Vidhi Finechem Private Limited 3. Vidhi Food Colours (Dahej) Private Limited	Nil
Committee Membership in other Company	Nil	Nil
Number of meetings of the Board attended during the year	4 (Four)	4 (Four)

Name of the Director	**Mrs.Pranali Prathamesh Govekar**	**Mr.Anil Popatlal Udeshi**
DIN	10727843	08285657
Date of Birth	September 25, 1985	January 12, 1955
Age	39 Years	69 Years
Qualifications	Bachelor of Science	Government Commercial Diploma
Nationality	Indian	Indian
Experience	She has an experience of more than 17 years in Electricals & Electronics division	He has an dynamic experience of more than 45 as a proprietor of A1 Electronics
Terms and conditions of appointment/ reappointment	Proposed to be appointed as an Independent Director for a term of 5 (five) consecutive years w.e.f. August 08, 2024 till August 07, 2029 not liable to retire by rotation.	
Details of remuneration sought to be paid	Existing remuneration	Existing remuneration
Date of first appointment on the Board	August 08, 2024	August 08, 2024
Shareholding in the Company	Nil	Nil
List of Directorships held in other Companies	Nil	Nil
Committee Membership in other Company	Nil	Nil
Number of meetings of the Board attended during the year	Not applicable	

Note: *For other details such as remuneration drawn and relationship with other Directors and Key Managerial Personnel in respect of the above Directors, please refer to the Board's Report and the Corporate Governance Report.*

By Order of the Board of Directors
For Vidhi Specialty Food Ingredients Limited,

Date: August 08, 2024
Place: Mumbai

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 1601, Artesia Tower,
Plot No 249 and 249A,
Hind Cycle Compound, Worli, Mumbai - 400030

BOARD'S REPORT

To,
The Members,
Vidhi Specialty Food Ingredients Limited

Your Directors are presenting the **Thirty-First Annual Report** on the business and operations of your Company together with the Audited Financial Statement for the financial year ended March 31, 2024.

1. Financial Summary or Highlights:

The financial highlights of the Company on standalone basis are as follows:

(Rs. in Lakhs)

Particulars	**Current Year**		**Previous Year**	
	2023-24		**2022-23**	
Total Income		30,461.08		40,520.28
Total Expenditure (excluding Depreciation and exceptional item)		24,955.64		35,188.79
Profit for the year before providing Depreciation and exceptional item		**5,505.44**		**5,331.49**
Less: Depreciation	607.87		336.04	
Less: Exceptional Items	Nil	607.87	Nil	336.04
Profit before Tax		**4,897.57**		**4,995.45**
Less: Provision for Taxation				
Current Year	1075.00		1265.00	
Earlier Year	Nil		Nil	
Deferred Tax	160.46	1,235.46	(55.05)	1,209.95
Profit after Tax		**3662.11**		**3,785.50**
Add: Other Comprehensive Income		4.12		3.25
Total Comprehensive Income		**3,666.23**		**3,788.75**
Add: Profit brought forward from Previous Year		22,192.32		18,803.13
Total Profit in Balance Sheet		25,858.55		22,591.88
Less: Appropriation				
Dividend Paid		699.23		399.56
Transfer to General Reserve		0.00		0.00
Dividend Distribution Tax		0.00		0.00
Transitional Provisions (Ind-AS 116)		0.00		0.00
Balance Profit carried to Balance Sheet		**25,159.32**		**22,192.32**

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

The financial performance of the Company, during the year under review, is described as follows -

(Rs. In Lakh)

Sr. No.	Particulars	As on March 31, 2023	As on March 31, 2024	Increase / (Decrease) (in %)
1.	Total Income	40,520.28	30,461.08	(24.82%)
2.	Profit Before Tax	4,995.45	4,897.57	(1.96%)
3.	Profit After Tax from continuing operations	3,785.50	3,662.11	(3.26%)

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

The Company has manufactured 4507.19 MT of food colours against 4250.02 MT in the previous year. The Dahej plant began production on December 12, 2023, following a successful trial run that began on August 27, 2023. With this addition, the Company's overall capacity has more than doubled from 325 metric tons per month to 675 metric tons per month. The Board strive for bright future for your Company with overall growth in turnover as well as profit with expansion of its production facility.

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

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

4. Dividend:

Your Directors are pleased to recommend a final dividend of Rs. 1/- (Rupees One Only) per equity share of Rs. 1/- each fully paid up (i.e. 100%) for the financial year ended March 31, 2024. The total outflow on account of final dividend will be Rs. 499.45 Lakhs. The dividend payment is subject to the approval of the Members at the ensuing Annual General Meeting ('AGM') and be paid to the Members whose names appear in the Register of Members/Beneficial Holders as on Book Closure Date fixed for the said purpose.

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

- whose names appear as beneficial owners as at the end of the business hours on Tuesday, September 17, 2024 in the list of the Beneficial Owners to be obtained from the Depositories, i.e. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL], in respect of the shares held in electronic/dematerialized mode; and
- whose names appear as Members in the Register of Members of the Company as on Tuesday, September 17, 2024 in respect of the shares held in physical mode.

In line with our focus on enhancing shareholder returns and in view of the Company's strong cash generation and positive growth momentum, the Board of Directors had decided to distribute profits to its Members and accordingly the Board of Directors had declared interim dividend during the financial year 2023-24 as per details given below:

Type of Dividend	Date of Board Meeting	Rate of Dividend	Per share Dividend	Total Outflow
1st Interim Dividend	November 08, 2023	40% per share	Rs. 0.40/- per share	Rs.199.78 Lakhs
2nd Interim Dividend	February 07, 2024	60% per share	Rs. 0.60/- per share	Rs.299.67 Lakhs

Total dividend pay out for the year 2023-24 (including final dividend to be declared in the ensuing AGM) is doubled to Rs. 2/- per equity share of Rs.1/- each against Rs.1/- per equity share for previous year.

5. Reserves:

The Board, during the year under review, has transferred Nil amount to General Reserves.

6. Investor Education and Protection Fund (IEPF):

Pursuant to the applicable provisions of the Companies Act, 2013 ("the Act"), read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF after the completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. Since last Board Report, the Company has transferred the unclaimed and unpaid dividend amount in IEPF as per details given below:

Sr. No.	Dividend type	Dividend declaration date	Amount transferred to IEPF (In Rs.)*	Dividend Transferred to IEPF on	Number of shares transferred
1.	1st Interim Dividend for FY 2016-17	August 12, 2016	1,00,296/-	October 03, 2023	7005
2.	Final Dividend for FY 2015-16	September 24, 2016	98,547/-	November 21, 2023	3005
3.	2nd Interim Dividend for FY 2016-17	November 14, 2016	1,13,617/-	January 06, 2024	6
4.	3rd Interim Dividend for FY 2016-17	February 11, 2017	1,25,617/-	April 10, 2024	505
Total			**4,38,077/-**		**10,521**

As per the requirements of the IEPF Rules, the Company has transferred 10,521 Equity Shares on which dividends were unclaimed for seven consecutive years. Further, the details of unclaimed dividend and due dates for transfer of unclaimed dividend to IEPF account has been given in Notes to the Notice calling Thirty-First AGM and are also available on our website, at ***https://vidhifoodcolors.com/investor-relation/unclaimed-dividends/***

7. Details of the Subsidiaries, Joint Ventures or Associate Companies:

The Company has a Wholly-owned Subsidiary Company namely, Arjun Food Colorants Manufacturing Private Limited, as on March 31, 2024. However, the Company did not have any Joint Venture or Associate Company during the year under review. During the year under report no Company become or ceased to be Subsidiary, Joint Ventures or Associate Companies.

Arjun Food Colorants Manufacturing Private Limited did not have any business operation during the year 2023-24. Hence, there was no income from operation. However, the Company has incurred total expenses of Rs. 5.30 lakhs during the year as compared to expenses of Rs. 3.50 lakhs in the previous year. The Loss after tax of the Company during the year was Rs. 5.30 lakhs as compared to Loss after Tax of Rs. 3.50 lakhs in the previous year. Since there was no business income, the said Company has not contributed to the turnover/performance of the Company but due to losses, it has negatively impacted on consolidated profits of the Company.

As required pursuant to first proviso to sub section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014, Form AOC-1 forms part of this report, appended as ***Annexure A***

Further, pursuant to the provisions of Section 136 of the Act, the Standalone as well as Consolidated financial statements of the Company along with and all other documents required to be attached thereto and separate audited financial statement in respect of the subsidiary is available on the website of the Company at **https://vidhifoodcolors.com/INVPDFDocs/SubsidiariesFinancials/2023-24/Financial%20Statements_%20Arjun%20Food%20Colorants%20Private%20Limited_2023-24.pdf**

8. Deposits:

Your Company has not accepted any deposits from the public and there was no deposit was outstanding to be paid. Since there was no such outstanding as on start of the financial year, there is no question of payment on account of principal or interest on public deposits arises.

9. Directors and Key Managerial Personnel:

As on the date of this Report, your Company had Nine (9) Directors consisting of 5 (Five) Independent Directors, 3 (Three) Executive Directors and 1(One) Non-Executive Director (Promoter). The said Directors include 1 (One) Independent Woman Director, 1 (One) Executive Woman Director and 1 (One) Non-executive Woman Director.

During the financial year 2023-24, above there was no change in Directors or Key Managerial Personnel by way of appointment, resignation, death or cessation except, at the 30th AGM Mr. Mihir B. Manek (DIN:00650613) was re-appointed as Director pursuant to Section 152(6) of the Act.

In pursuance of the provisions of Section 152(6) of the Act and Articles of Association of the Company, Mrs. Pravina B. Manek (DIN: 00416533), retires by rotation from the Board in the ensuing AGM and, being eligible for re-appointment, has offered herself for reappointment. The Board of Directors recommends her re-appointment to the Members of the Company.

A resolution seeking shareholders' Approval for her re-appointment along with other required details forms part of the Notice convening 31st AGM.

Mrs. Jyoti Sunil Modi (DIN: 08699101) who was appointed by the Board of Directors as an Additional Independent Director of the Company w.e.f. March 19, 2020 for a period of five years, holds office of Independent Director up to March 18, 2025.

In terms of Section 149 and other applicable provisions of the Act, Mrs. Jyoti Sunil Modi (DIN: 08699101), being eligible, is proposed to be re-appointed as Independent Director on the recommendation of the Nomination & Remuneration Committee and on the basis of the outcome of her performance evaluation up to the Financial Year 2023-24, for a second term of 5 (five) consecutive years commencing from March 19, 2025 to March 18, 2030 subject to the approval of the Members at the 31st AGM by passing Special Resolution.

The second term of five consecutive years of Mr. Prafullachandra Shah (DIN: 00417022) and Mr. Nirenbhai Desai (DIN: 01978382) as Independent Directors of the Company was valid till September 26, 2024 and of Mr. Rahul Berde (DIN: 06981981) was valid till September 29, 2024. In order to comply with the requirements of Regulation 17 and any other regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to appoint minimum two Independent Directors on the Board of the Company on or before their terms expires.

In order to comply with the requirements of the Act and the Listing Regulations Mrs. Pranali Prathamesh Govekar (DIN: 10727843) and Mr. Anil Popatlal Udeshi (DIN: 08285657) were appointed as an Additional Independent (Non-Executive) Directors u/s 149,160 and 161 of the Act w.e.f. August 08, 2024 for a period of five years i.e. upto August 07, 2029 subject to the approval of the Members of the Company in the 31st AGM.

The Company has received declarations from all the Independent Directors of the Company pursuant to the provisions of Section 149(7) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations stating that they meet the criteria of independence as provided under the Act and the Listing Regulations and that they are not disqualified to become Directors under the Act; and in the opinion of the Board of Directors, all the Independent Directors fulfill the criteria of independence as provided under the Act read with the Listing Regulations and that they are independent of the Management.

Further, at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment out lining his role, function, duties and responsibilities. The format of the letter of appointment is available on our website at https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/14.%20Terms%20&%20Conditions%20of%20ID.pdf

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

Pursuant to the provisions of Section 203 of the Act following persons are designated as Key Managerial Personnel (KMP) as on March 31, 2024:

- Mr. Bipin Madhavji Manek(DIN: 00416441),Chairman and Managing Director
- Mr. Mitesh Dinesh Manek, Chief Financial Officer
- Ms. Vishakha Pandya (Membership No. A59436), Company Secretary and Compliance Officer of the Company

10. Board Evaluation:

The Board of Directors is committed to continued improvement in its effectiveness. Accordingly, formal evaluation of Board's, it's Committee and Directors performance is carried out annually. This was designed to ensure, amongst other things, that the Board, its Committees and each Director continue to contribute effectively.

As per Section 134(3)(p) of the Act, a statement indicating the manner in which formal annual evaluation was made by the Board of their performance and that of its Committees and individual Directors, has to be furnished to the Members as part of the Board's Report.

As per provisions of Section 178(2) of the Act, Nomination and Remuneration Committee shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out. Further, the Independent Directors, as part of their mandate under Schedule IV of the Act, need to make an evaluation of performance of the Board, it's Committee and constituents of the Board apart from their self-evaluation. Under this process, a structured questionnaire was prepared after taking into consideration inputs received from the Directors, setting out parameters of evaluation; the questionnaire for evaluation are to be filled in, consolidated and discussed with the Chairman. The evaluation by the Independent Directors has been undertaken at their meeting held on February 07, 2024. The Board of Directors undertook evaluation of Independent Directors at their meeting held on February 07, 2024 and placed on its record that the Independent Directors have the requisite qualification, expertise and track record for performing their duties as envisaged under the Law, and they add value in the decision making process of the Board.

The criteria for evaluation of performance of Directors, the Board as a whole and the Board's Committee, as specified by Nomination and Remuneration Committee, are summarized in the table given below:

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

11. Board Familiarization Program:

At the time of appointment of Independent Director, through the induction process, he/she is familiarized with the Company, the Director's roles, rights and responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. A presentation is made before the Board Members on the Board Meeting date covering various areas including business, strategy, financial performance and forecast, compliances/regulatory updates, audit reports, risk assessment and mitigation, industry, roles, rights, responsibilities of Independent Directors, etc. The Familiarization Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. All Independent Directors attended the orientation and familiarization programs held during the financial year 2023-24.

The details of training and familiarization programs are available on our website at **https://vidhifoodcolors.com/investor-relation/codes-policies/**

12. Policy on the Directors' appointment and remuneration:

The Board, on the recommendation of the Nomination and Remuneration Committee, has framed the policy for selection and appointment of Directors including determining qualifications and independence of a Independent Director, Key Managerial Personnel ("KMP"), Senior Management Personnel and their remuneration as part of its charter and other matters provided under Section 178(3) of the Companies Act, 2013.

Pursuant to Section 134(3) of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees is available on the Company's website at **https://vidhifoodcolors.com/investor-relation/codes-policies/**

We affirm that the remuneration paid to Directors, Senior Management and other employees is in accordance with the remuneration policy of the company.

13. Number of meetings of the Board of Directors:

The Board of Directors met Four (4) times during the Financial Year under review. The intervening gap between any two meetings was not more than 120 days as prescribed under the Act. Details of the dates of Board Meetings and the attendance of the Directors at the Board Meetings are provided separately in the *Report on Corporate Governance.*

14. Committees of the Board:

As on March 31, 2024, the Board had five Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

The Composition of all the Committees is in line with the requirement of the Act and the Listing Regulations. During the year, all the recommendations made by the Committees were accepted by the Board.

A detailed note on the composition, number and dates of meetings held and attendance of Committee Members for the Audit Committee, Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Risk Management Committee is provided separately in the *Report on Corporate Governance* and details of Corporate Social Responsibility Committee are provided in this Report under separate heading.

15. Corporate Social Responsibility Committee (CSR Committee):

Since net profit of the Company is in excess of Rs. 5 Crores, the provisions of Section 135 of the Act regarding Corporate Social Responsibility became applicable to the Company. The constitution, composition, quorum requirements, terms of reference, role, powers, rights and obligations of CSR Committee are in conformity with the provisions of Section 135 and all other applicable provisions of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other applicable Rules made under the Act.

The CSR Committee comprises of the following Directors as on the date of this Report:

Name	Designation	Category
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Chairman	Non-Executive, Independent
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Member	Non-Executive, Independent
Mr. Rahul Chakradhar Berde (DIN: 06981981)	Member	Non-Executive, Independent

4 (Four) Committee Meeting were held during the financial year under review, on May 26, 2023, August 11, 2023, November 08, 2023 and February 07, 2024. All the Committee Members has attended all such meetings.

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

- formulate and recommend to the Board of Directors (Board), a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
- formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy.
- recommend the Board alteration in annual action plan at any time during the financial year with reasonable justification.
- Recommend CSR activities;
- recommend to the Board the amount of expenditure to be incurred on the CSR activities;
- monitor the CSR Policy of the Company from time to time;
- institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company; and
- carry out any other functions as authorized by the Board from time to time or as enforced by statutory/ regulatory authorities.

CSR Policy development and implementation:

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

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/4.%20CSR%20Policy.pdf

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

16. Vigil Mechanism:

The Company has a 'Whistle Blower Policy'/'Vigil Mechanism' in place as per Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations. The objective of the Vigil Mechanism is to provide the employees, Directors, customers, contractors and other stakeholders of the Company an impartial and fair avenue to raise concerns and seek their redressal, in line with the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and fair dealings with all its stakeholders and constituents and its commitment to open communication channels. The Company is also committed to provide requisite safeguards for the protection of the persons who raise such concerns from reprisals or victimization for whistleblowing in good faith. The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. The Policy contains the provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

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

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/13.%20Vigil%20Mechanism%20Cum%20Whistle%20Blower%20Policy.pdf

17. Audit Report:

a) Statutory Audit Report:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) notified under section 133 of the Act. The Company has received an unmodified opinion in the Auditors' Report for the financial year 2023-24.

b) Secretarial Audit Report:

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the financial year 2023-24 and issue Secretarial Audit Report. Secretarial Audit Report issued by M/s. Hemanshu Kapadia & Associates for the financial year 2023-24, on August 08, 2024, in Form MR-3 forms part of this report and annexed hereto as ***Annexure C***.

The Secretarial Auditor has qualified the Secretarial Audit Report. The observations of the Secretarial Auditors and the reply of the Management for the same are as under:

Sr. No.	Secretarial Auditors' Observations	Reply from the Management
1.	As per Regulation 39(3) Company has not submitted Intimation regarding loss of certificate with Bombay Stock Exchange and National Stock Exchange within two days of getting information.	The Company has received Intimation from Registrar and Transfer Agent (RTA) vide email dated 23.12.2023 (i.e. Saturday) regarding loss of share certificate. Due to Public Holiday on 23.12.2023 (i.e Saturday) and 24.12.2023 (i.e Sunday), the said email was not attended and the Company had intimated to Stock Exchanges on 26.12.2023 (i.e. Tuesday). The company could not able to file intimation regarding loss of certificate with BSE and NSE within two days of getting information but filed within two working days. Further, on 26.12.2023 Company has filed PDF & XBRL Intimation on Stock Exchanges stating reason for delay in intimation.

18. Auditors:

a) Statutory Auditors:

On the recommendation of the Audit Committee and the Board, the Member in their Twenty-Ninth AGM had appointed M/s. Bhuta Shah & Co. LLP, Chartered Accountants (Firm Registration No.: 101474W/W100100), as the Statutory Auditors of the Company to hold office for a term of five consecutive financial years from the conclusion of the Twenty-Ninth AGM of the Company till the conclusion of the Thirty-Fourth AGM to be held for the financial year 2026-27.

b) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and on the basis of the recommendation of the Audit Committee, the Board in their meeting held on May 29, 2024 had appointed M/s. Hemanshu Kapadia & Associates, Practicing Company Secretaries (FCS: 3477 and C.P. No.: 2285), to undertake the Secretarial Audit of the Company for the financial year 2024-25 and issue Secretarial Audit Report as required under the Act.

c) Internal Auditors:

Pursuant to the provisions of Section 138 of the Act read with Rule 13 of Companies (Accounts) Rules, 2014 and on the basis of the recommendation of Audit Committee, the Board of Directors in their meeting held on May 29, 2024 had appointed M/s. Jayesh Kothari & Co., Chartered Accountants, (FRN: 148528W) as the Internal Auditors of the Company for the financial year 2024-25.

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

The information as per Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 with respect to Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo are given in ***Annexure D*** to this Report.

20. Managerial Remuneration and Particulars of Employees:

The information required to be disclosed with respect to the remuneration of Directors and KMPs in the Board's Report pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2023-24, is appended as ***Annexure E*** to the Board's Report.

The names of top ten employees of the Company in terms of remuneration drawn as required pursuant to Section 197 of the Companies Act, 2013, read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2023-24, is appended as ***Annexure E*** to the Board's Report.

No Managing Director or Whole-time Director of the Company were paid any remuneration or commission from any of its Subsidiary Company.

21. Annual Return:

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return is placed on website of the Company and which shall be treated as part of this Report. The link is as follows:

https://vidhifoodcolors.com/INVPDFDocs/4.%20Annual%20Reports/2023-24/Form_MGT_7_Vidhi_March%202024.pdf

22. Share Capital & Listing of Securities:

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

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

The Company's equity shares are listed on BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). The stock code of the Company at BSE is 531717 and the symbol for NSE is VIDHIING.

23. Management Discussion and Analysis Report:

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

24. Corporate Governance:

The Company is adhering to good corporate governance practices in every sphere of its operations. The Company has taken adequate steps to comply with the applicable provisions of Corporate Governance as stipulated under the Listing Regulations. A separate *Report on Corporate Governance* is enclosed as a part of the Annual Report along with the Certificate from the Practicing Company Secretary on Corporate Governance.

25. Directors' Responsibility Statement:

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

a) in the preparation of the annual accounts for the financial year ended on March 31, 2024, the applicable accounting standards have been followed and that there are no material departures from the same;

b) they have selected such accounting policies and applied them consistently and made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2024 and of the profit and loss of the Company for that period;

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

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

e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively during the financial year ended March 31, 2024; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively during the financial year ended March 31, 2024.

26. Particulars of Contracts and arrangements with related parties:

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

The details of transactions entered into with related parties, as per Accounting Standards, are disclosed in the Note No. 28 of the Financial Statement.

The Company's Policy on Materiality of related party transactions and dealing with related party transactions is available on the Company's website at:

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/11.%20Policy%20on%2Related%20Party%20Transactions.pdf

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

During the year under Report the Company has not given any loan, except, loan to employees and loan to Wholly-owned Subsidiary Company for working capital, or given guarantee or provided securities as covered under section 186 of the Act. Further, the Company has not made any fresh investment during the year. However, the investment made in previous years in the Subsidiary Company is continuing.

The details of loan given and Investment made by the Company have been given in note no. 5 of the Financial Statement.

28. Risk Management:

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

The Risk Management Committee ('RMC') of the Board provides oversight and sets the tone for implementing the Enterprise Risk Management ("ERM") framework across the organization. It reviews the status of key risks, progress of ERM implementation across locations and any exceptions as flagged to it, on periodic basis. The Committee oversees enterprise risk management framework to ensure execution of decided strategies with focus on action and monitoring risks arising out of unintended consequences of decisions or actions and related to performance, operations, compliance, incidents, processes, systems and transactions are managed appropriately. The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

During the year under Report, the Company is keeping track to proactively manage risks and ensure health and safety of employees, while simultaneously ensuring growing business operation without any interruption.

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

The Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control systems, including internal financial controls, are commensurate with the nature of its business and the size and complexity of its operations and the same are adequate and operating effectively. These systems are periodically tested and no reportable material weakness in the design or operation was observed. The Audit Committee reviews adequacy and effectiveness of the Company's internal control system including internal financial controls.

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

Your Company has always believed in providing a safe and harassment-free workplace for every individual working in the Company. The Company has complied with the applicable provisions of the aforesaid Act, including constitution of the Internal Complaints Committee. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. The Policy is gender neutral.

We are pleased to inform you that no complaints pertaining to sexual harassment were received during the Financial Year 2023-24 and pending as on March 31, 2024.

31. Secretarial Standards:

The Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Central Government.

32. Cost Records:

As per Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the maintenance of cost records is not mandated for the products manufactured by the Company.

33. Business Responsibility and Sustainability Reporting(BRSR):

The Listing Regulations mandate the inclusion of the Business Responsibility and Sustainability Reporting (BRSR) from 2022-23 in lieu of the Business Responsibility Report (BRR) as part of the Annual Report for the top 1,000 listed entities based on market capitalization. Since your Company falls under Top 1,000 Companies by Market Cap, Pursuant to Regulation 34(2)(f) of the Listing Regulations and SEBI circular no. SEBI/LAD-NRO/ GN/2021/22 dated May 5, 2021, your Company provides the prescribed disclosures in new reporting requirements on Environmental, Social and Governance ("ESG") parameters called the Business Responsibility and Sustainability Report ("BRSR") which includes performance against the nine principles of the National Guidelines on Responsible Business Conduct and the report under each principle which is divided into essential and leadership indicators.

The BRSR in the format prescribed by SEBI is annexed to the Annual Report as ***Annexure F***.

Also, a detailed BRSR Report describing various initiatives, actions and process of the Company towards the ESG endeavor can be accessed at https://vidhifoodcolors.com/INVPDFDocs/4.%20Annual%20Reports/2023-24/BUSINESS%20RESPONSIBILITY%20&%20SUSTAINABILITY%20REPORTING%20_2023-24.pdf

34. Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy as required under regulation 43A of the Listing Regulations. The said Policy is uploaded on the Company's website. The weblink of the same is as follows:

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/18.%20Dividend%20Distribution%20Policy.pdf

35. Other Disclosures/Reporting:

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

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

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

c) The details of application made and proceeding pending under the Insolvency and Bankruptcy Code, 2016;

d) The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions;

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

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

36. Acknowledgements:

Your Board wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the Government Authorities, Bankers, Customers, Employees and Members during the year under review and look forward to their continued support.

For and on behalf of the Board of Directors

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 1601, Artesia Tower,
Plot No 249 and 249A,
Hind Cycle Compound, Worli
Mumbai -400030

Date: August 08, 2024
Place: Mumbai

Annexure A

Form No. AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries or Associate Companies or Joint Ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary is presented with amounts in Rupees)

(Amount in Rs. Lakhs)

Sr. No.	Name of the subsidiary	Arjun Food Colorants Manufacturing Private Limited
1.	The date since when subsidiary was acquired	April 22, 2019
2.	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	01.04.2023 to 31.03.2024
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign Subsidiaries	Not Applicable
4.	Share capital	8.28
5.	Reserves & surplus	489.14
6.	Total assets	519.19
7.	Total Liabilities	21.77
8.	Investments	Nil
9.	Turnover	0.00
10.	Profit (Loss) before taxation	(5.30)
11.	Provision for taxation	0.00
12.	Profit (Loss) after taxation	(5.30)
13.	Proposed Dividend	Nil
14.	Extent of shareholding	100.00%

Notes:

1. Names of subsidiaries which are yet to commence operations: **Arjun Food Colorants Manufacturing Private Limited**
2. Names of subsidiaries which have been liquidated or sold during the year: **Not Applicable**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not applicable as the Company is/was not having any Associate Company or Joint Venture during the reporting period.

For and on behalf of Board of Directors
Vidhi Specialty Food IngredientsLimited,

Sd/-	Sd/-	Sd/-	Sd/-
Bipin Manek	**Mihir Manek**	**Mitesh Manek**	**Vishakha Pandya**
Managing Director	**Joint Managing Director**	**Chief Financial Officer**	**Company Secretary**
(DIN: 00416441)	**(DIN: 00650613)**		**(Mem No. A59436)**

Date: August 08, 2024
Place: Mumbai

Annexure B

Annual Report on Corporate Social Responsibility (CSR) activities

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

1. **A brief outline on Company's Corporate Social Responsibility (CSR) Policy**:

   Vidhi Specialty Food Ingredients Limited ('Vidhi'/'the Company') considers CSR as its commitment to its stakeholders, including the society at large, to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

   The Company's CSR Policy aims to develop and implement a long-term vision and strategy for Vidhi's CSR initiatives including formulating relevant potential CSR activities, their timely and expeditious implementation and establishing an overview mechanism of the activities undertaken/to be undertaken, in synchronization with the various eligible activities prescribed under schedule VII of the Companies Act, 2013.

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

   https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/4.%20CSR%20Policy.pdf

2. **The Composition of the CSR Committee as on March 31, 2024 as follows:**

Sl. No.	Name of Committee Members	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Chairman (Independent Director)	4	4
2.	Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Member (Independent Director)	4	4
3.	Mr. Rahul Chakradhar Berde (DIN: 06981981)	Member (Independent Director)	4	4

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:**

   CSR Committee Composition - **https://vidhifoodcolors.com/investor-relation/directors-committees/**

   CSR Policy - ***https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/4.%2 CSR%20Policy.pdf***

   CSR Projects - ***https://vidhifoodcolors.com/investor-relation/csr-activities/***

4. **Executive Summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:** Not Applicable

5. a) **Average net profit of the Company as per sub-section (5) of Section 135:** ₹.59,60,54,341/-

   b) **Two percent of average net profit of the Company as per sub-section (5) of Section 135:** ₹.1,19,21,087/-

   c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

   d) **Amount required to be set off for the financial year, if any:** ₹. 1,70,204/-

   e) **Total CSR obligation for the financial year [(b)+ (c)-(d)]:** ₹. 1,17,50,883/-

6 a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** 1,17,50,883/- [please refer note given below the table given in clause (f)].

b) **Amount spent in Administrative Overheads:** NIL

c) **Amount spent on Impact Assessment, if applicable:** NIL

d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** 1,17,50,883/-

e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹.)	**Amount Unspent (in ₹.)**				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**		
	Amount.	**Date of transfer.**	**Name of the Fund.**	**Amount.**	**Date of transfer.**
1,17,50,883/-*	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

*please refer note given below the table given in clause (f).

f) **Excess amount for set off, if any:**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	Rs. 1,19,21,087/-
(ii)	Total amount spent for the Financial Year	Rs. 1,21,70,204/-*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 2,49,117/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Rs. NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 2,49,117/-

**This includes Rs. 1,70,204/-, which was spent in the FY 2022-23 and available for set-off, and Rs. 1,20,00,000/- actually spent in the FY 2023-24 towards CSR activities. Hence, out of Rs. 1,20,00,000/- actually spent in the FY 2022-23, Rs. 1,17,50,883/- is for FY 2023-24 and Rs. 2,49,117/- is available for set-off in next FY.*

7. Details of Unspent CSR amount for the preceding three financial years: NIL

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹.)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹.)	Amount spent in the Financial Year (in ₹.)	Amount transferred to a fund as specified under Schedule VII as per second proviso to section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (in ₹.)	Deficiency, if any
					Amount (in ₹).	Date of transfer		
1.			**Not Applicable**					
	TOTAL							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

- **Yes** ◉ **No**

If Yes, enter the number of Capital assets created/ acquired **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the Property or Assest(s)	Date of Creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration number, if applicable	Name	Registered Address
		Not Applicable					

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/-
Bipin Madhavji Manek
(DIN: 00416441)
Chairman and Managing Director
Address: 1601, Artesia Tower,
Plot No 249 and 249A,
Hind Cycle Compound, Worli
Mumbai City, Maharashtra 400030

Date: August 08, 2024
Place: Mumbai

Sd/-
Prafullachandra Anantlal Shah
(DIN: 00417022)
Chairman of CSR Committee
Address: 54, Jai Vijay Society, Sahar Road,
Western Express Highway, Opp. Parsee Wada, Sahar
P and T Colony, Vile Parle (East), Mumbai -400099

Date: August 08, 2024
Place: Mumbai

Annexure C

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial year ended March 31, 2024

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 ("the audit period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the Rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

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

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

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

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

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

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit period)**;

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as applicable **(Not Applicable to the Company during the Audit period)**;

   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not Applicable to the Company during the Audit period as the Company has not issued any Non-Convertible Securities)**;

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

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit period as delisting of securities did not take place)**; and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit period as the Company has not bought back its securities).**

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

- The Food Safety & Standards Act, 2006;
- The Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011;
- The Food Safety and Standards (Packaging) Regulations, 2018;
- Food Safety and Standards (Labelling and Display) Regulations, 2020
- The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;
- The Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011;
- The Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011; and
- The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996.

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

(i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and as notified by the Central Government, and

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above (wherever applicable); subject to following observation:

1. *As per Regulation 39(3) the listed entity shall submit information regarding loss of share certificates and issue of the duplicate certificates, to the stock exchange within two days of its getting information.*

   Company has received Intimation regarding loss of certificate from RTA on 23.12.2023 and same is intimated by company to Stock Exchange on 26.12.2023.

   Hence, Company has not submitted Intimation regarding loss of certificate with Bombay Stock Exchange and National Stock Exchange within two days of getting information from RTA.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Notices of the Board/Committee Meetings were given to all the Directors along with the agenda and detailed notes on agenda at least seven days in advance, except where meeting was called and held at shorter notice, in compliance with the provisions of the Companies Act, 2013, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

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

(ii) Redemption/buy-back of securities;

(iii) Merger/amalgamation/reconstruction, etc.; and

(iv) Foreign Technical Collaborations.

For **Hemanshu Kapadia & Associates**
Practising Company Secretaries
Peer Review Certificate No.: 1620/2021

Sd/-
Hemanshu Kapadia
Proprietor
C.P. No.: 2285 |Membership No.: F3477
UDIN: F003477F000929897

Date: August 08, 2024
Place: Mumbai

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

Annexure I

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

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

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

For **Hemanshu Kapadia & Associates**
Practising Company Secretaries
Peer Review Certificate No.: 1620/2021

Sd/-
Hemanshu Kapadia
Proprietor
C.P. No.: 2285 |Membership No.: F3477
UDIN: F003477F000929897

Date: August 08, 2024
Place: Mumbai

Annexure D

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

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

A. Energy Conservation:

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

The Company is continuously reviewing various proposals for reduction in consumption of energy, mainly by way of replacement of existing equipments by modern and energy efficient equipments. Your Company has always considered energy and natural resource conservation as a focus area and has been consciously making efforts towards improving the energy performance year after year. Energy efficiency improvement initiatives have been implemented across all the plants and offices by undertaking various energy and resource conservation steps for sustainable development.

In addition to this, the Company had set-up 2 MW Solar Power Plant at Village: Rambhapur, Tal: Murtizapur, Dist: Akola, Maharashtra. 100% of electricity generated through above solar power plant is utilised for captive use for Company's Plant situated in Roha. This project supports the Company's green energy requirements for its manufacturing units. It also help the Company reducing carbon emissions.

Further, the Company ensures adopting and following below mentioned energy saving measures:

a) LED bulbs installed to save energy;
b) Switching off equipments whenever not in use;
c) Printing only important documents;
d) Improvement in low insulation;
e) Periodic desertion of Boiler;
f) Use of energy efficient electric equipments;
g) Regular maintenance of Machines and equipments;
h) Use of natural lightning and natural ventilation; and
i) Educating employees and workers for energy conservation and creating awareness amongst the employees and workers.

2. The steps taken by the Company for utilising alternate sources of energy:

a) Installation of Solar Power Plant;
b) Few batch processes scaled up/modified for saving of energy and time;
c) The Company will take continuous steps to use the alternate sources by using cost effective fuels; and
d) Power factor kept unity, few capacitors replaced resulting in significant cost savings.

3. The capital investment on energy conservation equipments:

For the year under review, the total capital investment on energy conservation equipment is NIL.

B. Technology Absorption:

1. The efforts made towards technology absorption:

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

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

Not Applicable as the Company has not absorbed new technology during the year.

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

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

4. Expenditure incurred on Research and Development:

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

The Specific areas in which R&D is carried out are:

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

(Rs. in lakhs)

Particulars	**Financial Year 2023-24**
Research & Development Activities	127.64

C. Foreign Exchange Earnings and Outgo:

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

(Rs. in lakhs)

Particulars	Financial Year 2023-24	Financial Year 2022-23
Foreign Exchange Inflow	24,190.76	26,427.59
Foreign Exchange Outflow	7,312.69	11,762.09

For and on behalf of the Board of Directors

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 1601, Artesia Tower,
Plot No 249 and 249A,
Hind Cycle Compound, Worli
Mumbai -400030

Date: August 08, 2024
Place: Mumbai

Annexure E

DETAILS OF REMUNERATION

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

The percentage increase in remuneration of each Director during the Financial Year 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP (in ₹.)	% Increase/ Decrease in Remuneration in the Financial Year 2023-24	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Bipin Madhavji Manek (DIN: 00416441) Chairman and Managing Director	2,55,00,000	10.87%	66.79
2.	Mr. Mihir Bipin Manek (DIN: 00650613) Joint Managing Director	2,55,00,000	10.87%	66.79
3.	Mrs. Pravina Bipin Manek* (DIN: 00416533) Non-Executive Director	Nil	N.A.	N.A.
4.	Mrs. Vidhi Harsh Parekh (DIN: 07584061) Whole-time Director	12,00,000	0%	3.14
5.	Mr. Prafullachandra Anantlal Shah@ (DIN: 00417022) Independent Director	80,000	N.A.	0.21
6.	Mr. Niren Dinkerrai Desai@ (DIN: 01978382) Independent Director	80,000	N.A.	0.21
7.	Mr. Rahul Chakradhar Berde@ (DIN: 06981981) Independent Director	80,000	N.A.	0.21
8.	Mr. Ashit Kantilal Doshi@ (DIN: 08486679) Independent Director	80,000	N.A.	0.21
9.	Mrs. Jyoti Sunil Modi@ (DIN: 08699101) Independent Director	80,000	N.A.	0.21
10.	Mr. Mitesh Dinesh Manek Chief Financial Officer	18,00,000	0%	N.A.
11.	Ms. Vishakha Pandya# Company Secretary & Compliance Officer	7,20,000	N.A.	N.A.

**Mrs. Pravina Bipin Manek (DIN: 00416533) do not draw any remuneration from the Company.*

@The remuneration of Independent Directors covers sitting fees only which is Rs.20,000/- per meeting in which financial results are considered.

#Ms. Vishakha Pandya was appointed w.e.f. February 10, 2023. Hence, percentage increase for her cannot be provided.

i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

The median remuneration of employees of the Company during the Financial Year was Rs. 3,81,769/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

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

In the Financial Year, there was an increase of 5.61% in the median remuneration of employees.

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

There were 96 (Including KMPs) permanent employees on the pay roll of the Company as on March 31, 2024.

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

Average percentile increase made in the salaries of employees other than the managerial personnel in the Financial Year i.e. 2023-24 was 7.52% whereas there was percentile increase in the managerial remuneration for the Financial Year 2023-24 was 50%.

The percentile increase in the managerial remuneration is greater than the average percentile increase in the salaries of the employees other than the managerial remuneration because the managerial personnel get remuneration by way of percentage of net profit of the Company. Even though there was slight decrease in profit but the Managerial Personnel were paid remuneration upto the maximum allowed limit under the Companies Act whereas in previous year they were paid less than the allowed limit, hence the percentile increase in the remuneration to managerial personnel has been more than average percentile increase made in the salaries of employees other than the managerial personnel.

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

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

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	1	2
Name	**Bipin Madhavji Manek***	**Mihir Bipin Manek***
Designation	Chairman & Managing Director	Joint Managing Director
Remuneration paid	Rs. 2,55,00,000/-	Rs. 2,55,00,000/-
Nature of employment	Executive Director	Executive Director

Sr. No.	1	2
Qualifications and Experience	B.Com with an overall experience of 38 years in the field of Imports & Exports in food colour industries and business management.	B.Sc in Industrial Chemistry with an overall experience of 18 years and expertise in the business of procurement of imported raw materials and distribution of various chemicals.
Date of commencement of employment	January 19, 1994	July 31, 2006
Age	68 years	42 years
Previous Employment	N.A. since he is associated with the Company since its inception.	He was not employed before joining the Company
No. of shares in the Company along with his spouse and dependent children	**Individual holding:** 26,10,333 Equity Shares (5.23%) **Holding of the spouse:** 34,90,667 Equity Shares (6.99%) **Holding as one of the Trustee of Bipin Manek Family Private Trust:** 1,15,00,000 Equity Shares (23.03%) **Holding as one of the Trustee of Pravina Manek Family Private Trust:** 1,30,00,000 Equity Shares (26.03%) **Holding as one of the Trustee of Manek Family Private Trust:** 15,00,000 Equity Shares (3.00%)	**Holding as one of the Trustee of Bipin Manek Family Private Trust:** 1,15,00,000 Equity Shares (23.03%) **Holding as one of the Trustee of Pravina Manek Family Private Trust:** 1,30,00,000 Equity Shares (26.03%)
Whether relative of Director or employee	Related to Mr. Mihir Bipin Manek, Mrs. Pravina Bipin Manek & Mrs. Vidhi Harsh Parekh	Related to Mr. Bipin Madhavji Manek, Mrs. Pravina Bipin Manek & Mrs. Vidhi Harsh Parekh

**these employees were in receipt of remuneration of more than one crore and two lakh rupees in aggregate for the financial year under review within the meaning of Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*

Sr. No.	3	4
Name	**Parag Y Surve**	**Manoj Madhukar Jadhav**
Designation	Works Manager	Senior R&D Officer
Remuneration paid	Rs. 25,28,772/-	Rs. 21,02,865/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	M.Sc. with an overall experience of 28 years in production and administration	Ph.D. with an overall experience of 11 years in Research and Development
Date of commencement of employment	July 01, 1996	September 16, 2016
Age	52 years	38 years
Previous Employment	He was not employed before joining the Company	Rallis India Limited
No. of shares in the Company along with his spouse and dependent children	Individual Holding: 4,000 Equity Shares (0.01%)	716 Equity Shares (0.00%)
Whether relative of Director or employee	Not related	Not related

Sr. No.	5	6
Name	**Mitesh Dinesh Manek**	**Vidhi H Parekh**
Designation	Chief Financial Officer	Whole-time Director
Remuneration paid	Rs. 18,00,000/-	Rs. 12,00,000/-
Nature of employment	Key Managerial Personnel	Executive Director
Qualifications and Experience	M.Com with an overall experience of 21 years in finance and administration	Commerce Graduate with an experience of more than 18 years in work related to the DGFT and Human Resources
Date of commencement of employment	April 01, 2002	November 01, 2020
Age	47 years	37 Years
Previous Employment	He was not employed before joining the Company	Fazlani La Academie Globale
No. of shares in the Company along with his spouse and dependent children	Holding of spouse: 1,00,000 Equity Shares (0.20%)	Nil
Whether relative of Director or employee	Not related	Related to Mr. Bipin Madhavji Manek, Mrs. Pravina Bipin Manek & Mr. Mihir Bipin Manek

Sr. No.	7	8
Name	**Dhanraj Mohbiyas**	**Jaysingh K Burundkar**
Designation	Senior R&D Executive	Maintenance Manager
Remuneration paid	Rs. 9,56,674/-	Rs.9,52,840 /-
Nature of employment	Permanent	Permanent
Qualifications and Experience	Ph. D in Chemistry with an overall experience of 4 years in Research & Development	B.E. with an overall experience of 31 years in maintenance of plant, machinery and other assets
Date of commencement of employment	April 22, 2022	April 01, 2014
Age	35 years	50 years
Previous Employment	Spectrum Dyes and Chemicals Pvt. Ltd.	Roha Dyechem Private Limited
No. of shares in the Company along with his spouse and dependent children	Nil	1002 Equity Shares (0.00%)
Whether relative of Director or employee	Not related	Not related

Sr. No.	9	10
Name	**Milind R Patil**	**Sagar Subhash Pathak**
Designation	Quality Control Manager	Sr Export Executive
Remuneration paid	Rs. 8,97,910 /-	Rs. 8,70,000/-
Nature of employment	Permanent	Permanent
Qualifications and Experience	M.Sc. with an overall experience of 31 years in quality control	TY BSC (Chemistry & Botany) PGDM (Welingkar Mumbai) with an overall experience of 11 years
Date of commencement of employment	April 01, 1996	April 01, 2011
Age	52 years	42 years
Previous Employment	Roha Dyechem Private Limited	Sun Pharmaceuticals Limited
No. of shares in the Company along with his spouse and dependent children	Nil	Nil
Whether relative of Director or employee	Not related	Not related

For and on behalf of the Board of Directors

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 1601, Artesia Tower,
Plot No 249 and 249A,
Hind Cycle Compound, Worli, Mumbai-400030

Date: August 08, 2024
Place: Mumbai

Annexure F

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING FORMAT

(Business Responsibility and Sustainability Reporting (BRSR) is the practice of companies disclosing information about their environmental, social, and governance (ESG) performance. It goes beyond financial reporting to provide stakeholders with a comprehensive view of a company's non-financial impacts and contributions to sustainable development. BRSR covers topics such as environmental impact, social responsibility, and governance practices, aiming to promote transparency and accountability.)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

Sr. No.	Particulars	FY 2023-2024
1	Corporate Identity Number (CIN) of the Listed Entity	L24110MH1994PLC076156
2	Name of the Listed Entity	VIDHI SPECIALTY FOOD INGREDIENTS LIMITED
3	Year of incorporation	19/01/1994
4	Registered office address	E/27 COMMERCE CENTER78, TARDEO ROAD, MUMBAI MH 400034
5	Corporate address	E/27 COMMERCE CENTER78, TARDEO ROAD, MUMBAI MH 400034
6	E-mail	vdmlcs@hotmail.com
7	Telephone	022 6140 6615
8	Website	https://vidhifoodcolors.com/
9	Financial year for which reporting is being done	Financial year 2023-2024 (April 1, 2023 to March 31, 2024)
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited & The National Stock Exchange of India Limited
11	Paid-up Capital	Rs.4,99,45,000
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr.Mitesh Manek (Chief Financial Officer) Email Id: mitesh.manek@vidhifoodcolors.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II. Products/services

16. Details of business activities *(accounting for 90% of the turnover):*

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Chemical and chemical products, pharmaceuticals, medicinal chemical and botanical product	90.00%
2.	Trade	Wholesale Trading	10.00%

Note: Percentage of turnover of entity is calculated on the basis of revenue from operations.

17. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover):*

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Synthetic food colours, dyes and pigments from any source in basic form or as concentrate	20114	90.00%
2.	Wholesale of industrial chemicals	51496	10.00%

**NIC Code – 2008*

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	2	4*	6
International	0	0	-

**Includes 2 office, R&D Lab and a warehouse*

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28
International (No. of Countries)*	80
The Company is selling outside Maharashtra and exporting through dealers and distributors.	
b. What is the contribution of exports as a percentage of the total turnover of the entity?	81.83%
c. A brief on types of customers	

Vidhi is a leading manufacturer of premium synthetic and natural food-grade colours, offering customers world-class colour solutions for a wide range of applications including foods and beverages, confectioneries, pharmaceuticals, animal feeds, cosmetics, inkjet inks, and salt-free colours. Our products are distributed and used in over 80 countries across six continents, reaching both through distributors and directly to some end users.

IV. Employees

20.Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1	Permanent (D)	72	64	88.89%	8	11.11%
2	Other than Permanent (E)	0	0	-	0	-
3	**Total employees (D + E)**	72	64	88.89%	8	11.11%
WORKERS						
4	Permanent (F)	24	24	100.00%	0	-
5	Other than Permanent (G)	70	66	94.29%	4	5.71%
6	**Total workers (F + G)**	94	90	95.75%	4	4.25%

b. Differently abled Employees and workers:						
Sr. No.	Particulars	Total	Male		Female	
		(A)	No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	2	2	100.00%	0	-
2	Other than Permanent (E)	0	0	-	0	-
3	**Total differently abled employees (D + E)**	2	2	100.00%	0	-
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	NIL				
5	Other than Permanent (E)					
6	**Total differently abled workers (F + G)**					

21. Participation/Inclusion/Representation of women

Particular	Total	No. and percentage of Females	
	(A)	No. (B)	% (B / A)
Board of Directors	9	3	33.33%
Key Management Personnel*	4	1	25.00%

*KMP is defined as per Section 203 of Companies Act, 2013.

22. Turnover rate for permanent employees and workers

Particular	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.38%	42.86%	14.60%	6.12%	30.77%	9.01%	13.51%	57.14%	20.45%
Permanent Workers	8.00%	-	8.00%	0.00%	-	0.00%	0.00%	-	0.00%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23.(a) Names of holding / subsidiary / associate companies / joint ventures

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business responsibility initiatives of the listed entity? (Yes/No)
1.	ARJUN FOOD COLORANTS MANUFACTURING PRIVATE LIMITED	Wholly Owned Subsidiary	100.00%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
a. Turnover (in ₹)	₹ 29, 560.03 Lakhs
b. Net worth (in ₹)	₹ 26, 854.72 Lakhs

VII. Transparency and Disclosures Compliances

25.Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) *	FY 2023-24			FY 2022-23		
		Current Financial Year			Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (other than shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	0	0	-	0	0	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	10	0	-	15	0	-
Value Chain Partners	Yes	0	0	-	0	0	-
Other (please specify)	Yes	0	0	-	0	0	-

*** Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)**

Stakeholder group from whom complaint is received	Web Link for Grievance Policy
Shareholders	Yes, Shareholders can register their grievances on SCORES Portal at https:// scores.sebi.gov.in/ and on ODR Portal at https:// smartodr.in
Employees and workers	Yes, WHISTLE BLOWER POLICY
Customers	Yes, WHISTLE BLOWER POLICY
Value Chain Partners	Yes, WHISTLE BLOWER POLICY
Communities	Yes, https://vidhifoodcolors.com/contact/
Investors (other than shareholders)	
Other (please specify)	

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	GHG Emissions	R	Chemical production generates greenhouse gas (GHG) emissions through fossil fuel combustion, posing risks of regulatory fines and operational challenges. Financial impacts vary with emission levels and regulations, which are tightening as nations aim to reduce emissions. Companies that manage GHG emissions effectively through improved energy efficiency, alternative fuels, or advanced processes may benefit from increased efficiency, reduced regulatory risks, and potential financial gains.	**Transition to Renewable Energy:** Vidhi is actively reducing its reliance on non-renewable energy sources by implementing a 2.5 MW solar power project at Sunbless Solar Park, Maharashtra. This shift towards renewable energy is a key strategy to lower greenhouse gas (GHG) emissions. **Energy Efficiency Enhancements:** The company is modernizing its operations by replacing outdated equipment with energy-efficient alternatives. This initiative aims to optimize energy use, further reducing the carbon footprint. **Air Quality Monitoring:** Vidhi ensures compliance with air quality standards by conducting regular technical inspections to monitor and control emissions. This proactive approach helps mitigate risks associated with air pollution. **Emission Control Measures:** The installation of wet scrubbers on HCL, Oleum, and H2SO4 tanks is part of Vidhi's commitment to reducing hazardous emissions, contributing to a safer and cleaner environment. **Wastewater Management:** The company has installed two Reverse Osmosis (RO) systems at its Dahej facility to treat wastewater. This initiative not only conserves water but also reduces the environmental impact of industrial processes. **Focus on Energy Conservation:** Vidhi prioritizes energy conservation across its operations, ensuring that all practices are aligned with sustainable and eco-friendly goals.	Negative

2	Water and Wastewater Management	R	Water is crucial for chemical production, and rising scarcity and costs due to overuse, pollution, and climate change highlight the need for effective water management. Companies reliant on water face higher risks and expenses from shortages and wastewater treatment. Improving water efficiency can reduce operational costs and mitigate financial impacts from regulations and water-related issues.	**Efficient Water Recycling:** Vidhi directs 80 KL of process water to a Multi Evaporate Plant, where the treated water is repurposed for gardening and domestic use. This recycling process minimizes wastewater discharge and maximizes resource utilization. **Comprehensive Wastewater Treatment:** The remaining process water undergoes thorough treatment at Vidhi's Effluent Treatment Plant (ETP), which includes both primary and secondary treatment stages. The treated water is then sent to a Common Effluent Treatment Plant (CETP) for further processing, ensuring compliance with environmental standards. **Rainwater Harvesting:** Vidhi actively harvests rainwater, collecting it for use in gardening and various operational activities. This initiative not only conserves water but also supports the company's broader sustainable water management goals.	Negative
3	Waste and Hazardous Material Management	R	Chemical production generates potentially harmful waste, including heavy metals and sludge, which involves strict regulations for handling, transport, and disposal. Effective waste management strategies, such as reducing, treating, and recycling waste, may require initial investment but can lower long-term costs and reduce risks of regulatory fines and cleanup responsibilities.	**Responsible Waste Management:** Vidhi adheres to stringent pollution control board guidelines for waste management and disposal, ensuring environmental compliance. **Hazardous Waste Disposal:** The company responsibly manages hazardous waste, including ETP sludge, by collecting and sending it to Mumbai Waste Management Limited (MWML) for proper treatment and disposal. **Calorific Value Management:** Vidhi ensures that waste with a calorific value below 3000 kcal/kg is appropriately handled, adhering to best practices for waste disposal and minimizing environmental impact.	Negative

4	Energy Efficiency	R	Chemical production requires substantial energy for various operations, typically from fossil fuels or purchased electricity, making energy costs a major expense. Companies often use a mix of in-house power, grid electricity, and alternative energy sources, considering factors like cost, reliability, environmental impact, and regulatory risks. Energy sourcing decisions can significantly affect operational efficiency and risk management.	**Commitment to Renewable Energy:** Vidhi is dedicated to responsible energy use by integrating renewable sources, such as solar power, to decrease dependence on non-renewable energy. **Carbon Footprint Reduction:** The company actively works to minimize its carbon footprint through sustainable practices, aiming to create a positive environmental impact. **Energy-Efficient Operations:** Vidhi utilizes modern, energy-efficient equipment to reduce pollution, further supporting its sustainability goals and enhancing overall environmental stewardship.	Negative
5	Human Rights	R	Human rights are crucial to business operations, encompassing the fair treatment of all stakeholders, including employees and local communities. Companies must uphold ethical standards by ensuring fair labour practices, health and safety, respect for indigenous rights, and minimizing environmental harm. Adhering to human rights not only aligns with global ethics but also helps avoid reputational damage, regulatory penalties, and potential litigation.	**Commitment to Human Rights:** Vidhi is dedicated to upholding and advancing human rights standards through well-established policies and procedures. **Reporting Mechanism:** Employees can report any violations to the Head of the Department, with the option to escalate concerns to the CFO if necessary. This ensures that all issues are addressed promptly and appropriately. **Internal Compliance Committee:** Depending on the nature of the issue, complaints can also be directed to the Internal Compliance Committee, providing an additional layer of oversight and accountability. **Human Rights Training:** The company regularly conducts human rights training to raise awareness among employees and ensure adherence to proper conduct, reinforcing Vidhi's commitment to ethical practices.	Negative

6	Community Relations	R	Chemical companies contribute economically to communities through job creation, tax revenue, and investment but face challenges related to environmental impact, community health, and process safety. These challenges can lead to regulatory fines, legal issues, and reputational damage. Building strong community relationships through engagement plans, aligning interests, and impact assessments helps prevent operational disruptions, reduce regulatory risks, attract skilled workers, and maintain a positive social license to operate.	The company recognizes the vital role our communities play and are committed to prioritizing their health and safety and well-being. We will engage regularly to understand their needs and support their well-being. Additionally, we will extend our support through CSR initiatives and continue our work to uplift the community through our value chain and stakeholder relationships. The company is open to any communication and they can reach out to us for any grievances.	Negative
7	Employee health and safety	R	Workers in chemical plants face risks from heavy machinery, hazardous materials, extreme conditions, and electrical hazards. Establishing a strong safety culture is crucial to mitigate these risks, as neglect can lead to increased medical costs, legal issues, and operational disruptions. Prioritizing safety and a proactive safety culture can reduce these costs and improve overall efficiency.	**Commitment to Safety:** Vidhi upholds the highest safety standards, actively working to prevent workplace hazards through skill enhancement, effective communication, and rigorous training programs. **Comprehensive Safety Training:** The company conducts regular training sessions, including Fire Drills, First Aid and Medical Emergency Procedures, Material Handling, Chemical Safety, and Food Safety, to ensure employees are well-prepared for any potential risks. **ISO Certifications:** Vidhi's dedication to quality, environmental care, and safety is reflected in its ISO 9001:2015 and ISO 22000:2005 certifications, which underscore the company's commitment to maintaining industry-leading standards. **Health and Well-being:** The company prioritizes the health of its factory workers by providing regular medical check-ups and ensuring a safe working environment. **Risk Identification and Management:** Vidhi conducts regular HACCP (Hazard Analysis and Critical Control Points) and HAZOP (Hazard and Operability Study) analyses to proactively identify and address any risks or hazards that could impact employee safety and well-being.	Negative

8	Product Design, Safety and life cycle management	O	As resource constraints and regulations push for efficiency, the Chemicals sector can profit by creating products that enhance user efficiency, such as improving insulation or reducing emissions. Companies providing cost-effective solutions may see increased revenue, market share, and brand strength. Prioritizing product safety and using less toxic alternatives can reduce regulatory risks, operational costs, and boost market presence and shareholder returns.	**Innovation and Quality Assurance:** Vidhi's BIS-accredited R&D lab is at the forefront of driving innovation while ensuring the highest standards of product safety and quality. **Comprehensive Testing Procedures:** Equipped with stringent testing protocols, the lab oversees every stage of production, from raw material sampling to final product checks, ensuring consistency and reliability. **Expert Chemists:** A team of skilled chemists upholds rigorous quality standards, ensuring that all products meet industry benchmarks. **Customer Collaboration:** Vidhi collaborates closely with customers throughout the product development process and provides after-sales support. The company also keeps clients informed about global regulatory changes and standards, ensuring compliance and relevance. **In-House Testing:** Vidhi's QC/QA lab conducts thorough in-house testing of raw materials and finished goods, maintaining control over product quality. **HACCP Certification:** The company is HACCP certified, with regular evaluations and monitoring to ensure the highest standards of food safety. **Standard Operating Procedures (SOPs):** Vidhi follows well-defined SOPs, including PRP (Pre-requisite Programs), OPRP (Operational Prerequisite Programs), CCP (Critical Control Points), and HAC (Hazard Analysis and Control), to maintain a robust quality management system..	Positive

9	Business Ethics and Legal Compliance	R	Business ethics and legal compliance are paramount for chemical companies. These principles ensure that companies operate with integrity, fairness, and within the confines of the law. Adhering to ethical standards and regulatory mandates not only reduces the risk of legal repercussions and financial penalties but also strengthens the company's reputation, fosters trust among stakeholders, and ensures long-term sustainability in the competitive market.	Through the implementation of comprehensive policies, ongoing training, stringent internal controls, and effective monitoring mechanisms, the Company maintains integrity and compliance with applicable laws. This approach helps minimize potential risks while protecting the Company's reputation and operational efficiency.	Negative
10	Governance	R	Strong corporate governance is core to achieving the organization's mission and any risks can undermine stakeholder trust, damage reputation and disrupt business. This pillar evaluates the impact companies' corporate governance and business ethics practices have on investors. All companies are assessed on all Governance Key Issues, including Ownership & Control, Board, Pay, Accounting, Business Ethics, and Tax Transparency.	The Company has established robust system of internal controls to ensure accurate reporting and adherence to all applicable regulatory requirements and internal guidelines. Furthermore, the Company has implemented a comprehensive code of conduct, along with whistle blower and insider trading policies, to protect the interests of investors and other key stakeholders.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Sr. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and management processes									
1. a	Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No/NA)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b	Has the policy been approved by the Board? (Yes/No/NA)	Y	Y	Y	Y	Y	Y	Y	Y	Y

c	Web Link of the Policies, if available	https://vidhifoodcolors.com/investor-relation/codes-policies/								
2	Whether the entity has translated the policy into procedures. (Yes / No/ NA)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Y	N	N	N	Y	Y	N	N	N
4	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001: 2015, ISO 22000:2018, Kosher, Halal	ISO 9001:2015, ISO 22000:2018, FSSAI, GMP, HACCP	HACCP	ISO 9001:2015, ISO 22000:2018, Kosher, GMP, Halal	-	-	ISO 9001:2015, ISO 22000:2018, FSSAI, GMP, Halal	ISO 9001:2015, ISO 22000:2018, FSSAI, GMP, Halal, Kosher	
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	We commit to uphold ethical practices, maintain transparency, and ensure accountability in all our actions, as guided by our established policies	We are an ISO 9001:2000, ISO 22000:2005, and HACCP certified company, found satisfactory by the U.S. FDA. All our products carry HALAL and Kosher certification. We ensure that our products sustainable & safe	Employees and workers will continue to be provided with health and safety benefits	We are taking several initiatives and will conduct formal study and come up with targets	We commit to uphold anti-discrimination as guided by our established policies	The Company shall continue to adopt renewable energy across its facilities and proper water and waste management to ensure positive impact.	We commit that our engagement will be in a responsible manner and in accordance with our Code of Conduct	We commit to investing the CSR funds for social development	We will continue to be customer centric.
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met. -	-								

Governance, leadership and oversight		
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	
	At Vidhi Speciality, we take pride in leading the industry in superior synthetic and natural food-grade colours, while steadfastly committing to sustainability and responsibility. Our first Business Responsibility and Sustainability Report highlights our dedication to Environmental, Social, and Governance (ESG) principles, emphasizing transparency and accountability. Over the past year, our commitment to sustainability has advanced significantly. The successful implementation of our 2.5 MWp/2MW solar power project at Sunbless Solar Park in Maharashtra has made a substantial impact, reducing our reliance on non-renewable energy sources and reinforcing our leadership in industry standards. Additionally, we have further enhanced energy efficiency through the modernization of our equipment and have improved wastewater management via our ETP plant. Our continued efforts in utilizing rainwater for various operations underscore our dedication to responsible resource management and environmental stewardship. Our waste management practices are robust, ensuring that hazardous materials are carefully handled and disposed of by certified agencies. The safety and well-being of our stakeholders are paramount, and we foster a safe work environment through rigorous training and enhanced safety measures. We uphold ethical practices with strict internal controls and support local producers to drive shared growth. Through our CSR initiatives, we actively enhance community quality of life, demonstrating our commitment to sustainable development. We thank all our stakeholders for their support and invite you to join us as we continue this journey toward a more sustainable future. Thank you for your continued support.	
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	
	Mr. Mitesh Manek Chief Financial Officer	
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No/ NA).	Yes
	If Yes please provide details	
	Yes. Name: Mr. Mitesh Manek Chief Financial Officer and Stakeholder Relationship Committee	

10	Details of Review of NGRBCs by the Company									
	Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
a.	Performance against above policies and follow up action	Committee of the Board								
b.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Committee of the Board								

	Subject for Review	Frequency (Annually / Half yearly /Quarterly/ Any other-please specify)								
		P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
a.	Performance against above policies and follow up action	Annually								
b.	Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Quarterly								
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	N	N	N	N	N	N	N	N	N
	If yes, provide name of the agency.	-								

12	**If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
	The entity does not consider the Principles material to its business (Yes/No)	N.A.								
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
	It is planned to be done in the next financial year (Yes/No)									
	Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

(This principle focuses on the importance of ethical conduct and transparency in business operations. Companies should follow ethical business practices and adhere to high standards of integrity. They should also be transparent about their activities, operations, and financial reporting, as well as be accountable for their actions)

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	8	• Covering business strategy, risk management, and recent updates on relevant laws and regulations. • comprehensive Familiarisation Programme for Independent Directors was also held to enhance their understanding of the company's operations and governance.	100%
Key Managerial Personnel	9	• The training sessions covered topics including business strategy, risk management, updates on laws, corporate governance matters, POSH awareness, and updates on the Companies Act 2013.	100%
Employees other than BOD and KMPs	7	• Health & Safety Training: Includes Fire Drills, First Aid and Medical Emergency Procedures, Material Handling, Chemical Safety, and Food Safety, Instrument handling, Testing of incoming raw material, In-process testing. • Human Rights Training: Includes POSH Training and New Employee Induction. • Skill Upgradation Training: Includes Performance Evaluation for Improvement and Cybersecurity Training Programs. • Production line selection, importance of PRPs, change control and clearance, process testing. • Records maintenance and documentation handling • Proper house keeping, waste removal, cleaning during change of product • Calibration of equipment, preventive maintenance, food safety angle maintenance,stores inventory management	100%
Workers	7		100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

Monetary					
Particular	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR) (For Monetory Cases only)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	NIL	-	0	NA	NA
Settlement	NIL	-	0	NA	NA
Compounding fee	NIL	-	0	NA	NA
Non Monetary					
Particular	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**		**Has an appeal been preferred? (Yes/No)**
Imprisonment	NIL	NA	NA		NA
Punishment	NIL	NA	NA		NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have anti-corruption or anti-bribery policy? (Yes/ No)	Yes
If Yes, provide details in brief	
The company is dedicated to adhering to all applicable laws, rules, and regulations while maintaining the highest standards of business ethics. We promote a culture of transparency and integrity, guided by stringent ethical and moral principles. A specific Code of Conduct is established for the company's Directors and Senior Management. This Code of Conduct can be viewed at the following link: Code of Conduct for Board of Directors and Senior Management. Additionally, our Business Responsibility & Sustainability Policy, approved by the Board of Directors, strictly forbids abusive, corrupt, or anti-competitive practices.	
If Yes, Provide a web link to the policy, if available -Web link anti corruption or anti bribery policy is place	
Weblink: https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/BRSR%20Policy_Vidhi%20Specialty.pdf	

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particular	FY 2023-24	FY 2022-23
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

Case Details	FY 2023-24		FY 2022-23	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

8. Number of days of accounts payables in the following format:

Particular	FY 2023-24	FY 2022-23
Number of days of accounts payables	30	28

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases*	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of trading houses where purchases are made from	-	-
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	95%	95%
	b. Number of dealers / distributors to whom sales are made	235	210
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	57.10%	60.61%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.002	0
	b. Sales (Sales to related parties / Total Sales)	0.005	0.003
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.020	0.075
	d. Investments	0	0

**Currently not estimated since purchases from Trading House are not tracked.*

Leadership Indicators

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)**	Yes

If Yes, provide details of the same.

The procedures include disclosing interests at the start of each financial year and whenever changes arise. Board members must report any conflicts of interest to the Chairman of the Audit Committee or the Board Chairman. Directors and Senior Management should avoid conflicts, such as financial interests in competitors or influencing decisions involving relatives. They must not accept gifts or benefits beyond customary levels from business partners. All conflicts must be disclosed, and Executive Directors and Senior Management are prohibited from taking on outside employment.

Web-link: Code of Conduct for Board Members and Senior Management Personnel

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

(This principle highlights the importance of sustainable and safe production practices. Companies should strive to minimize the environmental impact of their activities and ensure that their products and services are safe for consumers and the environment.)

Essential Indicator

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Sr. No.	Particular	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
1	R&D	0	0	
2	Capex	0	0	

2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)	No
b. If yes, what percentage of inputs were sourced sustainably?	NIL

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a)	**Plastics (including packaging)**	**Not applicable**. Plastic packaging waste is disposed off through third party vendors.
(b)	**E-waste**	**Not applicable**
(c)	**Hazardous waste**	**Not applicable.** The Company is committed to the proper collection and management of hazardous waste as defined by Pollution Board. Hazardous waste generated from the Company's manufacturing units is sent to Mumbai Waste Management Limited (MWML) for appropriate treatment and disposal. The company's products are part of consumables and limited scope of reclaim at the end of life of the product
(d)	**other waste**	**Not applicable.**

4.a	**Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No)**	No
b	**If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?**	
	Not applicable	
c	**If not, provide steps taken to address the same**	
	Not applicable	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.

(This principle emphasizes the importance of employee well-being. Companies should provide safe and healthy working conditions, fair wages, and opportunities for career development to all employees in their value chains, including suppliers, contractors, and temporary workers.)

Essential Indicators

1 a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	64	0	0	0	0	NA	-	0	0	0	-
Female	8	0	0	0	0	0	0	NA	-	0	-
Total	72	0	0	0	0	0	0	0	0	0	-
Other than permanent employees											
Male	0	NIL									
Female	0										
Total	0										

1. b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	24	0	0	0	0	NA	-	0	0	0	-
Female	0	0	0	0	0	0	0	NA	-	0	-
Total	24	0	0	0	0	0	0	0	0	0	-
Other than permanent workers											
Male	66	0	0	0	0	NA	-	0	0	0	0
Female	4	0	0	0	0	0	0	NA	-	0	0
Total	70	0	0	0	0	0	0	0	0	0	0

1. c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the company	0	0

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	36.11%	100%	Y	70.77%	70%	y
ESI	6.00%	100%	Y	10.77%	100%	Y
Others – please specify						

3. Accessibility of workplaces	
Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?	Yes. Yes, the operating locations of the Company have accessibility for differently abled employees, workers and visitors.
If not, whether any steps are being taken by the entity in this regard.	
Not applicable.	

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?	Yes, the organization ensures equal opportunity for everyone and does not discriminate based on colour, religion, sex, nationality, ancestry, age, marital status, sexual orientation, or disability.
If so, provide a web-link to the policy.	Web link: Code of Conduct

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.		
Category	**Yes/ No**	**If Yes, then give details of the mechanism in brief**
Permanent Workers **Other than Permanent Workers** **Permanent Employees** **Other than Permanent Employees**	Yes	The company promotes transparent communication. Employees and staff are encouraged to first address their concerns with their direct Head of Department (HOD). If the issue remains unresolved, they should escalate their grievances via email to either the CFO or the factory leader, depending on the context. For matters involving sexual harassment or discrimination, individuals—whether victims or witnesses—can submit a complaint, either named or anonymous, to the Internal Complaint Committee (ICC). These complaints are then sent to the relevant HOD, who works with the ICC to address and resolve the issue. To ensure that concerns and grievances are reported accurately, the Audit Committee is responsible for implementing a vigilance mechanism. The company is dedicated to adhering to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act of 2013 in addressing grievances related to sexual harassment.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent employees						
Male	64	0	-	59	0	-
Female	8	0	-	6	0	-
Total Permanent Workers*						
Male	24	18	75.00%	26	18	69.23%
Female	0	0	-	0	0	-

***Permanent workers were members of Hind Majdoor Sabha**

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		Number (B)	% (B / A)	Number (C)	% (C / A)		Number (E)	% (E / D)	Number (F)	% (C / D)
Employees										
Male	64	58	90.62%	58	90.62%	59	53	89.83%	53	89.83%
Female	8	7	87.50%	7	87.50%	6	5	83.33%	5	83.33%
Total	72	63	87.50%	63	87.50%	65	58	89.23%	5	89.23%

Workers										
Male	90	76	84.44%	76	84.44%	44	40	90.91%	40	90.91%
Female	4	4	100%	4	100%	3	2	66.67%	2	66.67%
Total	94	80	85.10%	80	85.10%	47	42	89.36%	42	89.36%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (D)	No. (E)	% (E / D)
Employees						
Male	64	64	100%	59	59	100%
Female	8	8	100%	6	6	100%
Total	72	72	100%	65	65	100%
Workers						
Male	24	24	100%	26	26	100%
Female	0	0	-	0	0	-
Total	24	24	100%	26	26	100%

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No)	**Yes**

If Yes, the Coverage such systems?

Comprehensive Implementation Across All Facilities: Vidhi has established robust Occupational Health and Safety (OHS) systems at all its manufacturing plants, including the newly initiated Dahej facility. This ensures that every location adheres to the highest safety standards.

Adherence to International Standards: The company's manufacturing processes comply with ISO 9001:2015, ISO 22000:2005, and HACCP standards. These certifications reflect Vidhi's unwavering commitment to quality, environmental stewardship, and occupational health and safety.

High Safety Standards in Chemical Production: As a leading manufacturer of premium synthetic and natural food-grade colours, Vidhi prioritizes minimizing workplace risks through stringent safety measures. The company ensures that its operations meet industry-leading safety protocols to protect the well-being of its employees.

Proactive Health and Safety Measures: At both Roha and Dahej facility, and across all plants, health and safety measures are rigorously implemented. This includes regular health and safety counseling sessions, annual health check-ups for all employees, and the issuance of health cards to monitor and maintain employee well-being.

Ongoing Training and Safety Awareness: Vidhi emphasizes continuous improvement in safety through enhanced skills training, effective communication, and safety awareness programs. These initiatives are designed to foster a risk-free working environment and uphold the highest safety standards.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	
Robust Risk Management Process: Vidhi has established a comprehensive risk management process aimed at preventing workplace injuries, incidents, and operational disruptions. This process is a cornerstone of our commitment to safety. **Routine and Continuous Risk Assessment:** The company regularly evaluates and addresses risks associated with our operations. This continuous assessment ensures that safety measures are always improving and adapting to any emerging hazards. **Proactive Safety Measures:** Vidhi incorporates mock drills, safety audits, and extensive training into its safety strategy. These proactive measures are essential in identifying potential risks and minimizing their impact. **Advanced Risk Identification Methods:** The company employs HACCP (Hazard Analysis and Critical Control Points) and HAZOP (Hazard and Operability Study) methods to identify and manage critical risks. These methods allow for a thorough analysis of potential hazards and the implementation of effective control measures. **Commitment to a Safe Working Environment:** Vidhi's comprehensive approach to risk management underscores our dedication to maintaining a safe and secure working environment for all employees.	
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks? (Yes/ No)	Yes. **Fostering a Reporting Culture:** Vidhi encourages a reporting culture where employees are empowered to report accidents or near-miss incidents without hesitation. This open environment is crucial for identifying potential hazards early. **Thorough Incident Investigation:** Every reported incident is meticulously investigated to determine its root cause. Following the investigation, preventive measures are implemented to avoid recurrence, ensuring continuous improvement in safety practices. **Comprehensive Safety Training:** The company provides a variety of safety training programs to maintain and enhance a safe working environment. These programs equip employees with the knowledge and skills needed to identify and respond to potential risks. **Systematic Hazard Assessment:** Vidhi employs HAZOP (Hazard and Operability Analysis) as a systematic approach to assess potential operational hazards at plant sites. This analysis is conducted both internally and with the help of external experts, ensuring a thorough evaluation and the development of effective mitigation strategies. **Ongoing Commitment to Safety:** Vidhi's proactive identification and management of potential hazards and risks are central to its safety culture. This ongoing commitment not only safeguards employee well-being but also contributes to a positive and healthy workplace environment.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	No

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	**Employees**	0	0
	Workers	0	0
Total recordable work-related injuries	**Employees**	0	0
	Workers	0	0
No. of fatalities	**Employees**	0	0
	Workers	0	0
High-consequence work-related injury or ill health (excluding fatalities)	**Employees**	0	0
	Workers	0	0

***Including in the contract workforce**

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

VSFIL is dedicated to ensuring safe workplaces by preventing injuries and illnesses and continually working to eliminate hazards and reduce occupational health and safety risks.
To ensure a safe work environment, VSFIL implements several measures:

- Maintains fire detection, alarm, and suppression systems.
- Conducts regular site reviews, inspections, and audits to assess safety readiness.
- Performs regular fire and medical emergency mock drills.
- Offers regular training on occupational health and safety to promote a safety-conscious culture.
- Runs employee engagement campaigns on topics such as fire safety, road safety, emergency evacuation, and ergonomics.
- Eliminates the use of solvents and inflammables in the factory through process engineering to maintain safety.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessment for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

The company reported zero accidents during the year. However, it regularly checks the working conditions to ensure the safety of its employees.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

(This principle highlights the importance of stakeholder engagement. Companies should consider the interests and perspectives of all stakeholders, including shareholders, employees, customers, suppliers, and the communities in which they operate. They should also be responsive to stakeholder concerns and feedback.)

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The company identifies key stakeholders as anyone who can directly or indirectly influence its operations or business chain. This group includes customers, shareholders, investors, suppliers, communities, government and regulatory bodies, and employees. Regular stakeholder mapping exercises are conducted to engage with these groups. Stakeholders are prioritized based on their interest, impact, and influence on the company. Addressing the needs, interests, and expectations of these stakeholders is crucial to the company's operations.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers (End consumers/ dealers and distributors)	No	Emails Customer meet and calls Product feedback Brochures	Need based	Expectation and satisfaction Product related queries Product performance review and feedback Customer Engagement Grievances handling
Shareholders and Investors	No	Quarterly Results Annual General Meeting Investors Meet Investor Presentation Dedicated email ID for Investor Grievances Website Newspaper Stock Exchange Filings Press Releases	Periodic/ Annual	Understand concerns and expectations Business performance Long term growth and sustainability
Suppliers	No	Emails Video Conference Website Discussion meetings	Monthly/ Quarterly/ Annually/ Need based	Timely delivery Payment terms & conditions Quality of goods procured
Communities	No	Directly CSR Implementation	Frequent and Need based	Education, Empowerment health, infrastructure Awareness Program Community Development, etc.

Government and Regulatory Authorities	No	Press Release Quarterly Result Annual Report Regulatory filings Emails, letters, meetings etc	Need based	Statutory Compliance Good governance practice Resolutions of Issues
Employees	No	Emails Circulars Notice Boards Review meetings Training and Development programs Employee Satisfaction	Ongoing	Career Management and Growth Prospects Building a safety culture and inculcating safe work practices among employees Training and development Health and wellbeing Policy communication/ Team building etc

PRINCIPLE 5 Businesses should respect and promote human rights.

(This principle focuses on the importance of human rights. Companies should respect and promote human rights, including the rights to freedom of expression, association, and privacy. They should also prevent and address human rights violations in their operations and value chains.)

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Benefits	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	72	72	100%	65	65	100%
Other than permanent	0	0	-	0	0	-
Total Employees	72	72	100%	65	65	100%
Workers						
Permanent	24	24	100%	26	26	100%
Other than permanent	70	70	100%	21	21	100%
Total Workers	94	94	100%	47	47	100%

2. Details of minimum wages paid to employees and workers

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B /A)	No. (C)	% (C /A)		No. (E)	% (E /D)	No. (F)	% (F /D)
Employees										
Permanent										
Male	64	0	-	64	100%	59	0	-	59	100%
Female	8	0	-	8	100%	6	0	-	6	100%
Total	72	0	-	72	100%	65	0	-	65	100%

Other than Permanent										
Male	0	-				0	-			
Female	0									
Total	0									
Workers										
Permanent										
Male	24	0	-	24	100%	26	0	-	26	100%
Female	0	0	-	0	-	0	0	-	0	-
Total	24	0	-	24	100%	26	0	-	26	100%
Other than Permanent										
Male	66	0	-	66	100%	18	18	100%	0	-
Female	4	0	-	4	100%	3	3	100%	0	-
Total	70	0	-	70	100%	21	21	100%	0	-

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

Particular	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	6	2,55,00,000	3	12,00,000
Key Managerial Personnel**	1	18,00,000	1	7,20,000
Employees other than BoD and KMP	61	3,01,322	5	1,64,083
Workers	24	3,79,548	0	-

The Company has paid managerial remuneration in compliance with the necessary approvals required by Section 197 read with Schedule V of the Act. The Company has in place a Nomination and Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the Listing Regulations, which is available on weblink of the Company provided below.

*BOD comprises of 3 ED, 1 NED Non-Independent and 5 NED Independent. NEDs has not been included in determining median remuneration as they are not taking remuneration/ or are paid sitting fees

**KMP includes CFO and CS. Remuneration paid to ED has been taken into determining median of BOD and hence excluded from KMP

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	2.47%	1.88%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?	Yes. Head of Department or Internal Compliance Committee depending on the nature human rights issue.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The company has established reporting channels for employees, customers, suppliers, and stakeholders to raise concerns about violations of the Code of Conduct or policies, including human rights issues. Employees can first report to their Head of Department (HoD) and escalate to the Chief Financial Officer (CFO) if unresolved. Non-

permanent employees can email relevant stakeholders. The Whistleblower Policy allows protected disclosures, all of which are reviewed and acted upon. An Internal Complaint Committee (ICC) handles sexual harassment complaints, specializing in the Prevention of Sexual Harassment (POSH).

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

In accordance with the Sexual Harassment of Women at Workplace Act, 2013, the Company enforces a strict Prevention of Sexual Harassment policy to safeguard employees and address concerns. An Internal Complaints Committee handles sexual harassment cases. The Company promotes equality, providing equal opportunities regardless of race, ethnicity, gender, age, sexual orientation, religion, marital status, socio-economic background, or abilities. New employees receive orientation on discrimination and harassment, and the policy is widely shared for transparency. All concerns are handled confidentially, and retaliation against good faith reporters is strictly prohibited.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No/NA)	Yes

10. Assessments for the year:

Name of the Assessment	% of your plants and offices that were assessed* (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	100%

*The Company regularly evaluates and ensures the adherence to fair labour practices across all its plants and offices. We have achieved certification in line with various international standards. These ISO certifications require audits by an external certification body as part of their compliance requirements.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.
No significant concerns.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

(This principle emphasizes the importance of environmental stewardship. Companies should minimize their impact on the environment, conserve natural resources, and promote environmental sustainability. They should also take steps to restore and rehabilitate degraded ecosystems.)

Essential Indicators

1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Parameter	**FY 2023-24**	**FY 2022-23**
From renewable sources		
Total electricity consumption (A)	11,933	11,452
Total fuel consumption (B)	-	-
Energy consumption through other sources (C.)	-	-
Total energy consumed from renewable sources (A+B+C)		
From non-renewable sources		
Total electricity consumption (D)	29,416	24,469
Total fuel consumption (E)	1,38,408	1,37,507
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	1,67,824	1,61,976
Total energy consumed (A+B+C+D+E+F)	1,79,757	1,73,428
Energy intensity per rupee of turnover (GJ per Lakh INR)	5.92	4.29
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (GJ per USD adjusted lakh INR)	135.55	98.22
Energy intensity in terms of physical output (GJ per production in MT)**	39.88	40.81
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?		No
If yes, name of the external agency.		

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No)	No
If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.	
Not applicable.	

3. Provide details of the following disclosures related to water, in the following format:

Parameter **Water withdrawal by source (in kilolitres)**	**FY 2023-24**	**FY 2022-23**
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	1,31,426	74,386
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,31,426	74,386
Total volume of water consumption (in kilolitres)	1,31,426	74,386
Water intensity per rupee of turnover ((KL per LAKH INR)	4.33	1.84
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (KL per USD adjusted LAKH INR)	99.10	42.13
Water intensity in terms of physical output (KL per Production in MT)	29.16	17.50
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)		No
If yes, name of the external agency.		

4. Provide the following details related to water discharged:

Parameter	**FY 2023-24**	**FY 2022-23**
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater		
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
No treatment	-	-
With treatment – please specify level of treatment*	50400	-
(v) Others		
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	50400	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)		**No**
If yes, name of the external agency.	**-**	

***After Primary and Secondary treatment in the Effluent Treatment Plant (ETP) the treated water in discharged sent to Common Effluent Treatment Plant.**

"Effective FY 2024-25, the company has implemented rigorous processes to ensure more accurate and comprehensive monitoring of water discharge.

5. Has the entity implemented a mechanism for Zero Liquid Discharge?	No
If yes, provide details of its coverage and implementation.	Not applicable.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	-	0	0
SOx	Kg/Day	15.99	15.09
Particulate matter (PM)	Mg/Nm^3	57.15	91.97
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)			**Yes**
If yes, name of the external agency.	Air Emissions (other than GHG Emissions) of Stack attached to boilers, DG Sets, thermopack is done by M/s Airoclean Associates		

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	12,460	12,387
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	3,448	2,567
Total Scope 1 and Scope 2 emissions per LAKH INR of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)		0.52	0.37
Total Scope 1 and Scope 2 emission intensity per LAKH INR of turnover adjusted for Purchasing Power Parity (PPP)*		12.00	8.47
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Metric tonnes of CO2 equivalent per production in MT)		3.53	3.52
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)			No
If yes, name of the external agency.			

*Total Scope 1 and Scope 2 emission intensity per LAKH INR of turnover has increased from last year due to a decrease in the Turnover of the company. The reason for decrease in turnover due to shift in focus of the company from Trading Activity to Manufacturing Activity also Since the new facility of Dahej has commenced operations from FY 2023-24 has resulted in increase in Emission Intensity.

8. Does the entity have any project related to reducing Green House Gas emission? (Yes/ No) If Yes, then provide details.	The Company is enhancing its environmental performance with GHG reduction emissions project like a 2.5 MW solar power project at Sunbless Solar Park, Murtizapur, Maharashtra, to cut reliance on non-renewable energy. We are also utilising modern equipment to boost energy efficiency and remain dedicated to continuous improvement in energy conservation and performance.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G) ETP Sludge	171.17	118.68
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B + C + D + E + F + G + H)	171.17	118.68
Waste intensity per rupee of turnover (MT per LAKH INR)	0.0056	0.0029
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (MT per USD adjusted LAKH INR)	0.13	0.07
Waste intensity in terms of physical output (MT per production in MT)	0.04	0.03
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	**FY 2023-24**	**FY 2022-23**
(i) Recycled	-	-
-	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste	**FY 2023-24**	**FY 2022-23**
(i) Incineration	-	-
(ii) Landfilling	171.17	118.68
(iii) Other disposal operations	-	-
Total	171.17	118.68

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)	**No**
If yes, name of the external agency.	

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The company, a leader in synthetic food colours and specialty chemicals, is deeply committed to ensuring safety and environmental responsibility by minimizing the use of hazardous and toxic substances in our products and processes. We strictly adhere to all legal standards governing emissions, wastewater, and waste disposal, and maintain rigorous monitoring across our manufacturing sites.

Our wastewater management system is designed for efficiency and sustainability. We recycle 80 KL of post-process water daily using a Multi-Effect Evaporator (MEE) plant, which is then repurposed for gardening and other day-to-day activities. The remaining wastewater undergoes treatment at our Effluent Treatment Plant (ETP), and the treated water is safely discharged into the Common Effluent Treatment Plant (CETP). Sludge generated from this process is responsibly disposed of through government-authorized third-party vendors.

In addition, we implement comprehensive waste management practices that focus on minimizing waste generation, segregating waste at its source, and recycling processed wastewater. Hazardous materials are handled with the utmost care, and all waste disposal methods are fully compliant with the regulations set forth by the Maharashtra Pollution Control Board (MPCB), Gujarat Pollution Control Board (GPCB), and other relevant authorities.

To further enhance workplace safety and environmental stewardship, we have established robust monitoring mechanisms and conduct regular compliance checks. Our recycling facilities, equipped with a Multi-Effect Evaporator, process 80 KL of wastewater daily, and sludge is meticulously managed by third-party vendors. All effluents, emissions, and waste are maintained well within the limits prescribed by the Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCB).

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N)	If no, the reasons thereof and corrective action taken, if any.
Not applicable.				

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Manufacturing Plant of Synthetic Organic Chemical	SEIAA/GUJ/ EC/5(F)/2467/2022	11-12-2023	Yes	Yes	https://vidhifoodcolors.com/investor-relation/announcements/

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N/NA).	**Yes**
All our units comply with environmental regulations.	
If not, provide details of all such non-compliances, in the following format:	

Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not applicable			

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

(This principle highlights the importance of responsible advocacy. Companies should engage in policy advocacy in a responsible and transparent manner, and avoid engaging in activities that could undermine the public interest or the democratic process.)

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.	2
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.	

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National/ International)
1	CHEMEXIL (Basic Chemicals Cosmetics & Dyes Export Promotion Council)	National
2	Indian Merchant Chamber of Commerce (IMC)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NIL		

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development.

(This principle emphasizes the importance of promoting inclusive and equitable economic development. Companies should create economic opportunities for all, including disadvantaged and marginalized groups. They should also contribute to the development of local communities and support social and economic empowerment.)

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
NIL						

3. Describe the mechanisms to receive and redress grievances of the community.

Vidhi has a grievance redressal mechanism in place to handle stakeholder complaints, with no issues reported as of March 31, 2024. A dedicated email address is available for business inquiries and grievances, with prompt responses from senior management. The Stakeholders' Relationship Committee oversees the swift resolution of grievances. The Whistle blower Policy allows protected disclosures, with all submissions reviewed and acted upon as needed. Additionally, Vidhi has set up a specific grievance redressal system for community concerns.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particular	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	23.13%	5.32%
Directly from within India	39.13%	41.89%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Particular	FY 2023-24	FY 2022-23
Rural	77.34%	80.17%
Semi-urban	0	0
Urban	6.07%	4.86%
Metropolitan	16.59%	14.97%
(Place to be categorized as per RBI Classification System - rural / semi-urban / urban/metropolitan)		

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

(This principle highlights the importance of responsible consumer engagement. Companies should provide safe, high-quality products and services, and ensure that they are marketed and sold ethically and responsibly. They should also be transparent about their products and services, and provide consumers with the information they need to make informed choices.)

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Vidhi has a dedicated email ID to address any business enquiry, grievance, or feedback. The senior management team promptly and adequately responds to all such inquiries. The company places high emphasis on customer satisfaction as it adheres to a customer-centric philosophy. The Company has defined SOP for addressing customer complaints and CAPA is initiated for timely redressal.

- **Technical team works closely with end users**: Vidhi has a team of highly experienced and qualified chemists who are dedicated to partnering with customers to develop superior colour solutions for their products. The technical team works closely with the end user, right from the product conceptualization stage to commercial production and after-sales support.
- **Stringent testing procedures**: Vidhi follows stringent procedures and fail-safe methods of testing, right from the sampling of raw materials to in-process checks at various stages of the reactions. All finished products are thoroughly tested by a team of highly qualified and trained chemists.
- **Sharing of regulatory information:** Vidhi shares up-to-date information and news developments regarding regulatory procedures and new standards being implemented across all global markets. This helps to secure the interests of valued customers

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

Particular	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

Particular	FY 2023-24		Remark	FY 2022-23		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	10	0	-	15	0	-

4. Details of instances of product recalls on account of safety issues:

Particular	Number	Reason for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)	Yes.
If available, provide a web link of the policy	Web-link: Business Responsibility and Sustainability Policy (Refer to Principle 9) Furthermore, The Risk Management Committee is constituted in line with the provisions of Regulation 21 of the Listing Regulations. The brief terms of reference of the Committee are to formulate, monitor and review risk management policy and plan covering cyber security risks, data privacy risks and other risks associated to the Company. The Company considers cyber security as a key risk and to eliminate this risk, it takes adequate measures like state-of-the-art firewall solutions, user awareness, etc.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable.

7. Provide the following information relating to data breaches	
a. Number of instances of data breaches along-with impact	0
b. Percentage of data breaches involving personally identifiable information of customers	0
c. Impact, if any, of the data breaches	
Not applicable.	

REPORT ON CORPORATE GOVERNANCE

Vidhi Specialty Food Ingredients Limited ('**VSFIL'** or '**Vidhi'**) governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. We also strive to ensure balance between our aims and minority rights in all our business decisions. Efficient corporate governance requires a clear understanding of the respective roles of the Board and of Senior Management and their relationships with others in the corporate structure. Sincerity, fairness, good citizenship and commitment to compliance are key characteristics that drive relationships of the Board and Senior Management with other stakeholders.

Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximising stakeholders' value, be its shareholders, employees, suppliers, customers, investors, communities or policy makers. Good Governance practices stem from the culture and mindset of the organization. Your Company considers fair and transparent Corporate Governance as one of its core management tenets. Your Company follows the best governance practices with highest integrity, transparency and accountability.

Pursuant to the provisions of Regulation 34(3) read with Chapter IV and Schedule V and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations'**), a Report on Corporate Governance for the financial year ended March 31, 2024 is furnished below:

(1) VSFIL's Philosophy on Code of Governance:

VSFIL fully subscribes to the principles and spirit of Corporate Governance. The Company has adopted transparency, disclosure, accountability and ethics as its business practices. The Management believes that these principles will enable it to achieve the long-term objectives and goals. As part of its Corporate Governance philosophy, VSFIL focuses its energies in safeguarding the interests of its stakeholders by utilizing its resources for maximum benefits of its stakeholders.

The Company constantly reviews its Corporate Governance policy to not only comply with the business, legal and social framework in which it operates but also to implement the best international practices in that regard.

In compliance with the regulatory requirements and effective implementation of Corporate Governance practices, the Company has adopted the following policies and codes in accordance with the applicable provisions of the Companies Act, 2013 ('**the Act'**) and Listing Regulations:

- Archival Policy
- Board Diversity Policy
- Code of Conduct for Board Members and Senior Management Personnel
- Insider Trading Code
- Corporate Social Responsibility Policy
- Nomination and Remuneration Policy
- Policy for evaluation of the performance of the Board of Directors
- Policy for determination of materiality of events
- Policy for determining material subsidiary
- Policy for preservation of documents
- Policy on related party transactions
- Risk Management Policy
- Vigil Mechanism cum Whistle-Blower Policy
- Business Responsibility and Sustainability Reporting Policy
- Dividend Distribution Policy

These policies, codes and their effective implementation re-affirm the commitment of the Company towards putting in place the highest standards of Corporate Governance in every sphere of its operations. The Company's philosophy of Corporate Governance is not only compliant with the statutory requirements but also underlines our commitment to operate in the best interest of the stakeholders.

(2) Board of Directors:

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

The Company's policy is to have a proper blend of Executive and Non-Executive Directors to maintain independence of the Board and at the same time separate the Board's functions of governance from the Management. In compliance with the Regulation 17 of the Listing Regulations, the Company's Board of Directors headed by its Executive Chairman, Mr. Bipin Madhavji Manek (DIN: 00416441) and comprises of Eight other Directors. Out of all the Directors, five Directors are Independent Directors (including one Woman Independent Director), one Non-Executive Woman Director, and three Executive Directors consisting of one Woman Director. Detailed profile of our Directors is available on our website at ***https://vidhifoodcolors.com/investor-relation/Directors-committees/#board-of-Directors*** and also given in this Annual Report.

The day-to-day management of the Company is conducted by the Executive Directors subject to the supervision, direction and control of the Board of Directors.

Composition of the Board of Directors as on March 31, 2024 was in accordance with the requirements of Regulation 17 of the Listing Regulations and the Act.

Details relating to the composition of the Board of Directors, number of Directorships in Equity Listed entities, Memberships and Chairmanships of the Directors of the Company in Committees of other Public Limited Companies are given in table below. As per Regulation 26(1) of the Listing Regulations, none of the Directors on the Board is the Member of more than 10 Committees and Chairperson of more than 5 Committees across all the Companies in which they are Directors. The same is also evidenced from the table given below:

Name of the Director(s) and their DIN	Designation	Category	No. of other Directorships#	Committee positions#	
				Chairperson	Member
Executive Directors					
Mr. Bipin Madhavji Manek (DIN: 00416441)	Chairman & Managing Director	Promoter	Nil	Nil	Nil
Mr. Mihir Bipin Manek (DIN: 00650613)	Joint Managing Director	Promoter	Nil	Nil	1
Mrs. Vidhi Harsh Parekh (DIN: 07584061)	Whole-time Director	Promoter	Nil	Nil	Nil
Non-Executive Directors					
Mrs. Pravina Bipin Manek (DIN: 00416533)	Non-Executive Woman Director	Promoter	Nil	1	Nil
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Non-Executive Director	Independent	Nil	Nil	2

Name of the Director(s) and their DIN	Designation	Category	No. of other Directorships#	Committee positions#	
				Chairperson	Member
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Non-Executive Director	Independent	Nil	1	Nil
Mr. Rahul Chakradhar Berde (DIN: 06981981)	Non-Executive Director	Independent	Nil	Nil	1
Mr. Ashit Kantilal Doshi (DIN: 08486679)	Non-Executive Director	Independent	Nil	Nil	Nil
Mrs. Jyoti Sunil Modi (DIN: 08699101)	Non-Executive Woman Director	Independent	Nil	Nil	Nil

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

None of the Directors on the Board as on March 31, 2024 holds Directorships in any other Public Company or Listed Company.

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

Name of Directors	26.05.23	11.08.23	08.11.23	07.02.24	Previous AGM (29.09.23)
Mr. Bipin Madhavji Manek (DIN: 00416441)	Yes	Yes	Yes	Yes	Yes
Mr. Mihir Bipin Manek (DIN: 00650613)	Yes	Yes	Yes	Yes	Yes
Mrs. Vidhi Harsh Parekh (DIN: 07584061)	Yes	Yes	Yes	Yes	Yes
Mrs. Pravina Bipin Manek (DIN: 00416533)	Yes	Yes	Yes	Yes	Yes
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Yes	Yes	Yes	Yes	Yes
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Yes	Yes	Yes	Yes	Yes
Mr. Rahul Chakradhar Berde (DIN: 06981981)	Yes	Yes	Yes	Yes	Yes
Mr. Ashit Kantilal Doshi (DIN: 08486679)	Yes	Yes	Yes	Yes	Yes
Mrs. Jyoti Sunil Modi (DIN: 08699101)	Yes	Yes	Yes	Yes	Yes

c. Number and dates of meetings of the Board of Directors held and date of the last AGM held:

4 (Four) Board Meetings were held during the financial year under review on May 26, 2023, August 11, 2023, November 08, 2023 and February 07, 2024.

The Thirtieth Annual General Meeting was held on September 29, 2023.

d. Disclosure of relationships between Directors *inter-se:*

Mr. Bipin Madhavji Manek (DIN: 00416441), Mrs. Pravina Bipin Manek (DIN: 00416533), Mr. Mihir Bipin Manek (DIN: 00650613) and Mrs. Vidhi Harsh Parekh (DIN: 07584061), Directors of the Company, are related with each other (*inter-se*) within the meaning of the Listing Regulations.

None of the Independent Directors of the Company has any material pecuniary relationships or transactions with the Company, its Promoters, its Directors or its Senior Management which may affect their independence.

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

e. Number of shares and convertible instruments of the Company held by Non- Executive Directors as on March 31, 2024:

Sr. No.	Name of Director	No. of Shares held	% of Shareholding
1.	Mrs. Pravina Bipin Manek (DIN: 00416533)*	34,90,667	6.99
2.	Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Nil	N.A.
3.	Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)#	Nil	N.A.
4.	Mr. Rahul Chakradhar Berde (DIN: 06981981)	Nil	N.A.
5.	Mr. Ashit Kantilal Doshi (DIN: 08486679)	Nil	N.A.
6.	Mrs. Jyoti Sunil Modi (DIN: 08699101)	Nil	N.A.

**In addition to holding shares in her individual capacity, she is one of the Trustees for three Private Trusts which are holding in aggregate 52.06% of total Voting Power in the Company.*

#He holds 24,000 Equity Shares of the Company consisting of 0.048% jointly with Mrs. Bhavna Niren Desai (first holder).

The Company has not issued any convertible instruments.

f. Weblink where details of familiarization programmes imparted to Independent Directors is disclosed:

The Company at its various meetings held during the financial year 2023-24 has familiarized the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company, etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarise them with the Company's policies, procedures and practices.

Quarterly updates on relevant statutory changes and judicial pronouncements encompassing important amendments are briefed to the Directors. The details of such Familiarization Programmes for Independent Directors are disclosed on the website of the Company at following link:

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/5.%20Familiarization%20Programme%20of%20Independent%20Directors.pdf

g. Matrix setting out the core skills/expertise/competence of the Board of Directors:

The Board has identified the following skill set with reference to its Business and Industry which are available with the Board:

1. Leadership
2. Industrial Knowledge
3. Corporate Strategy & Business Development
4. Human Resources / Industrial Relations
5. Finance, Accounting & Taxation
6. Technical expertise
7. Quality Assurance
8. Risk Management & Mitigation

Name of Directors	**Skill**							
	Leadership	Industrial Knowledge	Corporate Strategy & Business Development	HR/ Industrial Relations	Finance, Accounti-ng & Taxation	Technical expertise	Quality Assurance	Risk Management & Mitigation
Mr. Bipin Madhavji Manek (DIN: 00416441)	√	√	√	√	√	√	√	√
Mr. Mihir Bipin Manek (DIN: 00650613)	√	√	√	√	√	√	√	√
Mrs. Pravina Bipin Manek (DIN: 00416533)	√	–	–	√	–	–	–	√
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	–	–	√	√	√	–	–	√
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	√	–	√	√	√	–	–	√
Mr. Rahul Chakradhar Berde (DIN: 06981981)	√	√	–	–	√	√	√	√
Mr. Ashit Kantilal Doshi (DIN: 08486679)	–	–	√	–	√	–	–	√
Mrs. Jyoti Sunil Modi (DIN: 08699101)	√	–	√	√	–	–	–	√
Mrs. Vidhi Harsh Parekh (DIN: 07584061)	√	√	-	√	√	-	–	√

h. Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are independent of the Management:

As per the declaration received from Independent Directors, all Independent Director's meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations. None of the Independent Directors of the Company serve as an Independent Director in any other Listed Company and none of the Executive Directors are Independent Directors of any Listed Company. The Board confirms that the Independent Directors fulfill the conditions specified in Listing Regulations and that they are Independent of the Management.

i. Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his /her tenure along with a confirmation by such Director that there are no other material reasons other than those provided:

Not Applicable as during the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

j. Code of Conduct:

The Board of Directors has laid down a 'Code of Conduct' for all the Board Members and Senior Management Personnel of the Company. The 'Code of Conduct' has also been posted on the website of the Company and all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2023-24.

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/3.%20Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management%20Personnel.pdf

Declaration by the Chairman & Managing Director as per Clause D of Schedule V of the Listing Regulations regarding adherence to the Code of Conduct is annexed to and forming part of the Report on Corporate Governance.

k. A Certificate as stipulated under regulation 17(8) of the Listing Regulations was placed before the Board of Directors.

(3) Audit Committee:

a. Composition, names of the Chairperson and Members of the Committee, meetings of the Committee held and attendance details:

The composition of the Audit Committee as on March 31, 2024 as well as details of meetings of Audit Committee held and attended by each Member during the financial year 2023-24 is as follows:

Name	Designation	Category	Numbers of Meetings	
			Held	Attended
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Chairman	Non-Executive, Independent	4	4
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Member	Non-Executive, Independent	4	4
Mr. Mihir Bipin Manek (DIN: 00650613)	Member	Executive	4	4

The Members of the Audit Committee met 4 (four) times during the financial year 2023-24 on May 26, 2023, August 11, 2023, November 08, 2023 and February 07, 2024. The highlights of each of the Audit Committee Meetings were informed to the Board of Directors and discussed in the Board Meeting. All the recommendations made by the Audit Committee during the financial year were accepted by the Board.

Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382), Chairman of the Audit Committee, was present at the last Annual General Meeting held on Friday, September 29, 2023 to answer the queries of the shareholders.

All the Members of the Audit Committee are financially literate and have relevant accounting and financial management expertise as required under the Act and Regulation 18 of the Listing Regulations. During the year 2023-24 Mr. Vishakha Pandya (Membership No. A59436), Company Secretary, acted as the Secretary of the Audit Committee.

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

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

b. Brief description of terms of reference *inter-alia* includes:

- to recommend to the Board of Directors (Board) all appointments, including the filling of a casual vacancy of an auditor under Section 139 of the Act,
- to approve other services which auditors can provide to the Company,
- to recommend the appointment, remuneration and terms of appointment of auditors of the Company,
- to review and monitor the auditor's independence and performance, and effectiveness of audit process,
- examination of the financial statement and the auditors' report thereon,
- approval or any subsequent modification of transactions of the Company with related parties including granting omnibus approval for related party transactions,
- scrutiny of inter-corporate loans and investments,
- valuation of undertakings or assets of the Company, wherever it is necessary,
- evaluation of internal financial controls and risk management systems,
- monitoring the end use of funds raised through public offers and related matters,
- may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company,
- authority to investigate into any matter in relation to aforesaid items or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company,
- oversee the vigil mechanism and to ensure that the vigil mechanism shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases and in case of repeated frivolous complaints being filed by a Director or an employee, the audit committee may take suitable action against the concerned Director or employee including reprimand,
- to formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor,
- to take into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as an auditor and whether such qualifications and experience are commensurate with the size and requirements of the Company, provided that while considering the appointment, the Audit Committee shall have regard to any order or pending proceeding relating

to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court,

- may call for such other information from the proposed auditor as it may deem fit,
- to recommend the name of an individual or a firm as auditor to the Board for consideration,
- may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Company. The finance Director, internal auditor and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee,
- oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible,
- approval of payment to statutory auditors for any other services rendered by the statutory auditors,
- reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(3)(c) of the Act,
  b. changes, if any, in accounting policies and practices and reasons for the same,
  c. major accounting entries involving estimates based on the exercise of judgment by management,
  d. significant adjustments made in the financial statements arising out of audit findings,
  e. compliance with listing and other legal requirements relating to financial statements,
  f. disclosure of any related party transactions, and
  g. modified opinion(s) in the draft audit report
- reviewing, with the management, the quarterly financial statements before submission to the Board for approval,
- reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter,
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems,
- reviewing the adequacy of internal audit function and frequency of internal audit,
- discussion with internal auditors of any significant findings and follow up there on,
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board,
- discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern,
- to review the functioning of the whistle blower/vigil mechanism,
- approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate,
- monitoring and reviewing the statement of deviation(s) or variation(s) as per Regulation 32 of the Listing Regulations,
- carrying out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/regulatory authorities,
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower

including existing loans / advances / investments existing as on the date of coming into force of this provision, and

- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations,
- Management letters/letters of internal control weaknesses issued by the statutory auditors,
- Internal audit reports relating to internal control weaknesses,
- The appointment, removal and terms of remuneration of the chief internal auditor, and
- Statement of deviations:

  a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1), and

  b. Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

Powers of Audit Committee *inter-alia* includes:

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

(4) Nomination and Remuneration Committee:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Act and the Listing Regulations, as amended from time to time, the scope and the terms of reference of the Nomination and Remuneration Committee have been defined. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Act and the Listing Regulations.

a) Composition, names of the Chairperson and Members of the Committee, meetings of the Committee held and attendance details:

The composition of the Nomination and Remuneration Committee as on March 31, 2024 as well as details of meeting of Nomination and Remuneration Committee held and attended by each Member during the financial year 2023-24 are as follows:

Name	Designation	Category	Numbers of Meetings	
			Held	Attended
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	Chairman	Non-Executive, Independent	1	1
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Member	Non-Executive, Independent	1	1
Mrs. Pravina Bipin Manek (DIN: 00416533)	Member	Non-Executive, Promoter	1	1

The Members of the Committee met once (1) during the financial year 2023-24 on August 11, 2023.

Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382), the Chairman of the Nomination and Remuneration Committee, was present at the last Annual General Meeting held on Friday, September 29, 2023 to answer the queries of the shareholders.

The purpose of this Committee is to screen and to review individuals qualified to serve as Executive Directors,

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

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

ii. any board vacancies that are to be filled.

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

b) Brief description of terms of reference includes:

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

c) Performance evaluation criteria for Independent Directors:

The Nomination and Remuneration Policy of the Company showcase the appointment criteria and remuneration payable to the Directors and Key Managerial Personnel of the Company. The remuneration

paid to the Directors is broadly based on the criteria such as his/her qualification, experience, profile and his/her performance. The detailed criteria and procedure of performance evaluation is provided under Point No. 10 of the Board's Report.

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

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

(5) Stakeholders' Relationship Committee:

The Company has always valued its investors' and stakeholders' relationships. In order to ensure the proper and speedy redressal of stakeholders' grievances, the Stakeholders' Relationship Committee is constituted. Its constitution, composition, quorum requirements, frequency of meetings, terms of reference, role, powers, rights, authority and obligations are in conformity with the applicable provisions of the Act and the Listing Regulations.

a) Composition, names of the Chairperson and Members of the Committee, meetings of the Committee held and attendance details:

The composition of the Stakeholders' Relationship Committee as on March 31, 2024 as well as details of meeting of Stakeholders' Relationship Committee attended by each Member during the financial year 2023-24 is as follows:

Name	Designation	Category	Numbers of Meetings	
			Held	Attended
Mrs. Pravina Bipin Manek (DIN: 00416533)	Chairperson	Non-Executive, Promoter	4	4
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	Member	Non-Executive, Independent	4	4
Mr. Rahul Chakradhar Berde (DIN: 06981981)	Member	Non-Executive, Independent	4	4

During the financial year under review, the Committee met 4 (four) times, i.e. on May 26, 2023, August 11, 2023, November 08, 2023 and February 07, 2024.

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

b) Name and designation of Compliance Officer:

Ms. Vishakha Pandya (Membership No. A59436), Company Secretary, is the Compliance Officer of the Company under Listing Regulations. The Compliance Officer has been entrusted the task of overseeing the share transfer, transmission, splitting and consolidation of shares and issue of duplicate share certificates done by the R & TA and attending to grievances of the Shareholders/Investors intimated to the Company directly by the SEBI.

c) Details of the Shareholders' Complaints:

No. of pending complaints as on April 1, 2023	0
Number of Shareholders' complaints received during the financial year 2023-2024*	1
Number of complaints not resolved to the satisfaction of Shareholders as on March 31, 2024	0
No. of pending complaints as on March 31, 2024	0

**Company has received complaint from NSE in which Name of Company was "Vidhi" However for the same company has given explanation that mentioned "Vidhi" Company and ("Our Company"") are two different Entities and not connected/group Company.*

All Share transfers and correspondence thereon are handled by the Company's R & TA viz. M/s. Link Intime India Private Limited having Registered Office at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.

d) Brief description of terms of reference:

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

- to consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, etc.,
- to supervise the process relating to transfer, transmission, transposition, split, consolidation of securities,
- to issue the duplicate share certificate(s) and supervise the process,
- to supervise the process relating to consider re-materialization/de-materialization requests,
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- to implement and monitor the Company's Code of Conduct for Prohibition of Insider Trading in conformity with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended,
- to make recommendations to improve service levels for stakeholders, and
- to carry out any other functions as authorized by the Board of Directors from time to time or as enforced by statutory/ regulatory authorities.

(5A) Risk Management Committee:

The Board of Directors of the Company has constituted a Risk Management Committee ('**RMC**') for framing, implementing and monitoring the Risk Management Policy of the Company. The RMC assists the Board in fulfilling its oversight responsibility with respect to Enterprise Risk Management.

(a) Composition, names of the Chairperson and Members of the Committee, meetings of the Committee held and attendance details:

The composition of the Risk Management Committee as on March 31, 2024 as well as details of meeting of Risk Management Committee attended by each Member during the financial year 2023-24 is as follows:

Name	Designation	Category	Numbers of Meetings	
			Held	Attended
Mrs. Jyoti Sunil Modi (DIN: 08699101)	Chairperson	Non-Executive, Independent	2	2
Mr. Mihir Bipin Manek (DIN: 00650613)	Member	Executive, Promoter	2	2
Mr. Mitesh Manek	Member	Chief Financial Officer	2	2

During the financial year under review, the Committee met 2 (Two) times, i.e. on August 04, 2023, and January 27, 2024.

(b) Brief description of terms of reference:

The RMC is constituted in line with the provisions of Regulation 21 of the Listing Regulations. The brief terms of reference of the RMC is to formulate, monitor and review risk management policy and plan, inter alia, covering investment of surplus funds, management of foreign exchange risks, cyber security risks, data privacy risks and other risks associated to the Company.

The terms of reference or Role of the RMC are as follows:

(1) To formulate a detailed risk management policy which shall include:
   - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   - (c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(5B) Senior Management:

Particulars of senior management including the changes therein since the close of the previous financial year.

Sr. No.	Name of Senior Management Personnel	Designation
1	Mr. Mitesh Manek	Chief Financial Officer
2	Mr. Parag Surve	Factory Manager
3	Mr. Manoj Jadhav	Senior R&D Officer
4	Mr. Jaysing Burundkar	Maintenance Manager
5	Mr. Milind Patil	Quality Control Manager
6	Mr. Sagar Pathak	Sr. Export Executive
7	Mr. Madhukar Pashilkar	Q C Chemist
8	Ms.Vishakha Pandya	Company Secretary

(6) Remuneration of Directors:

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

The Independent Directors were given sitting fees of Rs. 20,000/- for attending meetings of the Board in which financial statements/results are discussed, as approved by the Board.

Also, Mrs. Pravina Bipin Manek (DIN: 00416533) was paid Guarantee Commission for guarantee given by her for securing loan taken by the Company from Banks. Mrs. Pravina Bipin Manek (DIN: 00416533) had received Rs. 45,00,000/- (Rupees Forty Five Lakh only) as Guarantee Commission.

The above payments made to Non-Executive Directors were approved by the Shareholders. Apart from mentioned above, the Non-Executive Directors were not paid any remuneration.

Mrs. Pravina Bipin Manek (DIN: 00416533) is one of the Promoters of the Company and Mr. Bipin Madhavji Manek (DIN: 00416441), Chairman and Managing Director, Mr. Mihir Bipin Manek (DIN: 00650613), Joint Managing Director of the Company and Mrs. Vidhi Harsh Parekh (DIN: 07584061), Whole-time Director of the Company, are her relatives. No other Non-Executive Directors are *inter-se* related to each other.

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

Criteria for making payments to Non-Executive Directors are given in the Nomination and Remuneration Policy and same is placed on the website of the Company at the link

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/7.%20Nomination%20and%20Remuneration%20Policy.pdf

(c) Disclosures with respect to remuneration:

(i) Details of remuneration paid to the Executive Directors for the financial year 2023-24 are as given below:

Name of Directors	Amount in Rs.			Contract period	Notice period
	Salary	Commission	Total		
Mr. Bipin Madhavji Manek (DIN: 00416441), Chairman and Managing Director	60,00,000	1,95,00,000	2,55,00,000	From 01.11.2022 till 31.10.2027	Three Calendar months
Mr. Mihir Bipin Manek (DIN: 00650613), Joint Managing Director	60,00,000	1,95,00,000	2,55,00,000	From 15.07.2020 till 14.07.2025	Three Calendar months
Mrs. Vidhi Harsh Parekh (DIN: 07584061), Whole-time Director	12,00,000	Nil	12,00,000	From 01.11.2020 till 31.10.2025	Two Months
Total	**1,32,00,000**	**3,90,00,000**	**5,22,00,000**		

Notes:

- *The above figures exclude provisions for contribution to Provident Funds/Gratuity Fund.*
- *Appointment, terms, conditions and payment of remuneration to the Managing Director, Joint Managing Director and Whole-time Directors are governed by the resolution(s) passed by the Nomination & Remuneration Committee, Board of Directors and Members of the Company.*
- *Mr. Bipin Madhavji Manek (DIN: 00416441) is holding 26,10,333 Equity Shares of the Company constituting 5.23% of total voting power. He is one of the Trustees for three Private Trusts which are holding in aggregate 52.06% of total Voting Power in the Company. Further, Mr. Mihir Bipin Manek (DIN: 00650613) is one of the Trustees for two Private Trusts which are holding in aggregate 49.06% of total Voting Power in the Company.*
- *Mrs. Vidhi Harsh Parekh (DIN: 07584061) does not hold any share in the Company.*
- *The Company does not have any employees' stock option scheme.*
- *The period of office of Mr. Bipin Madhavji Manek (DIN: 00416441), Chairman and Managing Director, shall not be liable to retirement by rotation whereas, the period of office of Mr. Mihir Bipin Manek (DIN: 00650613), Joint Managing Director, and Mrs. Vidhi Harsh Parekh (DIN: 07584061), Whole-time Director, shall be liable to retirement by rotation.*
- *Mr. Bipin Madhavji Manek (DIN: 00416441) was also paid Rs. 45,00,000/- as Guarantee Commission for guarantee given by him for securing loan taken by the Company from Banks.*

(ii) The details of Remuneration paid to the Non-Executive Directors during the financial year 2023-24 are as given below:

Name of Directors	Amount in Rs.				
	Sitting fees	Commission	Salary	Others	Total
Mr. Prafullachandra Anantlal Shah (DIN: 00417022)	80,000	0	0	0	80,000
Mr. Ashit Kantilal Doshi (DIN: 08486679)	80,000	0	0	0	80,000
Mr. Nirenbhai Dinkerrai Desai (DIN: 01978382)	80,000	0	0	0	80,000
Mr. Rahul Chakradhar Berde (DIN: 06981981)	80,000	0	0	0	80,000
Mrs. Pravina Bipin Manek (DIN: 00416533)*	0	0	0	0	0
Mrs. Jyoti Sunil Modi (DIN: 08699101)	80,000	0	0	0	80,000
Total	**4,00,000**	**0**	**0**	**0**	**4,00,000**

**Mrs. Pravina Bipin Manek (DIN: 00416533) was paid Rs. 45,00,000/- as Guarantee Commission for guarantee given by her for securing loan taken by the Company from Banks.*

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

(7) General Body Meetings:

a) Details of last three Annual General Meetings:

Details of the date, location and time, where last three Annual General Meetings (AGMs) held and the special resolutions passed thereat are as follows:

Year, date and time	Location	Special Resolution(s) passed
FY 2022-23 30th AGM held on Friday, September 29, 2023 at 03:30 p.m.	Held through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") which was deemed to be held at the Registered Office of the Company viz. E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400 034	1. To give authority to the Board to borrow money in excess of limit specified u/s 180 (1)(c) of the Companies Act, 2013. 2. To re-appoint Mr. Ashit Kantilal Doshi (DIN:08486679) as an Independent Director for a second term of 5 (five) consecutive years.
FY 2021-22 29th AGM held on Friday, September 30, 2022 at 03:30 p.m.	Held through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") which was deemed to be held at the Registered Office of the Company viz. E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400 034	1. To consider re-appointment of Mr. Bipin Madhavji Manek (DIN: 00416441) as Managing Director of the Company and continue to act as Managing Director of the Company and giving remuneration after the age of 70 years. 2. To approve the increase in remuneration of Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as Non-Executive Director of the Company which may exceed fifty per cent of the total annual remuneration payable to all Non-Executive Directors. 3. To approve the aggregate annual remuneration payable to the Promoter-Executive Directors/ Members of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.
FY 2020-21 28th AGM held on Tuesday, September 28, 2021 at 03:30 p.m.	Held through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") which was deemed to be held at the Registered Office of the Company viz. E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400 034	1. To approve the payment of remuneration to Mr. Vijay Krishnaswamirao Atre (DIN: 00416853) as Non-Executive Director of the Company which may exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors. 2. To approve the aggregate annual remuneration payable to the Promoter-Executive Directors/ Members of the Promoter Group exceeding 5% of the Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013.

b) Special Resolutions passed through Postal Ballot:

During the financial year 2023-24, no approval of the shareholders was taken through Postal Ballot.

c) Person who conducted the aforesaid postal ballot exercise: Not Applicable

d) Whether any special resolution is proposed to be conducted through postal ballot: No

e) Procedure for postal ballot:

The Company will comply with the requirements relating to the postal ballot process as and when such matter arises requiring approval of the Members by such process as provided u/s 108 and 110 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 44 of the Listing Regulations, including any statutory modification or re-enactment thereof for the time being in force.

(8) Means of Communication:

a) Quarterly results:

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

The financial results are displayed on the Company's website i.e.

https://vidhifoodcolors.com/investor-relation/financial-results/

The financial results are submitted and disseminated on the website of BSE Limited as well as National Stock Exchange of India Limited, Stock Exchanges where securities of the Company are listed.

b) Newspapers wherein results normally published:

The quarterly, half-yearly and annual results of the Company during the financial year 2023-24 were normally published in the newspapers, viz. Business Standard (English) and Mumbai Lakshadeep (Marathi, the regional language).

c) Any Website, where displayed:

BSE Limited	**https://www.bseindia.com/stock-share-price/vidhi-specialty-food-ingredients-ltd/vidhiing/531717/**
National Stock Exchange of India Limited	**https://www.nseindia.com/get-quotes/equity?symbol=VIDHIING**
Company	**https://vidhifoodcolors.com/investor-relation/announcements/**

d) Whether Website also displays official news releases:

The Company has maintained a functional website **https://vidhifoodcolors.com/investor-relation/announcements/** which displays official news releases.

e) Presentations made to institutional investors or to the analysts:

The Investor Presentation on quarterly results are published on website of the Company and the website of the Stock Exchanges. Quarterly results, regulatory filings, transcripts of earnings call, Investor Relations presentations and schedules of analyst and investor interactions are available at the websites given in Clause (c) above.

(9) General Shareholder Information:

a) Annual General Meeting (AGM):

Day, date and time : Tuesday, September 24, 2024 at 03:30 p.m. (IST)

Venue : Meeting through Video Conferencing/Other Audio Visual Means

b) Financial year : April 1, 2023 to March 31, 2024

c) Date of Book Closure and Dividend Payment Date:

The Dividend, if declared at the AGM, would be paid/dispatched on/after Tuesday, September 24, 2024 and within thirty days from the date of declaration of dividend. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 18, 2024 to Tuesday, September 24, 2024, both days inclusive, for taking record of the Members of the Company for the purpose of AGM and determining the names of the Members eligible for final dividend on Equity Shares, if declared at the AGM.

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

The Company's Equity Shares are listed on

i) **BSE Ltd. (BSE)** - Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001; and

ii) **National Stock Exchange of India Limited (NSE)** - Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.

The Company has paid the applicable annual listing fees to BSE and NSE for the financial year 2023-24 within the stipulated time.

e) Stock code:

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

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

The performance of the Equity Shares of the Company on BSE and NSE depicting the liquidity of the Company's Equity Shares for the financial year ended on March 31, 2024, on the said exchanges, is as follows:

Stock Market data – BSE

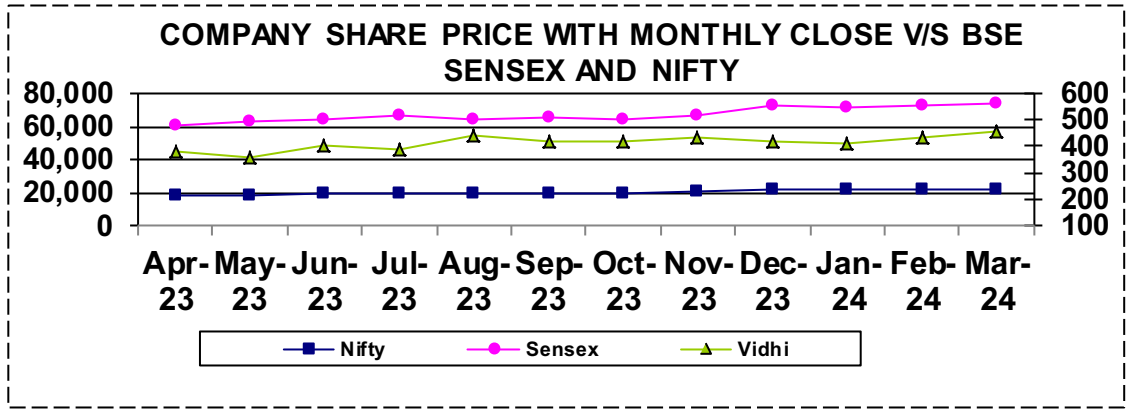
Month	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	Total Turnover (₹)
April, 2023	325.00	386.15	325.00	381.25	69,641	2,57,37,351
May, 2023	381.25	386.00	325.55	357.30	35,286	1,28,16,050
June, 2023	357.00	414.40	347.75	400.45	2,02,766	7,92,05,923
July, 2023	402.00	406.05	338.00	391.10	72,054	2,81,02,936
August, 2023	390.20	465.00	380.15	444.35	1,17,509	4,97,16,095
September, 2023	442.60	462.00	388.25	417.95	55,780	2,40,86,454
October, 2023	424.20	450.05	390.20	414.90	33,042	1,40,78,538
November, 2023	408.60	465.15	408.60	434.55	37,180	1,63,14,349
December, 2023	431.00	454.00	401.35	417.50	53,674	2,30,11,583
January, 2024	417.50	472.00	400.15	409.05	76,167	3,27,84,104
February, 2024	412.30	464.80	400.10	430.80	34,977	1,49,78,500
March, 2024	432.50	496.40	422.80	454.20	2,00,646	9,34,11,482

Stock Market data – NSE

Month	Open Price (₹)	High Price (₹)	Low Price (₹)	Close Price (₹)	No. of Shares	Total Turnover (₹)
April, 2023	381.85	387.40	324.55	329.75	5,55,843	20,38,09,513
May, 2023	381.00	382.80	340.00	350.10	3,70,903	13,47,82,245
June, 2023	407.70	414.00	349.65	350.45	1,403,615	40,79,42,493
July, 2023	403.15	407.75	382.00	386.60	3,93,230	15,41,55,574
August, 2023	461.10	462.85	385.05	411.35	1,177,736	50,18,25,382
September, 2023	447.90	464.90	400.00	455.90	5,16,483	22,16,16,546
October, 2023	435.10	450.00	388.00	399.70	3,64,801	15,43,36,476
November, 2023	445.35	465.00	408.75	416.05	4,75,578	20,85,70,449
December, 2023	438.00	454.50	396.90	410.20	5,06,736	21,61,52,179
January, 2024	435.00	472.90	402.05	409.50	8,07,416	3,48,98,553
February, 2024	450.90	452.40	405.00	418.95	6,96,430	29,83,82,408
March, 2024	466.85	496.90	423.00	424.10	28,07,844	1,30,67,52,604

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

g) Performance in comparison to broad-based indices:



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

Not applicable, since the securities of the Company have not been suspended from trading.

i) Registrar to an issue and Share Transfer Agents (R & TA):

Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083

Tel: 022- 28515644/5606 Fax: 022- 28512885

j) Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected in dematerialized form only.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 mandated all listed companies to issue securities in dematerialized form only while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. After processing the

service request, a letter of confirmation will be issued to the shareholders which shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the RTA of the Company, for assistance in this regard.

Also, share transactions in electronic form can be effected in a much simpler and faster manner. Transfers, Transmission, etc. of equity shares in electronic form are effected through the depositories with no involvement of the Company.

The Company has obtained certificates on yearly basis from the Practicing Company Secretary certifying due compliance with the formalities of share transfer as required under regulation 40 of the Listing Regulations and submitted a copy of the Certificate to the Stock Exchanges where the securities of the Company are listed.

k) Distribution of shareholding as on March 31, 2024:

No. of Equity Shares held	No. of Members*	% of Members	Total Shares	% of shares
1 - 5000	18666	97.63	47,95,642	9.60
5001 – 10000	186	0.97	13,54,091	2.71
10001 - 20000	122	0.64	18,15,383	3.64
20001 - 30000	55	0.29	13,85,056	2.77
30001 - 40000	26	0.13	9,31,578	1.87
40001 - 50000	11	0.06	5,07,816	1.02
50001 - 100000	31	0.16	21,09,600	4.22
100001 & Above	23	0.12	3,70,45,834	74.17
Total	**19120**	**100.00**	4,99,45,000	**100.00**

**Based on number of Folio/Client and DP-ID*

Shareholding pattern of the Company as on March 31, 2024:

Category Code	Category of the Shareholder	Number of Shareholders*	Total Number of Shares	Total Share-holding as a % of total number of shares
[A]	**Shareholding of Promoter & Promoter Group**			
(1)	Indian (Individuals)	2	61,01,000	12.22
(2)	Any Other (Trust)	3	2,60,00,000	52.06
	Total Shareholding of Promoter and Promoter Group	**5**	**3,21,01,000**	**64.27**
[B]	**Public Shareholding**			
(1)	Institutions	7	40,069	0.08
(2)	Non-Institutions	18,796	1,78,03,931	35.65
	Total Public Shareholding	**18,803**	**1,78,44,000**	**35.73**
[C]	**Shares held by Custodians and against which Depository Receipts have been issued**	0	0	0.00
	GRAND TOTAL [A]+[B]+[C]	**18,808**	**4,99,45,000**	**100.00**

**Based on PAN*

As on March 31, 2024 none of the Promoter or Member of the Promoter's Group of the Company has pledged any shares of the Company.

l) Dematerialization of Shares and liquidity:

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

As on March 31, 2024, 99.61% of the total Subscribed and Fully Paid-up Equity Share Capital comprising of 4,97,51,990 Equity shares of the Company are in dematerialized form.

All the shares of the Company held by the Promoter or Promoter Group were held in Demat form.

m) Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on Equity:

Not Applicable as there were no outstanding ADRs or GDRs, Warrants or any Convertible Instruments as on the date of this Report.

n) Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

o) Plant Location:

Factory I:

Plot No. 59/B, M.I.D.C. Dhatav - Roha,

Dist. Raigad, Maharashtra – 402 116

Factory II:

Plot No. 68, M.I.D.C. Dhatav - Roha,

Dist. Raigad, Maharashtra – 402 116

Factory III:

Plot No-Z/61 & Z/62, Dahej, SEZ

Tal: Vagra, Dist: Bharuch, Gujrat-392130, India.

p) Address for correspondence:

(i) Registered Office:

Vidhi Specialty Food Ingredients Limited

E/27, Commerce Centre, 78, Tardeo Road, Mumbai – 400034

Tel.: 022-6140 6666 Fax: 022-2352 1980

(ii) For queries on Annual Report or investors' assistance:

Ms. Vishakha Pandya,

Company Secretary and Compliance Officer

Vidhi Specialty Food Ingredients Limited

E/27, Commerce Centre, 78, Tardeo Road, Mumbai - 400 034

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

The aforesaid e-mail id and other relevant details have been displayed on the website of the Company i.e. ***https://vidhifoodcolors.com/***

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

Link Intime India Private Limited

C 101, 247 Park, L.B.S. Marg,

Vikhroli (West), Mumbai – 400 083,

Tel: 022- 2249186270 Fax: 022- 2249186060

Website: **www.linkintime.co.in**

E-mail: **rnt.helpdesk@linkintime.co.in**

The aforesaid e-mail id and other relevant details have been displayed on the website of the Company at ***https://vidhifoodcolors.com/investor-relation/investor-contact/***

q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:

There was no debt instruments issued by the Company or any fixed deposit scheme announced by the Company. The Company has obtained credit rating of secured loan taken from Bank and financial institutions.

As at the financial year ended March 31, 2024, the Company had Long Term Rating of CRISIL A-/Stable and Short Term Rating of CRISIL A2+ on Bank Loan facilities

(10) Other Disclosures:

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

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

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

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years and no penalties and/or strictures have been imposed on the Company in this regard. However, there were following departure from compliance of Listing Regulations:

As per Regulation 39(3) the listed entity shall submit information regarding loss of share certificates and issue of the duplicate certificates, to the stock exchange within two days of its getting information.

Company has received Intimation regarding loss of certificate from RTA on 23.12.2023 and same is intimated by company to Stock Exchange on 26.12.2023.

Hence, Company has not submitted Intimation regarding loss of certificate with Bombay Stock Exchange and National Stock Exchange within two days of getting information from RTA.

c) Details of establishment of Vigil Mechanism/ Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

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

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

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

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

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/15.%20Policy%20For%20Material%20Subsidiary.pdf

f) Web link where policy on dealing with related party transactions is disclosed:

https://vidhifoodcolors.com/INVPDFDocs/9.%20Codes%20and%20Polices/11.%20Policy%20on%20Related%20Party%20Transactions.pdf

g) Disclosure of commodity price risks and commodity hedging activities: Not applicable since the Company is not doing the commodity hedging activities.

h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A):

Not applicable as during the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under regulation 32(7A) of the Listing Regulations.

i) Certificate from Mr. Hemanshu Kapadia (Membership: F3477 and CP No. 2285), Practicing Company Secretary, Proprietor of M/s. Hemanshu Kapadia & Associates, is attached herewith, which forms part of this Report, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board (SEBI)/ Ministry of Corporate Affairs or any such statutory authority.

j) During the financial year 2023-24, all the recommendations of all the Committees of the Board have been accepted by the Board of Directors unanimously.

k) Total fees for all services paid by the Company and its subsidiaries, to the Statutory Auditors and all entities in the network firm/network entity of which the Statutory Auditor is a part:

Bhuta Shah & Co LLP, Chartered Accountants (Firm Registration No. 101474W/W100100) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis during the financial year 23-24, are given below:

Type of services	Amount in Rs. Lakh
Audit Fee	13.58
Total	**13.58**

l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year: **Nil**

b. number of complaints disposed of during the financial year: **Nil**

c. number of complaints pending as on end of the financial year: **Nil**

m) Disclosure of Loans and advances in the nature of loans to firms/companies in which Directors are interested:

The Company has not provided any loans and advances to any firms/companies in which Directors are interested, except to Wholly-owned Subsidiary Company in which Directors of the Company are Directors. Details of the entities and loan are given below:

Sr. No.	Name of borrower	Name of Lender	Relation with Listed Entity	Type of transactions	O/s Amount in Rs. Lakh
1.	Arjun Food Colorants Manufacturing Private Limited	Vidhi Specialty Food Ingredients Limited	Wholly-owned Subsidiary	Loan	12.73

n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

The Company does not has any Material Subsidiary.

(11) Non-compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed:

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

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

(a) The Board:

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

(b) Shareholder's Rights:

The Company's quarterly/half-yearly/annual results were furnished to the Stock Exchanges, published in the newspapers and also displayed on the website of the Company and the Stock Exchanges where securities of the Company are listed and therefore A half-yearly declaration of financial performance including summary of the significant events in last six-months were not separately sent to the Members. Quarterly/half-yearly/annual results of the Company are displayed on the website of the Company at the link ***https://vidhifoodcolors.com/investor-relation/financial-results/***

(c) Modified opinion(s) in Audit Report:

The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

(d) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:

In the Company the Managing Director and Chairperson post is held by the same person, Mr. Bipin Madhavji Manek (DIN: 00416441).

(e) Reporting of Internal Auditor:

The Internal Auditor submits it's Report directly to the Audit Committee.

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

The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

(14) Disclosure with respect to demat suspense account/unclaimed suspense account under schedule V(F) of the Listing Regulations:

As per the details given by the R & TA, the Company does not have its equity share in the Demat Suspense Account or Unclaimed Suspense Account.

(15) Disclosure of certain types of agreements binding listed entities

Not applicable as there are no information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations

For and on behalf of the Board of Directors

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 1601, Artesia Tower,
Plot No 249 and 249A,
Hind Cycle Compound, Worli
Mumbai- 400030

Date: August 08, 2024
Place: Mumbai

Registered Office:
E/27, Commerce Centre,
78, Tardeo Road, Mumbai – 400 034
CIN: L24110MH1994PLC076156
https://vidhifoodcolors.com/

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

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the same is uploaded on the website of the Company at ***https://vidhifoodcolors.com/investor-relation/codes-policies/***

I hereby confirm that all the Board Members and Senior Management Personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended March 31, 2024.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Chief Executive Officer & Managing Director as on March 31, 2024.

For and on behalf of the Board of Directors

Sd/-
Bipin Madhavji Manek
Chairman & Managing Director
(DIN: 00416441)
Address: 1601, Artesia Tower,
Plot No 249 and 249A,
Hind Cycle Compound, Worli
Mumbai- 400030

Date: August 08, 2024
Place: Mumbai

Compliance Certificate regarding Compliance of Condition of Corporate Governance

To the Members of VIDHI SPECIALTY FOOD INGREDIENTS LIMITED,

We have examined the compliance of conditions of Corporate Governance, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ('Listing Regulations') by **VIDHI SPECIALTY FOOD INGREDIENTS LIMITED** ('the Company') for the financial year ended **March 31, 2024**.

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

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

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

For **Hemanshu Kapadia & Associates**
Practicing Company Secretaries
Peer Review Certificate No.: 1620/2021

Sd/-
Hemanshu Kapadia
Proprietor
C.P. No.: **2285**
Membership No.: **F3477**
UDIN: F003477F000929930

Date: August 08, 2024
Place: Mumbai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(*Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*)

To
the Members of
VIDHI SPECIALTY FOOD INGREDIENTS LIMITED,

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VIDHI SPECIALTY FOOD INGREDIENTS LIMITED** having CIN:**L24110MH1994PLC076156** and having Registered Office at E/27, Commerce Center, 78, Tardeo Road, Mumbai - 400 034 (hereinafter referred to as **'the Company'**), produced before us by the Company and also the information provided to us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal **www.mca.gov.in**) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Bipin Madhavji Manek	00416441	19/01/1994
2.	Mrs. Pravina Bipin Manek	00416533	19/01/1994
3.	Mr. Prafullachandra Anantlal Shah	00417022	06/01/2003
4.	Mr. Mihir Bipin Manek	00650613	31/07/2006
5.	Mr. Nirenbhai Dinkerrai Desai	01978382	06/01/2003
6.	Mr. Rahul Chakradhar Berde	06981981	30/09/2014
7.	Mr. Ashit Kantilal Doshi	08486679	20/06/2019
8.	Mrs. Jyoti Sunil Modi	08699101	19/03/2020
9.	Mrs. Vidhi Harsh Parekh	07584061	01/11/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

SD/-
HemanshuKapadia
Proprietor
C.P. No.: 2285
Membership No.: F3477
UDIN: F003477F000929963

Date: August 08, 2024
Place: Mumbai

MANAGEMENT DISCUSSION & ANALYSIS REPORT

This discussion provides an assessment by Management of the current financial position, results of operations for the financial year ended March 31, 2024, market scenario, industry position, global and Indian economy and its impact of the Company. Information presented in this discussion supplements the financial statement, schedules and exhibits for the financial year ended March 31, 2024.

Global Economic Overview:

Despite three turbulent years which witnessed a global pandemic, supply chain disruptions, conflict in Ukraine, and elevated interest rates to counter high inflation, India emerged as the fastest growing major economy of the world. Notwithstanding conflicts in Europe and Gaza and rising tensions in West Asia, a global recession that experts thought was imminent has not occurred. Indeed, the key indicators have turned positive: inflation is falling across all major countries; unemployment has not risen as economists thought it would; and the major central banks have put an end to monetary tightening, though they have not yet begun reducing their key interest rates.

According to the IMF's World Economic Outlook (April 2024), inflation is falling faster than expected in most regions; and it has forecasted global headline inflation to fall to 5.9% in 2024 and further to 4.5% in 2025, with the possibility of the 2025 forecast being further revised downwards.

In a milieu where the IMF has projected the world's real GDP growth at 3.2% in 2024 and 3.2% in 2025, its forecasts for India are impressive: 6.8% in 2024 followed by yet another stint of 6.5% in 2025. Indeed, the IMF has placed India as the fastest growing major economy in the world.

Source: IMF World Economic Outlook April 2024

Domestic Economic Overview:

Over the course of the last decade, India has showcased a robust and resilient growth story driven by perseverance, ingenuity, and vision. In the face of unprecedented challenges such as the Covid pandemic and geopolitical conflicts, the Indian economy has demonstrated a remarkable ability to bounce back and convert challenges into opportunities while striving to achieve strong, sustainable, balanced, and inclusive growth.

The Indian economy is set to achieve nearly 7% growth in the financial year 2024-25, according to a report released by the Ministry of Finance. The report attributes this positive outlook to the robust domestic demand that has propelled the country to a growth rate exceeding 7% over the past three years. Financial year, 2023-24, has witnessed a growth rate of 7.3% on top of the 9.1 per cent (FY22) and 7.2 per cent (FY23) in the previous two years securing India's position as the fastest-growing major economy.

As per IMF Report, growth in India is projected to remain strong at 6.8 per cent in 2024 (FY25) and 6.5 per cent in 2025 (FY26), with the robustness reflecting continuing strength in domestic demand and a rising working-age population.

India accounting for approximately 16% of the world production of dyestuff and dye intermediates.

Industry Structure & Development:

Food colours are standard in our everyday lives, and they may even be found in meals and drinks we wouldn't anticipate. Food colours are added to food or drink to modify the hue to make it more palatable. Natural food colours, synthetic food colours, are two broad categories of food colours. Food colours are employed in commercial food manufacturing and home cooking to persuade consumers to buy a product based on its visual appeal. It improves the product's taste, texture, and appearance while preserving its flavour and freshness. Any dye, pigment, or chemical that gives Colour when added to food and drink is a food colouring or colour additive. They are available in liquids, powders, gels, and pastes. Food colouring is used in both commercial and household food manufacturing. Food colourants are also utilized in cosmetics, medicines, home craft projects, and medical gadgets, fertilizers among other non-food, uses natural food colours, artificial food colours and contemporary trends are discussed in this article.

Color is an important factor increasing consumer's acceptability to food products. This is due to consumers always links food color with other qualities such as ripeness, freshness, and food safety. Food colours are ingredients that are added to food or beverage to enhance its appearance. When colours are added to food products imparts very bright and tempting effect which influences the consumer to buy a product through visual perception. Colour is a key component to enhance the ultimate appetizing value and consumer acceptance towards foods and beverages.

The food color market is segmented into type, application and region.

A) **Type** – Food color market is categorized into natural color and artificial color.

B) **Application** -Beverages, Dairy & Frozen Desserts, Bakery & confectionary, Meat products, Processed food &Vegetables, Oils & fats, sweets and snacks, cosmetic, Pharma product, etc.

C) **Region wise** – Food color market analyzed across North America (U.S., Canada and Mexico), Europe (Germany, France, UK, Italy, Spain and rest of Europe), Asia-Pacific (China, Japan, Australia, India and rest of Asia-Pacific), Latin America (Brazil, Argentina, Colombia and rest of Latin America), Middle East (Saudi Arabia, Egypt, Nigeria and rest of Middle East) and Africa (South Africa, Nigeria, and rest of Africa).

Every year incremental demand of ~Rs. 1,500 to Rs, 1,700 crores is expected to generate globally for Food color. The Global Food Colors Market size was valued at USD 4.61 Billion in 2023 and is poised to grow from USD 4.94 Billion in 2024 to USD 8.04 Billion by 2031, growing at a CAGR of 8.04% in the forecast period (2024-2031).

Market Analysis

The global food colors market is expected to witness significant growth in the coming years due to various factors. The increasing global population is leading to a rise in demand for food and beverage products, which in turn is driving the demand for food colors.

The Global Food Colors Market size was valued at USD 4.61 Billion in 2023 and is poised to grow from USD 4.94 Billion in 2024 to USD 8.04 Billion by 2031, growing at a CAGR of 8.04% in the forecast period (2024-2031). India's natural food colours industry was expected reach USD 92.96 billion by 2027, with a CAGR of 3.90 % across the area from 2020 to 2027. The Indian food colorants market is projected to witness a CAGR of 5.3% over the forecast period (2020- 2025). It is attributable to the expanding population and increased consumer awareness of health, expected to increase the industry. The growth of the global natural food color market is driven by an increase in demand for clean-label foods and health benefits offered by natural colors. As people become increasingly aware of the detrimental health effects of synthetic food colours, demand for natural food colours is growing. Artificial food colours enhance the appeal of food. Brightly coloured meals pique the curiosity of consumers, particularly youngsters. Children who are fed processed food-flavoured eatables are more likely to develop attention deficit hyperactivity disorder. These behavioural changes are more common in youngsters who consume higher levels of artificial food colours.

Food color is a pigment or substance that adds color to the food & beverages after being mixed. These colors are sourced either through synthetic or natural sources.

Synthetic food colours have been increasingly used than natural food colours by food manufacturers across the globe to attain certain properties such as low cost, improved appearance, high colour intensity, more colour stability, and uniformity.

The Indian Dye & Dyestuff industry plays a vital role in the economic development of the country. It is one of the core chemical industries in India. It is also the second highest export segment in the chemical industry.

India is a strong global dye supplier, accounting for approximately 16% of the world production of dyestuff and dye intermediates. Maharashtra and Gujarat account for 90% of dyestuff production in India due to the availability of raw materials and dominance of textile industry in these regions.

The major users of dyes in India are textiles, paper, plastics, printing ink and foodstuff industries. The textiles sector consumes around 80% of the total production due to high demand for polyester and cotton, globally.

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

The relevant industry for your Company is food colours, which occupies an important position in the Indian economy.

Vidhi is a globally renowned player in the food colour industry and a leading manufacturer of Superior Synthetic including Synthetic Water Soluble Colours, Aluminum Lakes, FD&C Colours, FD&C lakes, D&C Colours, Blends, Co-blended Lakes & Co-blended Granules. Its business is manufacturing of food colours as an ingredient for foodstuffs, pharmaceuticals, confectionery, pet foods, healthcare, dairy, soft drinks, cosmetic industries, etc. and trading of food colours and trading in chemicals. The colours are being distributed and consumed in over 80 countries across 6 continents. The manufacturing facilities of the Company are spread over an area of 1,76,000 square feet, located in Dhatav Village of Raigad District in the State of Maharashtra – India and 1,08,250 square feet, located in Vagra Taluka in Bharuch District in the State of Gujrat – India.

Vidhi is the 1st Company in the field of manufacturing synthetic food colours in india to be awarded with ISO 9002 in the year of 2000. The manufacturing facilities have been audited and found satisfactory by the U.S. FDA. All the products carry Halal and Kosher certification. It is ISO 9001:2015, ISO 22000:2005 certified Company.

The Company is the third largest manufacturer of synthetic food grade dyes globally and 2nd largest in Asia with a capacity of above 7,200 MTPA after Dahej Greenfield expansions. Over the last 31 years, it has established strong relationships with global majors like Nestle, Britannia, Pepsi, Cipla, Parle G, Unilever, ITC and so on.

Half of the sale in FY 2023-2024 comes from American continent followed by 17% from Europe and 27% from Australasia. 95% of all colours manufactured by the Company are exported globally.

The Company has unique in-house capabilities for the development and production of synthetic food grade colours backed by several decades of experience in the field. Company has two state-of-the-art manufacturing facilities, one located in the Dhatav village of Raigad district in Maharashtra and the recently commercialized Greenfield expansion in Dahej -Gujarat. With manufacturing plants at Dhatav Village of Raigad District in the State of Maharashtra – India, the Company efficiently caters to customers across the country and across the world and This Greenfield expansion will enable Vidhi to address the growing demand supply gap and will result in increasing better realizations as the company forays into new high-margin products.

The Dahej plant began production on December 12th, 2023, following a successful trial run that began on August 27th of 2023. With this addition, the company's overall capacity has doubled from 325 metric tons per month to 675 metric tons per month.

Companies More than 95% of goods manufactured by the Company were exported. The manufacturing capacity is elastic and is capable of meeting the expected sales growth for the next few years. The plants are modern, compliant with health, safety and environment norms, and the team is well trained to use the best manufacturing practices.

The Company has fully equipped & functional laboratory accredited by the Bureau of Indian Standards forms the core of Quality Control Department with dedicated R & D facility with a team of PHD's & qualified chemists, constantly working on process engineering of existing products and on development of new products to enhance the product portfolio and offerings. Stringent checks and processes established at each stage from Raw Material testing to In-Process to manufacturing processes to delivery of Finished Goods to ensure desired products with high standard of quality.

Vidhi has built up on technical services, marketing capabilities and production in bulk quantities to face competition from domestic as well as global markets. In this way, Vidhi enjoys a position of one of the leaders in food colour manufacturing Industry.

To increase the volume of Business Company is coming up with new production facility at a place where its wholly owned subsidiary i.e (Arjun Food colorant Private Limited) located i.e at Phase II Roha , Dhatav Village of Raigad District in the State of Maharashtra – India. Company has applied for environmental Clearance and once it is started, it will lead to further increase in Manufacturing Sales. This greenfield expansion will enable VSFIL to address the growing demand – supply gap and will result in increasing better realizations as the company has

also forayed into new high margin products. This development is in line with the company's commitment towards fostering sustainable growth and creating value for its stakeholders. Company assures to increase the revenue in coming years with commencement of production at Dahej Plant in near future. The Board strive for bright future for your Company with overall growth in turnover as well as profit with expansion of its production facility. Company is focused on continuously expanding product portfolio and customer database with the help of strong R&D set up and aggressive marketing strategy.

Company's strategy involves focusing on offering value added products which command higher margins, increasing our penetration into newer geographies, addition of new customers, improving wallet share from existing customers, enhancement of product portfolio, operational efficiencies & operating leverage.

The Company is sharing of information & working hand in hand with the regulatory bodies like US FDA & EC for new product developments & standards to be implemented across the globe for food color industry.

Outlook:

The global food colour market is primarily driven by the increasing demand from beverage industry and bakery and confectionary. The high demand from flavoured drinks, fruit juices and nutritional drinks drives the global food colour market. For commercial adoption, synthetic food colours are in high demand because of the high stability under light, cheap in cost and less microbial contamination. However, natural food colours are expensive in comparison to synthetic ones.

Trade conflicts have erupted around the world, especially among China, the United States, and Western Europe. These have led to shifts in global supply chains, affecting bilateral trade between China and the United States,9 with possible repercussions for other economies. Large chemical markets that remain accessible in this scenario could present opportunities for chemical Companies in India.

The structure of China's chemical industry is changing due to stricter environmental norms, tighter financing and consolidation, which could present opportunities for India's chemical Companies in certain value chains and segments, especially in the short term.

While the capacity expansion plan remains on track, improving product mix, lower share of trading business and backward integration are expected to improve earnings. Operating margins should settle north.

Opportunities and Threats:

The Company has a well set up infrastructure in respect to manufacturing capacities, human resources, technical expertise, etc. which are a key factor for future growth of its business. The Company can bank on its in-house R&D for development of new products, quality improvements and cost reductions. Another important aspect which helps the Company in having its diverse portfolio of products is the fact that, the manufacturing capacities are fungible. The dedicated teams for Quality Management and Quality Assurance, helps in maintaining the standards required for various products. The entire project or process is designed to ensure delivery of Best Quality Products. Company's products are having various quality certificates. Further, expansion plans and backward integration will enable the Company to cash on the various opportunities available to the Company.

Opportunities:

The Global Food Colors Market size was valued at USD 4.61 Billion in 2023 and is poised to grow from USD 4.94 Billion in 2024 to USD 8.04 Billion by 2031, growing at a CAGR of 8.04% in the forecast period (2024-2031). Growth in the global population is expected to result in increased demand for food & beverage products, which is further likely to drive the demand for the product over the forecast period. Food colors are vital ingredients of processed foods & beverages. Food processors reinforce the original product's quality by enhancing its visual appeal using food coloring. Improving the product appeal is a major factor that has led to the addition of colors to food products. Food colors balance the loss of colors due to the effect of heat, light, air, moisture, and other atmospheric conditions. Food colors play a significant role in enhancing the visual appeal of off-color or colorless products. They also help to retain the original properties of vitamins, flavors, and nutrients in food products that can get altered due to sunlight.

Further:

- There is large domestic market with increased income and expenditure on consumer products;
- Closures of industries in China due to environmental norms;
- Good quality products;
- Quality human resources;
- Established production facilities;
- Management experience and expertise in food colour business;
- Rising Production and Consumption of Ready -to -Eat foods and Beverages are likely to push the demand of Synthetic Food Colors during the forecast period.
- Various pro industry initiative taken by the Government and the Reserve Bank of India;
- Access to international selling and sourcing markets is a key success factor and vital for the food colours manufacturing Industry; and
- Market with Limited Competition due to High entry barriers
- Health benefits of certain natural food colors.

Threats:

- Impact of Russia-Ukraine followed by war between Israel and Palestine and growing tension between Chaina and Taiwan.
- Commoditization is a constant threat. Substantial resources and money is spent on developing products, which if superior can be sold at a high price, nevertheless, with time competitors are able to produce these or similar products.
- Most of the chemical companies in India are smaller in scale as compared to their global counterparts. As the global Companies enter and strengthen their presence in the Indian market, they will also invest in marketing, distribution and production systems that local companies may struggle to match.
- Cost of compliance makes operations uneconomical and unviable for small players.
- Chemical companies are affected by environmental regulations. However, awareness about the regulations and their positive effects on the Company will add to value creation and growth.
- Stringent regulations pertaining to the use of colors in food applications

Risks and Concerns:

Global GDP in FY 2024 was affected by war between Russia-Ukraine followed by war between Israel and Palestine and growing tension between Chaina and Taiwan, change in weather conditions. FY 2024 saw multiple external and internal challenges continuing to shape the overall risk profile of the company. Macroeconomic and geo-political risks had an impact throughout the year. The Geo-political tensions, trade wars and imposed sanctions were pervasive and had direct and cascading impacts on economies and businesses.

Even though the economy all over has impacted badly, the Company was impacted less. Further, there is no major decline whatsoever in demand for synthetic food colours in this situation as food colours are supplied to essential items like pharmaceuticals, food, feed, beverage, home care, personal care products etc.

The economic recovery and GDP growth depend on roll out of Government stimulus and policy measures to be taken by the Government to ‘reboot’ and ‘rebound’ the economy.

The Company is exposed to health, safety, security and environmental risks, given the diversity and complexity of the industry in which the Company operates. Macro-economic conditions like the policy decisions of the Government, currency fluctuations and volatility in commodity prices like crude oil can also affect the business of the Company.

Other Concerns are:

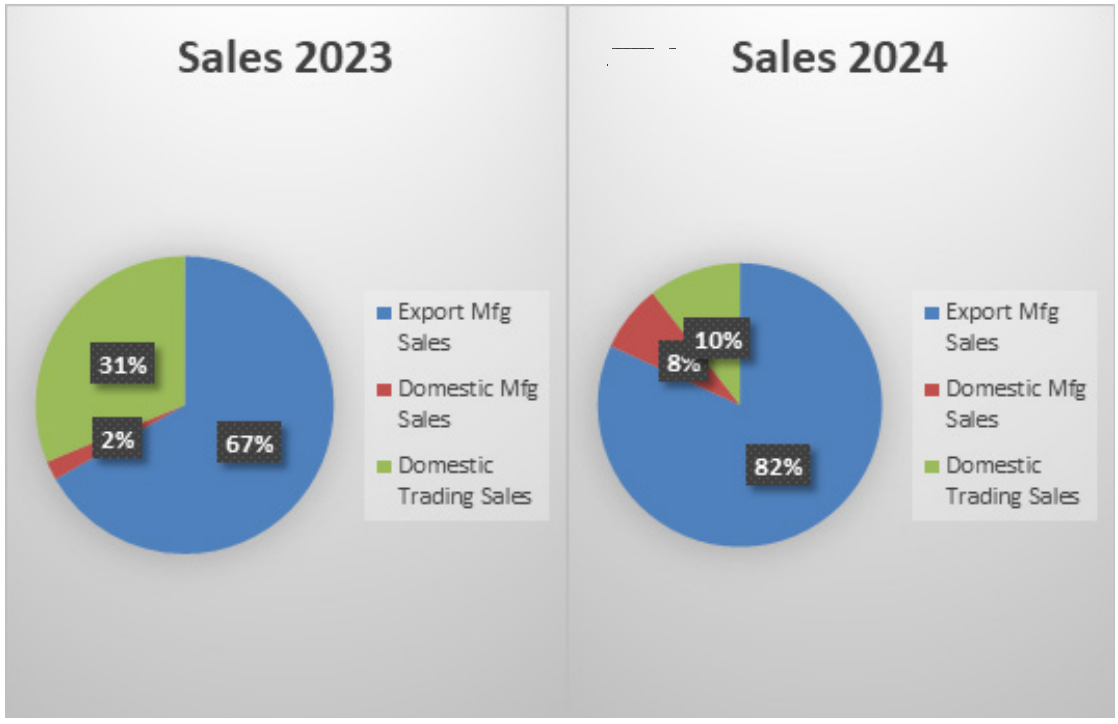
- Infrastructural challenges;
- Bilateral/multilateral trade agreements of the Country;
- High cost of power;
- Availability of skilled man power;
- High fragmentation of the chemical industry;
- Impact of Russia-Ukraine war in Indian market

The Company fulfils its legal requirements concerning emission, waste water and waste disposal. Improving work place safety continued to be top priority at both the manufacturing plants. The Company continued its focus on compliance in all areas of its business operations by rationalizing and strengthening the controls. The Company has set in place the requisite mechanism for meeting with the compliance requirements and periodic monitoring to avoid any deviation. Company aims to set exemplary and sustainable standards, not only through products, services and performance, but also through integrity and behavior.

Segment–wise or product-wise performance:

In accordance with Ind-AS 108, the Company has a single reportable business segment, namely, manufacturing and trading of food colours and chemicals. Thus, the segment wise or product wise performance report is not given in the report. The Company has manufactured 4507.19 MT food colours during the financial year 2023-24 against 4250.02 MT in the previous year.

Net Sales by Geography:



Discussion on financial performance with respect to operational performance:

i. Financial Performance:

During the year under review, your Company has achieved Revenue from operations of Rs. 30,341.87 lakhs. The comparative figures are tabulated below. The Company has achieved net profit after tax of Rs. 3,662.11 lakhs for the financial year 2023-24. EBITDA stood at Rs. 5,822.89 lakhs for the financial year 2023-24. An operational EBITDA has increased to 2.25% for financial year ended March 31, 2024 as compare to reduction of 33.80% for the financial year ended March 31, 2023.

Finance Cost has been decreased to Rs. 317.45 lakhs for the financial year 2023-24 compared to Rs. 363.41 lakhs for the previous year. Depreciation and Amortization stood at Rs. 607.87 lakhs for the financial year 2023-24 compared to Rs. 336.04 lakhs for the previous year.

(Rs. in Lakhs)

Particulars	F.Y. 2023-24	F.Y. 2022-23
Total Revenues from Operation	30,341.87	40,399.29
Revenues from Exports	24,190.76	26,427.59
EBITDA	5,822.89	5,694.90
PAT	3,662.11	3785.50
Earnings per share	7.34	7.59

ii. Operational Performance:

Overall, the macro-economic situation is still challenging and policy measures taken by the Government are yet to impact the business in a big way. However, Company posted excellent growth in top as well as bottom line on the back of planned austerity measures and optimum resource management.

The Company's performance with regard to the export manufacturing sales volumes, increased in the financial year 2023-24 to 89% of total sales as compare to 69% of total sales in previous year, domestic trading sales decreased in the FY 2022-2023 to 11% as compare to increase to 31% in FY 2022-23.

The Company's main focus is on manufacturing activities and trading is not the focus area of business. In reporting period companies manufacturing sales remains almost same as compare to last year. By a combination of a better product mix helped by specialty products and continual improvement in the efficiency of operations at both the locations, the Company has tried keeping its operating margins healthy for all the four quarters and has achieved to have a reasonable EBITDA level. Turnover of the Company has been decreased by 24.90% as compared to increase in previous year whereas the other income is also decreased by 1.47%. There is Increase in the Manufacturing Operations in the Reporting Period; however, the said plunge in the turnover of the Company was predominantly due to substantial reduction in Trading Activities.

Environmental & Hazardous Safety and Quality Assurance:

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

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

As your Company deals with chemicals and is in the business of manufacturing food colours and trading in specialty chemicals, it has to make sure that the highest degree of safety measures is maintained in order to avoid any risk at the workplace. Your Company is committed to maintain its operations and workplace free from incidents and significant risk to the health and safety of its stakeholders through improved their work skills, strong channels of communication, safety awareness, and sound training practices.

The Company's certified manufacturing activities complies with ISO 9001:2015, ISO 22000:2005 and HACCP which reflects the Company's continued commitment towards Quality, Environment, Occupational Health and safety approaches.

Internal Control Systems and its Adequacy:

The Company has a system of internal controls to ensure that all its assets are properly safeguarded and not exposed to risks arising out of unauthorized use or disposal. The Internal Control system is supplemented by programs of internal audit to ensure that the assets are properly accounted for and the business operations are conducted in adherence to the laid down policies and procedures. The internal control system also focuses on processes to ensure integrity of the Company's financial accounting and reporting processes and compliance with the Company's legal obligations. The Company has a well-defined risk management programme for identifying and mitigating risks across all the functions which are reviewed by the Audit Committee and Board of Directors of the Company periodically.

The Company has a Risk Management Committee of the Board of Directors which meets regularly to review inter alia risk management policies, adequacies of internal controls, the financial information and other issues related to the Company's operations. The Internal Auditors along with finance team plans the audit schedule for the year in consultation with CFO and the Audit Committee. The Audit Committee of the Board approves the internal audit plan at the start of every financial year to ensure the coverage of most of the functions with a view to minimise associated risks. Independent external teams have been engaged as the Internal Auditors to perform the internal audit function, assess the internal controls and statutory compliances in various areas and also provide suggestions for improvement. The Audit Committee regularly reviews the major findings of the internal audits with respect to different locations and functions to help take effective steps in ensuring compliance.

Human Resources:

Performance measurement is a fundamental principle of the management. The measurement of performance is important because it identifies performance gaps between current and desired performance and provides indication of progress towards closing the gaps. The Company believes that human resources are a critical factor for its growth. The Company invests in its employees for the growth of their skills and talents so as to meet the growth aspirations of the business. The emphasis is on grooming in-house talent enabling them to take on larger responsibilities. The senior management team spends considerable time in reviewing the existing talent base and processes used for honing the skills of the members in the talent pool and assessing their preparedness for taking on new assignments.

Compensation and benefits packages have always been pivotal to retaining and motivating employees. To remain competitive in compensation and rewards offered, continual efforts were made to make compensation and benefits flexible and market-linked.

The relations with the employees and workers remained cordial and harmonious throughout the year. The Company had total work force of 96 as on March 31, 2024.

Details of significant changes in key financial ratios (i.e. change of 25% or more as compared to the immediately previous financial year):

Ratios	F.Y. 2023-24	F.Y. 2022-23	% Change
Debtors Turnover	3.35	3.93	-14.76
Inventory Turnover	5.25	6.55	-19.85
Interest Coverage Ratio	18.34	15.67	17.04
Current Ratio	4.80	2.87	67.25
Debt Equity Ratio	0.16	0.32	-50
Operating Profit Margin (%)	19.70%	14.37%	37.09
Profit Margin (%)	12.39%	9.55%	29.74
Return on Net worth (%)	13.03%	15.06%	-13.48

Reason for change in change of 25% or more in key financial ratios as compared to the immediately previous financial year:

a) Current Ratio (%): Current ratio improved to 4.80% as against 2.87% in previous year. The ratio is significantly favorable due to reduction in Current Liabilities mainly on account of repayment of Bank Loans during the current year.

b) Operating Profit Margin (%): Operating profit margins improved to 19.70% as against 14.37% in previous year. The said increase in Operating Margin was due to improvement in the Business performance.

c) Net Profit Margin (%): The net profit margin was 12.39% compared to 9.55% in previous financial year. The said increase was on account consequential positive impact of favorable Operating Profit Margin.

Cautionary Statement

Certain statements under 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.

Independent Auditor's Report

To the Members of

Vidhi Specialty Food Ingredients Ltd

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Vidhi Specialty Food Ingredients Ltd ("the Company"), which comprises the standalone balance sheet as at 31 March 2024, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its profits and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters ('KAM") are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	Auditor's Response
1	**Inventory Existence:** The Company recognized inventory of Rs. 5,632.56 Lakhs as at 31 March 2024. Within each location, inventory is stored in packet, drums at factory and third-party locations. This is a key audit matter because of the • Significance of the inventory balance to the statement of financial position and • Complexity involved in determining inventory quantities on hand due to the number, conversion from Ltr. to Kgs., location and diversity of inventory storage locations, inventories lying with third parties etc.	We attended inventory counts at factory, which we selected based on financial significance and risk We performed the following procedures at each site: • Selected a sample of inventory items and compared the quantities we counted; • Observed a sample of managements inventory count procedures to assess compliance with Company Policy and • Made enquiries regarding obsolete inventory items and inspected the condition of items counted. We have also evaluated a selection of controls over inventory existence across the Company. Also obtained confirmation for inventories held with third parties.
2	**Trade Receivables:** Trade receivables comprise a significant portion of the current assets of the Company and serve as security for a majority of the Company short-term debt. As indicated in Note 5(C) of the financial statements. The receivables provision has made based on Expected Credit Loss method. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.	We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts receivable. We also considered payments received subsequent to year-end, insurance held for overseas trade receivables, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Company including: • Assessing the appropriateness and reasonableness of the assumptions applied in the managements' assessment of the receivables allowance; • Consideration of the creditworthiness of significant export trade receivables over 270 days; • Consideration and concurrence of the agreed payment terms; • Verification of receipts from trade receivables subsequent to year-end; and • Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the Company's trade receivables are fairly valued and adequately provided. We further considered whether the provisions were misstated and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the financial statements are appropriate.

Other Information

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the standalone financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement changes in equity and standalone cash flows dealt with by this Report are in an agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 25 to the standalone financial statements.

b. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.

c. There has been no delay in transferring amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. i The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ulitmate Beneficiaries") or the like on behalf of the Ultimate Beneficiaries.

iii. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) i and (d) ii contain any material mis-statement.

e) As stated in Note 9(viii) of the standalone financial statements:

i. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

ii. The interim dividend declared and paid by the Company during the year and until the date of this report is in a compliance with Section 123 of the Act.

iii. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(C) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

(D) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For Bhuta Shah & CO LLP
Chartered Accountants
Firm Reg. No.: 101474W/W100100

Sd/-
Atul Gala
Partner
Membership Number: 048650
Place: Mumbai
UDIN: 24048650BKCNII7579
Date: 29th May, 2024

Annexure – A to the Independent Auditor's Report on the Standalone Financial Statements of Vidhi Specialty Food Ingredients Ltd for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company does not have any intangible assets and hence, reporting for clause 1(a)(B) of the order is not applicable to the company.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of property, plant and equipment by which all property, plant and equipment are verified in a phased manner. In accordance with this program, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the copy of sale agreement given to us by the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements is held in the name of the Company. The immovable property is mortgaged to the bank against property loan and we are informed that original agreement is with the bank.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii (a) As informed to us, the inventory has been physically verified by the management during the year. According to the information and explanations provided to us, no material discrepancies were noticed on such verification.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. In our opinion, the quarterly returns or statements filed by the Company with such banks are in an agreement with the books of account of the Company, except details as mentioned in note 11(A)(vii).

iii According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any investments in Companies, limited liability partnership, firms or other parties. During the year, the Company has not provided loans or provided advances in nature of loans or provided security to any other entity.

(a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided security or guarantee. However, it has provided loans or advances in the nature of loans to its subsidiary. The Company does not hold any investments in any joint ventures or associates.

B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not given any loans or advances in the nature of loans or guarantee or provided security to any parties other than subsidiary amounting to Rs.2.76 lakhs during the year and outstanding balance at year end is Rs.12.73 lakhs.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the loans and advances given during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the schedule of repayment of principal and payment of interest has not been stipulated

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company and further in the absence of repayment schedule, we cannot comment whether any amount is overdue for more than ninety days.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are unable to comment upon whether there are loans granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are unable to comment upon whether the company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

iv According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made, loans and guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 (“the Act”) have been complied with.

v The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi As informed to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act for the business the Company operates in. Hence, reporting under Clause 3(vi) of the Order is not applicable to the Company.

vii In respect of statutory dues:

(a) According to the information and explanations given to us and according to the records of the company examined by us, in our opinion, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited by the company with the appropriate authorities, though there have been few delays in deposit which is not serious.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues outstanding in respect of Income-tax, VAT, Excise duty, Service tax, Custom duty, Goods and Service tax, Cess or/and any other material statutory dues wherever applicable, which have not been deposited on account of any dispute.

viii According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) According to information and explanations given to us and on the basis of examination of records of the Company, term loans, if any, obtained during the year have been applied for the purpose for which they were obtained, including loan given to the subsidiary.

(d) According to information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the Company.

(e) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associates or joint venture (as defined under the Act) during the year ended 31 March 2024.

x (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and procedures performed by us, we report that the Company has not made any preferential allotment of shares or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Hence reporting under clause 3 (ix) (b) of the Order is not applicable to the Company.

xi (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have not received any whistle blower complaints during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.

xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

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

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(c) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC as part of the Group.

xvii. The Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (refer note 32), ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx (a) According to the information and explanations given to us, there is no unspent amount under subsection (5) of section 135 of the Act pursuant to any project other than ongoing project Hence reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(c) According to the information and explanations given to us, there is no unspent amount under subsection (5) of section 135 of the Act pursuant to any ongoing project. Hence reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

xxi The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the company. Accordingly, no comment has been included in respect of said clause under this report. Refer to our independent audit report on consolidated financial statements.

For **Bhuta Shah & Co. LLP**
Chartered Accountants
Firm Reg. No.: 101474W/W100100

Atul Gala
Partner
Membership Number: 048650
Place: Mumbai
UDIN: 24048650BKCNII7579
Date: 29th May, 2024

Annexure B to the Independent Auditors' Report on the standalone financial statements of Vidhi Specialty Food Ingredients Ltd for the year ended 31 March 2024

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Vidhi Specialty Food Ingredients Ltd ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.: 101474W/W100100

Atul Gala
Partner
Membership Number: 048650
Place: Mumbai
UDIN: 24048650BKCNII7579
Date: 29th May, 2024

Standalone Balance Sheet as at March 31, 2024

(₹ in lakhs)

		Notes	As at March 31, 2024	As at March 31, 2023
	Assets			
I	**Non-current assets**			
	Property, plant and equipment	3	12,070.32	4,400.45
	Right of use assets	4	410.08	257.66
	Capital work in progress	3	4.51	6,454.79
	Financial assets	5		
	(i) Investment in subsiidary	5(A)	1,320.15	1,320.15
	Other non-current assets	7	9.93	13.15
	Total non-current assets		**13,814.99**	**12,446.20**
II	**Current assets**			
	Inventories	6	5,632.56	6,053.24
	Financial assets	5		
	(i) Trade receivables	5(C)	8,833.74	10,076.78
	(ii) Cash and cash equivalents	5(D)	1,153.52	728.12
	(iii) Bank balances other than (iii) above	5(E)	23.08	25.74
	(iv) Loans	5(F)	135.18	101.99
	(v) Other financial assets	5(G)	1,172.25	1,382.16
	Current tax assets (net)	8	-	-
	Other current assets	7	1,762.75	2,356.61
	Total current assets		**18,713.08**	**20,724.64**
	Total assets		**32,528.07**	**33,170.84**
EQUITY AND LIABILITIES				
I	**Equity**			
	Equity share capital	9	500.20	500.20
	Other equity	10	27,606.26	24,639.25
	Total equity attributable to owners of the Company		**28,106.46**	**25,139.45**
	Total equity		**28,106.46**	**25,139.45**
	Liabilities			
II	**Non-current liabilities**			
	Financial liabilities	11		
	(i) Borrowings	11(A)	35.02	468.40
	(ii) Lease liabilities	11(B)	58.32	69.96
	Provisions	12	64.01	58.82
	Deferred tax liabilities (net)	13	366.14	208.37
	Total non-current liabilities		**523.49**	**805.55**
III	**Current liabilities**			
	Financial liabilities	11		
	(i) Borrowings	11(A)	1,943.05	4,497.39
	(ii) Trade payables			
	(a) total outstanding dues of micro enterprises and small enterprises	11(C)	-	182.20
	(b) total outstanding dues of creditors other than micro and small enterprises	11(C)	1,588.33	2,096.37
	(iii) Other financial liabilities	11(D)	102.70	194.41
	Other current liabilities	14	241.15	197.29
	Provisions	12	17.77	15.69
	Current tax liabilities	15	5.12	42.49
	Total current liabilities		**3,898.12**	**7,225.84**
	Total Liabilities		**4,421.61**	**8,031.39**
	Total Equity and Liabilities		**32,528.07**	**33,170.84**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 29th May, 2024

For and on behalf of the Board of Directors of
Vidhi Specialty Food Ingredients Limited

Bipin M Manek
Chairman & Managing Director
DIN No. 00416441

Mihir B Manek
Joint Managing Director
DIN No. 00650613

Mitesh D Manek
Chief Financial Officer
PAN: ALDPM9178K

Vishaka Pandya
Company Secretary
Membership No. 59436

Place : Mumbai
Date : 29th May, 2024

Standalone Statement of Profit and Loss for the year ended March 31, 2024

(₹ in lakhs)

		Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Income**			
	Revenue from operations	16	30,341.87	40,399.29
	Other income	17	119.21	120.99
	Total income		**30,461.08**	**40,520.28**
II	**Expenses**			
	Cost of raw materials and components consumed	18	17,011.65	16,259.99
	Purchases of stock in trade	19	1,743.51	13,133.97
	Change in inventories of finished goods, stock in trade and work-in-progress	20	323.74	(100.55)
	Employee benefits expense	21	1,039.62	908.38
	Finance costs	22	317.45	363.41
	Depreciation and amortisation expense	23	607.87	336.04
	Other expenses	24	4,519.67	4,623.59
	Total expenses		**25,563.51**	**35,524.83**
III	**Profit before exceptional items and tax**		4,897.57	4,995.45
	Exceptional items		-	-
IV	**Profit before tax**		**4,897.57**	**4,995.45**
V	**Income tax expense**	13		
	Current tax		1,075.00	1,265.00
	Deferred tax charge/(credit)		160.46	(55.05)
	Total tax expense		**1,235.46**	**1,209.95**
VI	**Net profit for the year after taxes**		**3,662.11**	**3,785.50**
VII	**Profit for the year**		**3,662.11**	**3,785.50**
VIII	**Other comprehensive income**			
(a)	**Items that will not be reclassified to profit or loss in subsequent periods**			
	(i) Remeasurements gains/(losses) on defined benefit plans		1.43	2.60
	(ii) Income tax effect on above		2.69	0.65
	Other comprehensive income for the year, net of tax		**4.12**	**3.25**
IX	**Total comprehensive income for the year, net of tax**		**3,666.23**	**3,788.75**
X	**Earnings per equity share [nominal value of share ₹ 1 (Previous year ₹ 1)]**			
	Basic earning per share(₹)		7.34	7.59
	Diluted earning per share(₹)		7.34	7.59

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 29th May, 2024

For and on behalf of the Board of Directors of
Vidhi Specialty Food Ingredients Limited

Bipin M Manek
Chairman & Managing Director
DIN No. 00416441

Mihir B Manek
Joint Managing Director
DIN No. 00650613

Mitesh D Manek
Chief Financial Officer
PAN: ALDPM9178K

Vishaka Pandya
Company Secretary
Membership No. 59436

Place : Mumbai
Date : 29th May, 2024

Standalone Cashflow statement for the Financial Year ended 31st March 2024

(₹ in lakhs)

		Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
A	**Cash flows from operating activities :**			
	Profit before tax		4,897.57	4,995.45
	Adjustments to reconcile profit before tax to net cash flows			
	Depreciation and amortisation expense		607.87	336.04
	Interest income on bank deposits and others		(67.40)	(46.27)
	Finance costs		317.45	363.41
	Provision for impairment of trade receivable and other assets provided for / (written back)		62.74	(2.60)
	Expected Credit loss		(46.26)	35.68
	Interest on MSME		-	0.62
	Operating Profit before working capital changes		**5,771.97**	**5,682.33**
	Movement in working capital			
	(Increase)/ Decrease in inventories		420.68	1,213.14
	(Increase)/ Decrease in trade receivables		1,289.30	4,900.28
	(Increase)/ Decrease in financial assets		176.72	(262.43)
	(Increase)/ Decrease in other non-current assets		3.22	1.02
	(Increase)/Decrease in Other current assets		591.39	740.82
	Increase/ (Decrease) in trade payables		(752.98)	(1,389.19)
	Increase/ (Decrease) in other financial liabilities		(91.71)	22.47
	Increase/ (Decrease) in other liabilities		43.86	(140.56)
	Increase/ (Decrease) in provisions		8.70	5.64
	Cash generated from operations		**7,461.15**	**10,773.51**
	Income tax paid (net of refund)		(1,114.48)	(1,181.90)
	Net Cash flows from operating activities (A)		**6,346.67**	**9,591.61**
B	**Cash flows from investing activities**			
	Purchase of property, plant and equipment and intangible assets		(1,989.41)	(4,283.05)
	Interest received on bank deposits		69.87	46.37
	Net cash used in investing activities (B)		**(1,919.54)**	**(4,236.68)**
C	**Cash flows from financing activities**			
	Proceeds/ (Repayment) of Long Term Borrowings (net)		(433.38)	(1,129.23)
	Proceeds from/ (repayment of) short term borrowings (net)		(2,554.34)	(2,855.26)
	Interest paid on borrowings		(317.45)	(363.41)
	Payment of dividend		(696.57)	(397.46)
	Net cash used in financing activities (C)		**(4,001.74)**	**(4,745.36)**
	Net Increase/ (decrease) in cash and cash equivalents(A+B+C)		**425.39**	**609.57**
	Cash and cash equivalents as at beginning		728.13	118.57
	Effects of exchange rate changes on cash and cash equivalents			
	Cash and cash equivalents as at closing		**1,153.52**	**728.14**

Note :

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind As 7 Specified under section 133 of the companies Act, 2013.

2 Components of cash and cash equivalents

₹ In lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash and cash equivalents		
Balances with banks		
In current / cash credit accounts	353.92	639.75
Deposits with a original maturity of less than three months	-	-
Deposits with original maturity of more than three months but less than twelve months	783.50	73.75
Cash on hand	16.10	14.63
Cash and cash equivalents at the end of the year	**1,153.52**	**728.13**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 29th May, 2024

For and on behalf of the Board of Directors of
Vidhi Specialty Food Ingredients Limited

Bipin M Manek
Chairman & Managing Director
DIN No. 00416441

Mihir B Manek
Joint Managing Director
DIN No. 00650613

Mitesh D Manek
Chief Financial Officer
PAN: ALDPM9178K

Vishaka Pandya
Company Secretary
Membership No. 59436

Place : Mumbai
Date : 29th May, 2024

Standalone Statement of changes in equity for the year ended March 31, 2024

a) Equity share capital

Particulars	Amount
Balance as at April 01, 2022	**500.20**
Issue of equity shares ₹1/- each	-
Balance as at March 31, 2023	**500.20**
Issue of equity shares ₹1/- each	-
Balance as at March 31, 2024	**500.20**

(b) Other equity

₹ In lakhs

Particulars	General reserves	Retained earnings	Total other equity
As at April 01, 2022	2,446.92	18,803.13	**21,250.05**
Profit for the year	-	3,785.50	**3,785.50**
Other comprehensive income for the year			
Re-measurement gains / (losses) on defined benefit plans net of tax	-	3.25	**3.25**
Total Comprehensive income for the year	-	3,788.75	**3,788.75**
Transactions with owners in their capacity as owners:			
Dividend paid during the year	-	(399.56)	**(399.56)**
Transfer to General Reserve	-	-	**-**
As at March 31, 2023	**2,446.92**	**22,192.32**	**24,639.25**
Profit for the year	-	3,662.11	**3,662.11**
Other comprehensive income for the year			
Re-measurement gains / (losses) on defined benefit plans net of tax	-	4.12	**4.12**
Total Comprehensive income for the year	**-**	**3,666.23**	**3,666.23**
Transactions with owners in their capacity as owners:			
Dividend paid during the year	-	(699.23)	**(699.23)**
As at March 31, 2024	**2,446.92**	**25,159.32**	**27,606.26**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

For and on behalf of the Board of Directors of
Vidhi Specialty Food Ingredients Limited

Atul Gala
Partner
Membership No. 048650

Bipin M Manek
Chairman & Managing Director
DIN No. 00416441

Mihir B Manek
Joint Managing Director
DIN No. 00650613

Mitesh D Manek
Chief Financial Officer
PAN: ALDPM9178K

Vishaka Pandya
Company Secretary
Membership No. 59436

Place : Mumbai
Date : 29th May, 2024

Place : Mumbai
Date : 29th May, 2024

Notes to Financial Statements for the year ended 31 March 2024

(1) Corporate Information:

The Company was incorporated on 19th January, 1994 and is engaged in the business of manufacturing and trading in synthetic food colors and trading in chemicals. The company was formerly known as "Vidhi Dyestuffs Manufacturing Limited" and w.e.f. 25th August, 2016, it is changed to "Vidhi Specialty Food Ingredients Limited".

The equity shares of the company are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

Authorization of financial statements

The standalone financials statemente were authorised for issue in accordance with a resolution of the Board of Directors passed on 29th May 2024.

(2) Material Accounting Policies:

(i) Basis of preparation

The Financial Statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements upto the year ended 31st March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Effective 1st April 2017, the company has adopted Ind AS and adoption was carried out in accordance with Ind AS 101 first time adoption of accounting standard, with 1st April, 2016 as the transition was carried out from Indian Accounting

Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Use of Estimates

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

(iii) Current / Non-Current classification

The normal operating cycle of the Company is 12 months. Assets and Liabilities which are expected to be realizable / payable within 12 months are to be classified as current and rest will be classified as non-current.

Notes to Financial Statements for the year ended 31 March 2024

(iv) Revenue Recognition

Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership to the customers, which is generally on dispatch of goods and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are stated exclusive of sales tax & GST and net of trade discount and quantity discount.

Dividend Income is recognized when the right to receive the dividend is established.

Interest Income is recognized on time proportion basis.

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

(v) Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at their reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

(vi) Property, plant and equipment

(i) Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.

(ii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

Notes to Financial Statements for the year ended 31 March 2024

(iii) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

(iv) An Item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognized.

(v) In line with the provisions of Schedule II to the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.

(vi) Depreciation on property, plant and equipment is provided as per straight line method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

The property, plant and equipment acquired under finance lease are depreciated over the period of lease. Depreciation on stores and spares specific to an item or property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the stores and spares are depreciated over their estimated useful life based on the technical assessment.

(vii) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

(viii) Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. These are stated at cost to date relating to items or project in progress, incurred during construction / preoperative period. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

(vii) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets comprising of “Computer Software” are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Estimated useful life of software is assessed to be 10 years.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(viii) Inventories

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

Notes to Financial Statements for the year ended 31 March 2024

The Inventories [Raw Materials, Traded Goods, Packaging Material, Stock in transit (RM) and Stock with Third Parties (RM)] are valued at lower of cost and net realizable value on First-In-First-Out basis (FIFO).

The Work-in-process and finished goods valued at the batch cost which comprises of cost of raw material, manufacturing expenses, labour charges and other direct expenses.

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

(ix) Foreign currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) Forward Contracts

The premium or discount arising at the inception of forward exchange contracts is booked as expense or income immediately. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

(x) Employee benefits

All employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Retirement benefits in the form of Provident Fund, Employee State Insurance and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Notes to Financial Statements for the year ended 31 March 2024

Defined Contribution plan:

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund are due. There are no other obligations other than the contribution payable to the respective fund.

Defined Benefit Plans:

The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The premium has been so adjusted as to cover the liability under the scheme in respect of all employees at the end of their future anticipated services with the company.

(xi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as Lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Notes to Financial Statements for the year ended 31 March 2024

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xiii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent liability is disclosed in the case of:

- Present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past event, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(xiv) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Notes to Financial Statements for the year ended 31 March 2024

(xv) Financial instruments

(i) Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial asset not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial asset measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified into two broad categories:

- Financial asset at fair value
- Financial asset at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income)

A financial asset that meet the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: the objective of the Company's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes)
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

  A financial asset that meet the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Debt Instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit or loss.

Notes to Financial Statements for the year ended 31 March 2024

Equity Instruments: All equity instruments within scope of Ind AS 109 are measured at fair value. Equity instruments which are classified as held for trading are measured at FVTPL. For all other equity instruments, the company decides to measure the same either at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such selection on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments measured at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of profit or loss, even on sale of such instruments.

The Investments are measured at Fair Market Value. The diminution in the market value of investments is not considered unless such diminution is considered permanent and accordingly provision for diminution is made in books of accounts.

All other financial asset is measured at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either

a) the Company has transferred substantially all the risks and rewards of the asset, or

b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets:

In accordance with Ind-AS 109, the company applies Expected Credit Losses (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The company follows “Simplified Approach” for recognition of impairment loss on these financial assets. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Notes to Financial Statements for the year ended 31 March 2024

(ii) Financial liabilities:

Initial recognition and measurement:

Financial Liabilities are classified at initial recognition as:

(i) Financial liabilities at fair value through profit or loss,

(ii) Loans and borrowings, payables, net of directly attributable transaction costs or

(iii) Derivatives designed as hedging instruments in an effective hedge, as appropriate.

The company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in the Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments:

The Company uses derivative financial instruments, such as foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-

Notes to Financial Statements for the year ended 31 March 2024

measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Loans and borrowings – subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The Effective Interest Rate (EIR) amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(xvi) Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purpose). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecongnition of the property is included in the Statement of Profit and Loss in the period in which the property is derecognized.

(xvii) Borrowing Costs

Borrowing costs are charged to Statement of Profit and Loss except to the extent attributable to acquisition / construction of and asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xviii) Impairment of Non-financial Assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount

Notes to Financial Statements for the year ended 31 March 2024

is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments clarify the accounting of the proceeds before intended use wherein the amounts received from selling items produced while the company is preparing the asset for its intended use needs to be deducted from the cost of property, plant and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to Financial Statements for the year ended 31 March 2024

3. Property, Plant and Equipment

₹In lakhs

Particulars	Leasehold Land	Freehold land	Factory Building	Administrative Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office equipment	Computers	Electrical Installation	Solar Power Project	Total	Capital work in progress	Grand total
Gross carrying amount														
As at April 01, 2022	**16.14**	**3.75**	**1,080.62**	**295.93**	**2,456.50**	**2.42**	**223.45**	**7.46**	**0.14**	**135.76**	**886.07**	**5,108.24**	**3,337.90**	**8,446.14**
Addition/ Deletion due to other reason (business acquisition/dispoal etc)	-	-	554.61		531.35	12.10	51.92	-	-	16.18	-	1,166.16	3,116.89	4,283.05
As at March 31, 2023	**16.14**	**3.75**	**1,635.23**	**295.93**	**2,987.85**	**14.52**	**275.37**	**7.46**	**0.14**	**151.94**	**886.07**	**6,274.40**	**6,454.79**	**12,729.19**
Addition/ Deletion due to other reason (business acquisition/dispoal etc)		-	5,015.26	41.80	2,697.53	31.13	66.31	-	-	385.07	38.53	8,275.63	(6,450.28)	1,825.35
As at March 31, 2024	**16.14**	**3.75**	**6,650.49**	**337.73**	**5,685.38**	**45.65**	**341.68**	**7.46**	**0.14**	**537.01**	**924.60**	**14,550.03**	**4.51**	**14,554.54**
Accumulated depreciation														
As at April 01, 2022	0.11	-	256.76	67.05	964.59	0.49	123.88	7.40	0.14	100.39	19.19	1,540.00	-	1,540.00
Depreciation charge for the year	-		48.46	11.17	204.27	0.46	24.40	0.06	-	12.08	33.04	333.94		333.94
As at March 31, 2023	0.11	-	305.22	78.22	1,168.86	0.95	148.28	7.46	0.14	112.47	52.23	1,873.94	-	1,873.94
Depreciation charge for the year			159.38	11.55	333.57	3.19	29.81	-	-	34.70	33.60	605.77		605.77
As at March 31, 2024	**0.11**	**-**	**464.60**	**89.77**	**1,502.43**	**4.14**	**178.09**	**7.46**	**0.14**	**147.17**	**85.83**	**2,479.71**	**-**	**2,479.71**
Net Carrying amounts														
As at March 31, 2023	**16.03**	**3.75**	**1,330.01**	**217.71**	**1,818.99**	**13.57**	**127.09**	**-**	**-**	**39.47**	**833.84**	**4,400.46**	**6,454.79**	**10,855.25**
As at March 31, 2024	**16.03**	**3.75**	**6,185.89**	**247.96**	**4,182.95**	**41.51**	**163.59**	**-**	**-**	**389.84**	**838.77**	**12,070.32**	**4.51**	**12,074.83**

Notes:-

(a) Property, plant and equipment are pledged/hypothecated as security for borrowing by the company. refer note no.11

(b) There is contractual commitments for the acquisition of property, plant and equipment refer note.25

(c) The amount of borrowing costs capitalised during the year ended March 31, 2024 was Rs 21.11 Lakhs (March 31, 2023: ₹ 46.77 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.50% (March 31, 2023: 7.50%) which is the effective interest rate of the specific borrowing. No borrowing costs are capitalised on other items of property, plant and equipment under construction.

(d) Capital work in progress as at March 31, 2024 includes assets under construction at Dahej SEZ, Bharuch. " In the F Y 2023-24 the same has been substentially capitalised"

Notes to Financial Statements for the year ended 31 March 2024

(e) Ageing of capital work-in-progress is as below:

As at March 31, 2024

Particulars	Amounts in capital work in progress for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	4.51	4.51
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**4.51**	**4.51**

As at March 31, 2023

Particulars	Amounts in capital work in progress for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,116.89	3,060.49	102.59	174.82	6,454.79
Projects temporarily suspended	-	-	-	-	-
Total	**3,116.89**	**3,060.49**	**102.59**	**174.82**	**6,454.79**

(f) There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan at the end of current year and previous year.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

4 Right of use assets and leases liabilities

(i) Right of use assets: The Company lease asset primarily consist of :

(a) Leasehold land represents land obtained on long term lease from various Government authorities having lease terms between 95 years

(d) Leasehold building represents property taken on lease having lease terms between 36 to 60 months

(ii) The following is carrying value of right of use assets and movement thereof:

Particulars	Leasehold Land	Building	Total
As at April 01, 2022	**197.04**	**7.05**	**204.09**
Additions during the year	-	72.70	72.70
Disposal during the year	-	-	-
Foreign currency translation impact	-	-	-
As at March 31, 2023	**197.04**	**79.75**	**276.79**
Additions during the year	169.06	-	169.06
Disposal/adjustment during the year	-	-	-
Foreign currency translation impact	-	-	-
As at March 31, 2024	**366.10**	**79.75**	**445.85**
Accumulated depreciation			
As at April 01, 2022	6.35	7.05	13.40
Depreciation for the year	2.10	3.63	5.73
Deductions/ Adjustments (net)	-	-	-
As at March 31, 2023	**8.45**	**10.68**	**19.13**
Depreciation for the year	2.10	14.54	16.64
Disposal during the year	-	-	-
Foreign currency translation impact	-	-	-
As at March 31, 2024	**10.55**	**25.22**	**35.77**
Carrying amounts (net)			
As at March 31, 2023	**188.59**	**69.07**	**257.66**
As at March 31, 2024	**355.55**	**54.53**	**410.08**

(iii) The movement in lease liabilities is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	69.96	-
Addition during the year	-	72.70
Finance cost accrued during the year	6.36	1.76
Payment of lease liabilities	(18.00)	(4.50)
Balance at the end	**58.32**	**69.96**
Current maturities of lease liabilities	-	-
Non-current lease liabilities	58.32	69.96

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(iv) Amount recognised in the statement of Profit and loss during the year:

Particulars	As at 31 March 2024	As at 31 March 2023
Depreciation charge of right of use assets	16.64	5.73
Finance cost incurred during the year	6.36	1.76
Total	**23.00**	**7.49**

(v) Maturity analysis of undiscounted lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Payable within one year	-	-
Payable between one to five years	58.32	69.96
Total	**58.32**	**69.96**

(vi) The Company does not face significant liquidity risk with regard to its lease liabilities as the current are sufficient to meet the obligation related to lease liabilities as and when they fall due

(vii) Non-cash investing activities during the year

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Acquisition of right of use assets	-	72.70

5 Financial Assets

(A) Investment in Subsidiary

Particulars	As at 31 March 2024	As at 31 March 2023
(I) Unquoted equity investments Arjun Food Colorants Mfg Pvt Ltd		
{82,750 equity shares (March 31, 2023 82,750 equity shares) of ₹1595.35/- each, fully paid up}	1,320.15	1,320.15
	1,320.15	**1,320.15**
Total	**1,320.15**	**1,320.15**
Aggregate value of unquoted equity investments valued at cost	1,320.15	1,320.15

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(B) Current investments

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Quoted investments measured at fair value through profit and loss:				
Ontrack System Limited {10,057 units (March 31, 2023: 10,057) of ₹ 1.47 per unit}	0.15	0.15	-	-
	0.15	**0.15**	**-**	**-**
Aggregate value of quoted investments measured at fair value through profit and loss	0.15	0.15	-	-
Aggregate market value of quoted investments measured at fair value through profit and loss	0.15	0.15	-	-
Aggregate amount of impairment in value of investments	(0.15)	(0.15)	-	-
Aggregate amount of Quoted Investments - net	**-**	**-**	**-**	**-**

(C) Trade receivables (valued at amortised cost)

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(Unsecured)				
Trade receivables from contract with customers - considered goods - billed	-	-	8,610.20	9,776.36
Trade receivables from contract with customers - considered good – related parties	-	-	223.54	300.42
Trade receivables from contract with customers - credit impaired	-	-	97.91	139.98
	-	**-**	**8,931.65**	**10,216.76**
less: Impairment allowance for trade receivable - credit impaired	-	-	(97.91)	(139.98)
Total	**-**	**-**	**8,833.74**	**10,076.78**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Notes:

(a) Trade receivables Ageing Schedule

As at March 31, 2024

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	-	8,242.83	262.88	19.25	1.27	307.52	8833.75
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	97.91	97.91
Total	**-**	**-**	**8,242.83**	**262.88**	**19.25**	**1.27**	**405.43**	**8931.65**
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-	(97.91)	(97.91)
Net Trade receivables	**-**	**-**	**8,242.83**	**262.88**	**19.25**	**1.27**	**307.52**	**8833.74**

As at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good			9,207.17	409.16	57.38	34.51	368.56	10,076.78
Disputed Trade receivables – credit impaired							139.98	139.98
Total	**-**	**-**	**9,207.17**	**409.16**	**57.38**	**34.51**	**508.54**	**10,216.76**
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-	(139.98)	(139.98)
Net Trade receivables	**-**	**-**	**9,207.17**	**409.16**	**57.38**	**34.51**	**368.56**	**10,076.78**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(b) The movement in allowance for expected credit loss on credit impairment trade receivables is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	139.98	104.30
Addition during the year	-42.07	35.68
Utilisation of provision during the year	-	-
Balance as at the end of the year	**97.91**	**139.98**

(c) Trade receivables includes ₹ 223.54 Lakhs (March 31, 2023: ₹ 300.42 Lakhs) due from Private company/proprietorship firms in which director of the company is director/proprietor respectively. Apart from this there is no other trade or other receivable are due from directors or other officers of the parent company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director of parent company is a partner, a director or a member refer note 28E

(d) Trade receivables are non-interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(D) Cash and cash equivalents (valued at amortised cost)				
Balances with banks				
In current / cash credit accounts	-	-	353.92	639.75
Deposits with original maturity of more than three months but less than twelve months {refer note (a)}			783.50	73.75
Cash on hand	-	-	16.10	14.62
	-	**-**	**1,153.52**	**728.12**

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(E) Other Bank balances (valued at amortised cost)				
Unpaid dividend accounts			23.08	25.74
	-	**-**	**23.08**	**25.74**
(F) Loans				
Loan to employees	-	-	135.18	101.99
	-	**-**	**135.18**	**101.99**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(G) Other financial assets (Unsecured, considered good unless otherwise stated)				
Derivatives financial instruments				
Financial assets measured at amortised cost				
Security deposits	-	-	185.30	153.44
Deposits with original maturity of more than twelve months	-	-	743.87	1,061.09
Interest accrued on bank deposits	-	-	-	2.47
Incentive receivable {refer note (i)}	-	-	230.66	160.90
Interest receivable on Subvention	-	-	-	-
Other advances	-	-	12.42	4.26
	-	**-**	**1,172.25**	**1,382.16**

Notes

(i) Movement of government grant receivable

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	160.90	212.67
Accrual of grant related to income (credited to statement of profit and loss account) {refer note below}	380.01	378.89
Grant related to income realised	(310.25)	(430.66)
Closing balance	**230.66**	**160.90**

Note: The above grant relates to export incentive which is recognised in the statement of profit and loss refer note no.16

6 Inventories

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw material and components	1,665.89	1,762.82
Work-in-progress	1,501.80	1,320.90
Finished goods	2,099.88	833.62
Traded goods	364.99	2,135.90
	5,632.56	**6,053.24**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Notes:

(a) Inventory hypothecated as security for borrowing by the company refer note no.11

(b) During the year ended March 31, 204 ₹ 39.74 Lakhs (March 31, 2023: ₹ 115.06 Lakhs) was recognised as an expense for inventories carried at net realisable value

(c) The above includes the goods in transits as under:

Raw Material	89.17	66.71

7 Other assets

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(Unsecured considered good, unless otherwise stated)				
Capital advances				
Advance other than capital advance				
Advance for material and supplies considered good	-	-	653.70	1,200.77
Others				
Prepaid expenses	9.93	13.15	166.65	129.80
Balances with government authorities considered good	-	-	942.40	1,024.09
Refund Receivable of wealth tax AY 2013-14	-	-	-	1.95
	9.93	**13.15**	**1,762.75**	**2,356.61**

8 Current tax assets

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Current tax assests (net of advance tax and tax deducted at source)	-	-	-	-
	-	**-**	**-**	**-**

9 Share Capital

Particulars		As at 31 March 2024		As at 31 March 2023	
		Number	Amount	Number	Amount
(i)	**Authorised**				
	Equity share capital				
	Equity shares of ₹1/- each with voting rights	60,000,000	600.00	60,000,000	600.00
		60,000,000	**600.00**	**60,000,000**	**600.00**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars		As at 31 March 2024		As at 31 March 2023	
		Number	Amount	Number	Amount
(ii)	**Issued, subscribed and paid up**				
	Equity share capital				
	Equity shares of ₹1/- each with voting rights	50,034,000	500.34	50,034,000	500.34
		50,034,000	**500.34**	**50,034,000**	**500.34**
a	**Subscribed and fully paid up**				
	Equity share capital				
	Equity shares of ₹1/- each with voting rights	49,945,000	499.45	49,945,000	499.45
		49,945,000	**499.45**	**49,945,000**	**499.45**
b	**Subscribed and not fully paid up**				
	Equity share capital				
	Equity shares of ₹1/- each with voting rights	89,000	0.89	89,000	0.89
		89,000	**0.89**	**89,000**	**0.89**
(iii)	**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**				
	Equity shares of ₹1/- each with voting rights				
	Balance at the beginning of the year	50,020,000	500.20	50,020,000	500.20
	Balance at the end of the year	**50,020,000**	**500.20**	**50,020,000**	**500.20**

(iv) Details of shareholders holding more than 5% shares in the Company:

Name of shareholders	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹1/- each with voting rights				
Bipin M. Manek	2,610,333	5.23%	2,610,333	5.23%
Pravina B. Manek	3,490,667	6.99%	3,490,667	6.99%
Bipin Manek Family Private Trust	11,500,000	23.03%	11,500,000	23.03%
Pravina Manek Family Private Trust	13,000,000	26.02%	13,000,000	26.02%

(v) Promoter's Holding

Details of shareholding of Promoters is as under:

Shares held by Promoters at the end of the year

Name of shareholders	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% Total Shares	% change during the year	No. of shares	% Total Shares	% change during the year
Bipin M. Manek	2,610,333	5.23%	0.00%	2,610,333	5.23%	0.00%
Pravina B. Manek	3,490,667	6.99%	0.00%	3,490,667	6.99%	0.00%

Promoter Group

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Name of shareholders	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% Total Shares	% change during the year	No. of shares	% Total Shares	% change during the year
Bipin M. Manek	2,610,333	5.23%	0.00%	2,610,333	5.23%	0.00%
Pravina B. Manek	3,490,667	6.99%	0.00%	3,490,667	6.99%	0.00%
Bipin Manek Family Private Trust	11,500,000	23.03%	0.00%	11,500,000	23.03%	0.00%
Pravina Manek Family Private Trust	13,000,000	26.02%	0.00%	13,000,000	26.02%	0.00%
Manek Family Private Trust	1,500,000	3.00%	0.00%	1,500,000	3.00%	0.00%

(vi) Terms/rights attached to equity shares

The Company has only one class of issued equity shares capital having par value of ₹1/.- per share (31 March 2024 ₹ 1/-per share). Each shareholder is entitled to one vote per share held. The Company declares and pays dividend in Indian Rupees The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential assets, in proportion to their shareholding. The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

(vii) Shares issued for consideration other than cash

There are no equity shares issued as bonus shares , issued for consideration other than cash and shares bought back during the period of 5 years immediately preceeding the reporting period

(viii) Dividend paid and proposed

Particulars	As at 31 March 2024	As at 31 March 2023
Dividend declared and paid during the year		
Final dividend of ₹ 0.40 per share for the FY 2022-23 (₹ 0.40 per share for FY 2021-22)	199.78	199.78
Interim dividend of ₹ 1.00 per share for the FY 2023-24 (₹ 0.40 per share for FY 2022-23)	499.45	199.78
	699.23	**399.56**
Proposed dividends on equity shares:		
Final dividend for the year ended March 31, 2024 ₹ 1.00 per equity fully paid up share of Rs 1 each (March 31, 2023: Rs 0.40 per equity paid up share of Rs 1 each) recommended by the board of directors subject to approval of shareholders in the ensuing annual general meeting.	499.45	199.78

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

10 Other equity:

Particulars		As at 31 March 2024	As at 31 March 2023
	General Reserve	2,446.92	2,446.92
	Retained earnings	25,159.32	22,192.32
	Total other equity	**27,606.24**	**24,639.24**
(i)	**General Reserve**		
	Opening balance	2,446.92	2,446.92
	Movement during the year	-	-
	Closing balance	**2,446.92**	**2,446.92**
(ii)	**Retained earnings**		
	Opening balance	22,192.32	18,803.13
	Net profit for the year	3,662.11	3,785.50
	Other comprehensive income / (loss) for the year	4.12	3.25
	Dividend paid during the year	(699.23)	(399.56)
	Transfer to General Reserve	-	-
	Closing balance	**25,159.32**	**22,192.32**

Nature and purpose of other reserves

(iii) Retained earnings

Rtained earning are the profits that the Company has earned till date including gain or loss on measurment of defined beneifts, plans as adjusted for distribuition to owners, transfers to other reserve etc.

(iv) General Reserve

Under the erstwhile Companies Act 1956, General reserve was created through and annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act 2013., This reserve can utulise only in accordance with specified requirements of Companies Act 2013.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

11 Financial liabilities

(A) Borrowings (valued at amortised cost)

	Particulars	Long term borrowing		Short term borrowing	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(a)	**Term loans**				
	Term loans from bank (secured) {refer note (i) below)	-	557.31	-	-
	Term loans from others (secured) {refer note (ii) below)	35.02	32.06	-	-
(b)	**Loans repayable on demand {refer note (ii) below)**				
	Working capital demand loan/cash credit from banks (secured) {refer note (v) below)	-	-	1,943.05	4,497.39
(c)	**Current maturities of long term borrowings**				
	Current maturities of term loan (secured)	-	(120.97)	-	-
(d)	**Other**				
	From related parties	-	-	-	-
		35.02	**468.40**	**1,943.05**	**4,497.39**

Notes:

(i) The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from banks are as below:

Nature of security	Terms of repayment and rate of interest	As at March 31, 2024	As at March 31, 2023
Charge on -Plot no Z/61 and Z/62 Dahej -SEZ, Bharuch, Gujarat	60 Monthly Instalments, @ 7.5%	-	557.31
The carrying amounts of financial and non-financial assets mortgaged/ hypothecated as security for current and non current borrowings (Loan from Standard Chartered bank is secured by personal assets of a director.)	180 Monthly Instalments, @ 10.75%	-	-
Total		**-**	**557.31**

(ii) The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from others are as below:

Nature of security	Terms of repayment and rate of interest	As at March 31, 2024	As at March 31, 2023
Term Loan taken against Keyman Insurance Policy in the Name of the Bipin M. Manek [Director] and Naresh Modi.	Repayment of loan on maturity of policy @ 10%	35.02	32.06
Total		**35.02**	**32.06**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(iii) The details and nature of securities provided in respect of secured working capital demand loans/cash credit from bank are as below:

Bank Name (facility) Nature of security	As at 31 March 2024	As at 31 March 2023
Working capital loan from HDFC bank is secured as under:	424.82	2,824.82
a) 'Primary Security		
*Charge in favour of HDFC Bank, Bank of Baroda by way of hypothecation of stocks, book debts and plant and machinery of the company.		
b) Collateral Security		
*Factory Land and Building situated at Roha and E/ 27 -28 & 29 Commerce Centre, Mumbai.		
Working capital loan from Bank of Baroda is secured as under:	1,518.23	1,672.57
a) Primary Security		
*Charge by way of hypothecation of fully insured raw material, work in progress and finished goods comprising of food colours and other material.		
*Charge on plant and machinery and manufacturing facility at Plot No.59B & 68, Roha, Mumbai.		
b) Collateral Security		
Factory Land and Building situated at Roha and E/ 27, E/28 and E/29, Commerce Centre, Mumbai.		
Term Deposits		
Total	**1,943.05**	**4,497.39**

(iv) Term loan from bank and others contain certain debt covenants The Comapny has satisfied all these debt covenants prescribed in the terms of these loans.

(v) The Company has not made any default in the repayment of loans to banks and other financial institutions including interest thereon.

(vi) The term loans have not been used for the purpose for which they were obtained and funds raised for a short term basis have not been used for long term purposes.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(vii) In pursuant to borrowing taken by the Comapany from banks on security of current assets, the group is required to submit the information periodically which includes the stock statement, book debts statement, revenue, trade receivable and trade payable etc. During the current year, in one of the submissions made, the company has submitted the following financial information to banks, from whom working capital demand loan has been taken, on quarterly basis and information is not reconciled with books as follows:

Quarter ending	Amount as per books of account	Amount as reported in the quarterly return / statement	Reason for material discrepancies
Inventory			
Jun-30	6,186.14	6,033.54	
Sep-30	6,374.69	6,308.91	
Dec-31	6,851.81	6,747.01	
Mar-31	5,632.55	5,485.02	
Revenue			
Jun-30	2,813.73	2,813.73	
Sep-30	1,997.71	1,997.71	The difference is occurred due to invoices received of Imports from CHA after submitting the Stock statement with the bank, hence this difference occurred.
Dec-31	2,425.40	2,425.40	
Mar-31	2,618.05	2,618.28	
Trade Payables			
Jun-30	1,256.92	1,256.72	
Sep-30	1,427.57	1,421.42	
Dec-31	1,072.24	1,182.71	
Mar-31	714.15	968.83	
Trade Receivables			
Jun-30	8,211.03	8,211.86	
Sep-30	9,374.24	9,374.20	
Dec-31	7,221.49	7,251.66	
Mar-31	8,720.81	8,756.46	

Particulars		Non-current		Current	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(B)	**Lease liabilities (valued at amortised cost)**				
	Lease liabilities refer note no.4	58.32	69.96	-	-
		58.32	**69.96**	**-**	**-**
(C)	**Trade payables (valued at amortised cost)**				
	Total outstanding dues of micro enterprises and small enterprises	-	-	-	182.20
	Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,588.33	2,096.37
		-	**-**	**1,588.33**	**2,278.57**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Notes:

(i) Trade payables Ageing Schedule

As at March 31, 2024

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Undisputed dues of creditors other than micro enterprises and small enterprises	-	-	1,588.33	-	-	-	1,588.33
Total	**-**	**-**	**1,588.33**	**-**	**-**	**-**	**1,588.33**

As at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	182.20	-	-	-	182.20
Undisputed dues of creditors other than micro enterprises and small enterprises	-	-	2,059.86	-	36.51	-	2,096.37
Total	**-**	**-**	**2,242.06**	**-**	**36.51**	**-**	**2,278.57**

(ii) The trade payables are unsecured and non interest bearing and are usually on varying trade term.

(iii) Trade Payables include due to related parties ₹ Nil (March 31, 2023 : ₹ Nil) refer to note no.28

(iv) For terms and conditions with related parties refer to note no.28

(v) The amounts falling in the category of more than 1 year are related to pending obligations on the part of the supplier as per agreed terms and conditions mentioned in respective contracts.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

	Particulars	Non-current		Current	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(D)	**Other financial liabilities**				
	Financial liabilities measured at amortised cost				
	Current maturities of long-term debt	-	-	-	120.97
	Unpaid dividend	-	-	23.09	25.71
	Outstanding expenses	-	-	77.54	36.81
	Other liabilities	-	-	2.07	10.92
		-	**-**	**102.70**	**194.41**

12 Provisions

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits				
Provision for Gratuity refer note no.27	64.01	58.82	17.77	15.69
	64.01	**58.82**	**17.77**	**15.69**
Balance as at beginning of the year	58.82	55.95	15.69	15.53
Add: Provision made during the year	9.80	6.50	31.44	23.08
Less: Utilized during the year	(4.61)	(3.63)	(29.36)	(22.92)
Balance as at the end of the year	**64.01**	**58.82**	**17.77**	**15.69**
Non-current portion	64.01	58.82	-	-
Current portion	-	-	17.77	15.69

13 Income tax and deferred tax

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

	Particulars	As at 31 March 2024	As at 31 March 2023
(a)	**Income tax expense in the statement of profit and loss comprises :**		
	Current income tax charge	1,075.00	1,265.00
	Total current income tax	**1,075.00**	**1,265.00**
	Deferred Tax charge / (credit)		
	Relating to origination and reversal of temporary differences	160.46	-55.05
	Income tax expense reported in the statement of profit or loss	**1,235.46**	**1,209.95**
(b)	**Other Comprehensive Income**		
	Tax expense related to items recognised in Other comprehensive income during the year:		
	Deferred tax on re-measurement loss on defined benefit plans	**2.69**	**0.65**
	Income tax on other item in other comprehensive income	-	-
	Income tax related to items recognised in Other comprehensive income during the year	2.69	0.65

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

	Particulars	As at 31 March 2024	As at 31 March 2023
(c)	**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :**		
	Accounting Profit before tax	**4,897.57**	**4,995.45**
	Applicable tax rate	25.17%	25.17%
	Computed Tax Expense	**1,232.77**	**1,257.35**
	Tax impact of items not deductible in calculating the taxable income	38.60	34.15
	Tax impact of income not taxable in calculating the taxable income	-	-
	Difference in tax rate of taxable items	-	-
	Change in tax rates	(196.92)	(26.02)
	Tax Impact of difference of tax rate of group companies	-	-
	Others	161.01	(55.53)
	Income tax charged to Statement of Profit and Loss at effective rate of 25.17% (March 31, 2023: 25.17%)	**1,235.46**	**1,209.95**

(d) Deferred tax liabilities /assets comprises :

Particulars		Balance Sheet	
		As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities (net)			
Property, plant and equipment and intangible assets		413.71	259.28
Deferrred Tax on OCI		0.35	0.01
	(A)	**414.06**	**259.29**
Deferred tax assets (net)			
Security Deposit		(0.33)	1.40
Provision for ECL		30.91	35.22
Defined benefit obligation		16.11	14.07
Provision for Bonus		0.27	-
Deffered Tax on Lease Liability		0.96	0.23
	(A)	**47.92**	**50.92**
Net Deferred tax liabilities	**(A) - (B)**	**366.14**	**208.37**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(e) Net Deferred tax movement:

Particulars	As at 31 March 2024	As at 31 March 2023
Net deferred tax liabilities at the beginning of the year	208.37	264.07
Deferred tax charged/(credited) to profit and loss account during the year	154.43	(59.40)
Deferred tax charged/(credited) to other comprehensive income account during the year	0.34	-
Deferred Tax Asset		
Deferred tax charged/(credited) to profit and loss account during the year	3.00	3.70
Deferred tax charged/(credited) to other comprehensive income account during the year	-	-
Net deferred tax liabilities at the end of the year	**366.14**	**208.37**

(f) Effective tax rate has been calculated on profit before tax.

14 Other current liabilities

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Deferred government grant {refer note (i) below}				
Advance from customers	-	-	112.93	93.01
Statutory dues payable	-	-	56.52	38.13
Payable to contract creditors	-	-	71.70	66.15
	-	**-**	**241.15**	**197.29**

15 Current tax liability

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Current tax liabilities (net of advance tax and tax deducted at source)	-	-	5.12	42.49
	-	**-**	**5.12**	**42.49**

16 Revenue from operations

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contract with customers			
Sale of products			
Finished products		26,449.98	27,246.51
Traded products		3,110.04	12,373.59
	(A)	**29,560.02**	**39,620.10**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
Other operating revenues			
Export incentive		380.01	378.89
Net gain on foreign currency transaction and translation		401.84	400.30
	(B)	**781.85**	**779.19**
Total revenue from operations	(A) + (B)	**30,341.87**	**40,399.29**

Notes:

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(i)	**Timing of revenue recognition**		
	Goods transferred at a point in time	29,560.02	39,620.10
	Total revenue from contract with customers	**29,560.02**	**39,620.10**
	Add: Other operating revenues	781.85	779.19
	Total revenue from operations	**30,341.87**	**40,399.29**
(ii)	**Revenue by location of customers**		
	Within India	5,369.27	13,192.51
	Outside India	24,190.76	26,427.59
		29,560.03	**39,620.10**
(iii)	**Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**		
	Revenue as per contracted price	29,560.02	39,620.10
	Revenue from contract with customers	**29,560.02**	**39,620.10**
	Add: Other operating revenues	781.85	779.19
	Total revenue from operations	**30,341.87**	**40,399.29**

(iv) Unsatisfied performance obligations:

Information about the Comapny performance obligations are summarised below:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

17 Other Income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Deposit with banks	67.40	46.27
Proceeds on maturity of keymen policy	-	67.70
Lifting charges	1.82	2.66
Interest on FV of rent deposit	3.73	3.04
Interest on Late payment	-	1.32
Reversal of Provision for doubtful debts and advances	46.26	-
	119.21	**120.99**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

18 Cost of raw materials and components consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw materials and components at the beginning of the year	1,762.82	3,076.51
Add: Purchases during the year	16,914.72	14,946.30
Less: Raw materials and components at the end of the year	(1,665.89)	(1,762.82)
	17,011.65	**16,259.99**

19 Purchases of traded goods

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of traded goods	1,743.51	13,133.97
	1,743.51	**13,133.97**

20 Changes in inventories of finished goods, traded goods and work in progress

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the end of the year:		
Work-in-progress	1,501.80	1,320.90
Finished goods	2,099.88	833.62
Traded goods	364.99	2,135.90
	3,966.67	**4,290.42**
Inventories at the beginning of the year:		
Work-in-progress	1,320.90	1,484.51
Finished goods	833.62	810.25
Traded goods	2,135.89	1,895.11
	4,290.41	**4,189.87**
Net (increase) / decrease in inventories	**323.74**	**(100.55)**

21 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	438.21	372.09
Contribution to provident and other funds	15.85	13.52
Net defined benefit plan expense (Gratuity, Pension and other defined benefit plan) Refer note no.27	9.80	9.11
Remuneration & commission to Directors	510.00	460.00
Leave compensation	4.98	1.78
Staff welfare expense	60.78	51.88
	1,039.62	**908.38**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

22 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on borrowings	163.30	205.95
Bank Processing Charges	154.15	157.46
	317.45	**363.41**

23 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 3)	605.77	333.94
Depreciation on right-of-use assets (refer note 4)	2.10	2.10
	607.87	**336.04**

24 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Manufacturing and operating expenses		
Power and fuel	606.95	481.92
Consumption of stores and spare parts	317.37	243.62
Repairs and maintenance:	-	
Buildings	76.94	32.29
Plant and machinery	661.55	531.53
Others	241.07	193.81
Clearing and forwarding	77.89	97.05
Conveyance	0.62	0.96
Effluent treatment charges	-	-
Factory salaries and wages	51.55	63.44
Freight and octroi charges	200.27	231.12
Insurance charges	28.32	23.55
Loading and unloading charges	9.60	17.06
Professional and consultancy fees	6.83	9.93
Warehousing charges	48.30	80.56
Import charges	41.87	110.55
Miscellaneous manufacturing and operating expenses:	211.75	153.61
b) Administrative expenses		
Agency charges	27.44	29.48
Keyman insurance premium	20.31	20.09
Insurance charges-others	4.79	2.04
Printing and stationery	53.42	30.78
Legal and professional charges {refer note (i) below}	13.33	12.50

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Communication expenses	7.58	6.00
Electricity expenses	11.72	7.98
Rent	7.83	14.38
Rates & taxes	21.02	23.11
Professional and consultancy charges	89.57	73.18
Donation	9.35	3.76
Listing fees	8.26	6.78
Travelling charges	29.26	9.19
Commission	90.00	90.00
Director sitting fees	4.00	4.13
Depreciation Ind As 116	14.54	3.63
Interest on others	0.95	5.23
Interest on FV of rent deposit	-	-
Interest on Lease Liability - INDAS	6.36	1.76
Contribution towards corporate social responsibility expense (CSR)	120.00	116.15
Allowance for doubtful debts and advances	-	35.68
Miscellaneous administrative expenses	183.05	135.62
c) Selling and distribution expenses		
Advertisement and sales promotion expense	3.63	4.09
Business promotion	76.15	99.19
Clearing and forwarding(S)	12.36	17.12
Commission expenses	123.07	92.98
E. C. G. C. premium	-	-
Exhibition and trade fair expenses	63.39	82.21
Foreign travelling expenses	20.76	15.64
Insurance	2.33	2.82
ISI / FDA marketing fees	317.30	383.90
Freight and other distribution expense	401.46	854.14
Terminal handling charges	135.99	114.08
Packing and forwarding	59.57	54.95
	4,519.67	**4,623.59**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Notes:

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
(i)	**Details of payments to auditors**		
	As auditor:		
	Audit fee (Including limited review fee)	13.33	12.50
	In other capacities:		
	Certification fee and others	-	3.54
		-	-
	Total (included in legal and professional charges)	**13.33**	**16.04**

25 Commitments and Contingencies

(A) Contingent liabilities (to the extent not provided for)

Particulars		As at March 31, 2024	As at March 31, 2023
(a)	Disputed tax liabilities in respect of pending litigations before appellate authorities	-	-

(B) Capital and other commitments (net of advance)

Particulars		As at March 31, 2024	As at March 31, 2023
(a)	Estimated amount of contracts remaining to be executed on account of capital and other commitments (net of advance) and not provided for	-	877.28

(C) Contingent Liability and Capital Commitments (As certified by the Management)

The Company has trade receivables of ₹ 34,12,574 from Export debtors which is receivable in US $ 39,522.40, as the same is outstanding more than 9 months. As per the Foreign Exchange Management Act 1999, the company need to apply for extension to Reserve Bank of India (“RBI”) for receipt of foregin exchange from Export Debtors if same is not received within 9 months from the date of invoice. As the debt is receivable in US $, the writing off of the debt also needs approval from RBI. However, this trade receivables are received in part earlier. The company is confident to receive the balance of ₹ 34,12,574 in US $ 39,522.40 from export debtors in due course. The export debtors are regularly doing the business with the company. The delay in amount receivable from export debtors is due to ongoing discussion with those/that with them by company.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

26 Segment information

The Company operates in single business segment namely manufacturing and trading of food colors and chemicals. Hence, no separate disclosure as per "Ind AS-108" is required for the business segment.

The Company's operating divisions are managed from India. The principal geographical areas in which the Company operates are Asian Countries, European Countries, South Africa, Middle East Countries, United States and others.

For the purpose of geographical segment the sales are divided into two segments - within India and outside India. The accounting policies of the segments are the same

Gegraphical segment wise disclousre:

Particulars	Within India	Outside India	Total
Revenue from operation by location of customers			
Year Ended March 31, 2024	6,151.12	24,190.76	30,341.87
Year Ended March 31, 2023	13,971.70	26,427.59	40,399.29
Total assets by geographical location			
Year Ended March 31, 2024	24,662.80	7,865.27	32,528.07
Year Ended March 31, 2023	26,702.54	6,468.30	33,170.84
Non-current operating assets by geographical location			
Year Ended March 31, 2024	12,494.84	-	12,494.84
Year Ended March 31, 2023	11,126.05	-	11,126.05
Capital expenditure - Property plant and equipments by geographical location			
Year Ended March 31, 2024	14,554.54	-	14,554.54
Year Ended March 31, 2023	12,729.19	-	12,729.19

Notes:

(i) Capital expenditure consists of additions of property, plant and equipment,Capital work in progress net of capitalisation from previous year.

(ii) There are two customers having revenue exceeding 10% of total revenue of the Company.

(iii) Non-current operation assets includes property, plant and equipment, right of use assets, capital work in progress under development and other non-current assets.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

27 Disclosure of Defined benefit plans and defined contribution plan

(A) Defined benefit plan

The Group operates following defined benefit obligations:

(a) Defined benifit plan :

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-

(i) Net defined benefit asset/ (liability) recognised in the balance sheet

Particulars	Gratuity	
	As at 31 March 2024	As at 31 March 2023
Present value of defined benefit obligation	118.34	109.33
Fair value of plan assets	54.32	50.51
Net liability recognized in consolidated balance sheet	**64.02**	**58.82**

(ii) Net defined benefit expense (recognised in the statement of profit and loss for the year)

Particulars	Gratuity	
	As at 31 March 2024	As at 31 March 2023
Current service cost	5.58	5.26
Interest cost (net)	4.22	3.85
Net defined benefit expense debited to statement of profit and loss	**9.80**	**9.11**

(iii) The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Present value of obligation as at the beginning of the year	109.33	99.89
Current service cost	5.58	5.26
Interest cost	7.92	7.06
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions	2.98	(2.97)
Actuarial changes arising from changes in financial assumptions	-	-
Actuarial changes arising from changes in experience adjustments	(4.14)	0.10
Benefits paid	(3.34)	-
Closing defined benefit obligation	**118.32**	**109.34**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(iv) Reconciliation of opening and closing balances of fair value of plan assets:

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Fair value of plan assets at the beginning of the year	50.51	43.94
Employer contribution	3.19	3.63
Benefits paid	(3.34)	-
Returns on plan assets	3.96	2.94
Fair value of plan assets at the end of the year	**54.32**	**50.51**

(v) Re-measurements Gain/ (loss) recognised in other comprehensive income (OCI):

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:	0.05	2.65
Actuarial changes arising from changes in financial assumptions	2.98	(2.98)
Actuarial changes arising from changes in experience adjustments	(4.14)	0.10
Return on plan assets, excluding amount recognised in net interest expense	(0.27)	0.28
Recognised in other comprehensive income	**(1.38)**	**0.05**

(vi) Principal actuarial used in recognition of Defined benefit obligation are as follows:

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.20%	7.50%
Future salary increase	7.00%	7.00%
Expected return on plan assets	NA	NA
Retirement age (in years)	58	58

Mortality rate

Particulars	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition rates based on age (per annum):		
Up to 30 years	5%	5%
From 31 to 40 years	3%	3%
Above 41 years	2%	2%

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(vi) Maturity profile of defined benefit obligation:

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Expected benefits for year 1	5.67	7.46
Expected benefits for year 2	3.63	3.41
Expected benefits for year 3	6.56	3.53
Expected benefits for year 4	12.21	0.64
Expected benefits for year 5	12.78	12.13
Expected benefits for year 6	3.73	12.05
Expected benefits for year 7	18.11	3.61
Expected benefits for year 8	3.62	19.19
Expected benefits for year 9	28.53	3.46
Expected benefits for year 10 and above	146.09	165.56

(viii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(ix) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(x) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

(xi) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(B) Defined contribution plan

Following are the contribution to Defined Contribution Plan, recognised as expense for the year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to provident and other funds	15.85	13.52
Total	**15.85**	**13.52**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

28 Related Party Disclosures

The related parties as per identified by management.

(A) Names of related parties and description of relationship:

(i) Related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:

Entity Name	Relationship
Arjun Food Colorants Manufacturing Private Limited	Wholly Owned Subsidiary
Chroma Food Ingredients Pvt Ltd	KMP is a Director
Vidhi Finechem Pvt Ltd	KMP is a Director
Vidhi Food Colours Dahej Pvt Ltd	KMP is a Director

Partnership firms	Relationship
Trident Colours & Chemicals	Enterprises in which relative of KMP is a Proprietor
Vibgyor Exports	Enterprises in which director is a Proprietor

(ii) Key management personnel

Name	Relationship
Bipin M. Manek	Key Mangement Personnel - Executive Director
Mihir B. Manek	Key Mangement Personnel - Executive Director
Vidhi H Parekh	Key Mangement Personnel - Executive Director
Pravina B. Manek	Key Mangement Personnel - Non Executive Director
Vijay K. Atre	Key Mangement Personnel - Non Executive Director (Resigned w.e.f 31.08.2022)
Rahul Berde	Key Mangement Personnel - Independent Director
Niren Desai	Key Mangement Personnel - Independent Director
Prafulchandra Shah	Key Mangement Personnel - Independent Director
Ashit Doshi	Key Mangement Personnel - Independent Director
Jyoti Modi	Key Mangement Personnel - Independent Director
Priyanka Soni	Company Secretary (Resigned w.e.f 10.12.2022)
Vishakha Pandya	Company Secretary (w.e.f 10.02.2023)

Relatives of key management personnel	Relationship
Mitesh Manek	Chief Financial Officer
Kripa M Manek	Spouse of CFO

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(B) Transactions with related parties

Particulars	Entities over which key management personnel and their relatives are able to exercise significant influence		Key management personnel and relatives	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Sale of goods	127.10	146.44	-	-
Purchase of goods	2.61	66.12	-	-
Services received	-	-	12.00	11.70
Remuneration	-	-	150.00	157.26
Sitting Fees	-	-	4.00	4.13
Interest paid	-	-	-	20.32
Unsecured loan given	2.67	7.55		
Unsecured loan received	-	-		-
Unsecured loan repayment	-	-	-	840.32
Payment of commission	-	-	390.00	340.00
Payment of Guarantee Commission	-	-	90.00	90.00
Reimbursement of Expense	-	-	-	0.50

(C) Balances with related parties at the year end

Particulars	Entities over which key management personnel and their relatives are able to exercise significant influence		Key management personnel and relatives	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Receivables	236.27	310.49	-	-
Payables	-	-	(106.15)	(62.94)

(D) Transactions with related parties

(i) Transactions with related parties for the year ended March 31, 2024

Particulars	March 31, 2024	March 31, 2023
Sale of goods		
Vibgyor Exports (Net of GST)	-	58.57
Chroma Food Ingredients Pvt Ltd (Net of GST)	127.10	87.87
	127.10	**146.44**
Purchase of goods		
Vibgyor Exports (Net of GST)	-	66.12
Trident Colours and chemicals	-	-
Chroma Food Ingredients Pvt Ltd (Net of GST)	2.61	-
	2.61	**66.12**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Services received		
Kripa M Manek	12.00	11.70
	12.00	**11.70**
Unsecured Loan Given		
Arjun Food Colorants Manufacturing Private Ltd	2.67	2.67
	2.67	**2.67**

(E) Balances with related parties

(i) Balances Outstanding as at March 31, 2024

Particulars	March 31, 2024	March 31, 2023
Payables		
Pravina B. Manek	-	(34.56)
Bipin Manek	(27.53)	(1.41)
Mihir B. Manek	(75.38)	(24.75)
Mitesh D Manek	(1.33)	(0.31)
Vishakha Pandya Shashikant	(0.60)	(0.60)
Rahul Berde	(0.11)	(0.11)
Vidhi H Parekh	(0.75)	(0.75)
Kripa M Manek	(0.45)	(0.45)
	(106.15)	**(62.94)**
Trade Receivables		
Trident Colours & Chemicals	207.82	245.39
Chroma Food Ingredients Pvt Ltd	15.72	9.83
Vibgyor Exports	-	45.20
Loans & Advances	-	-
Arjun Food Colorants Manufacturing Private Ltd	12.73	10.07
	236.27	**310.49**

Notes:

(a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(b) As at March 31, 2024 , the Company has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(c) All the liabilities for post retirement benefits being 'Gratuity, compensated absence and pension benefit' are provided on actuarial basis for the Group as a whole, accordingly the amount pertaining to Key management personnel are not included above.

(F) Key managerial personnel compensation

Remuneration to Chairman & Managing Director (CMD)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short Term Benefit		
Remuneration to Chairman & Managing Director (CMD)		
Bipin M. Manek	60.00	60.00
Mihir B. Manek	60.00	60.00
Commission	390.00	340.00
Total	**510.00**	**460.00**

Payment of Bank Guarantee Commission

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bipin M. Manek	45.00	45.00
Pravina B. Manek	45.00	45.00
Total	**90.00**	**90.00**

Remuneration to Key Managerial other than CMD

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short Term Benefit		
Vidhi H Parekh (Wholetime Director)	12.00	12.00
Vijay K Atre (Non Executive Director)	-	2.50
Mitesh D Manek (Chief Financial Officer)	18.00	18.00
Vishakha Pandya Shashikant (Company secreatry)	7.20	1.01
Priyanka Soni (Company secreatry)	-	3.75
Others - Allowances		
Vijay K Atre (Non Executive Director)	-	0.50
Total	**37.20**	**37.76**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Sitting Fees to Independent Directors

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sitting Fees		
Rahul Berde	0.80	0.80
Niren Desai	0.80	0.80
Prafulchandra Shah	0.80	0.80
Jyoti Sunil Modi	0.80	0.93
Ashit Kantilal Doshi	0.80	0.80
Total	**4.00**	**4.13**

Loan Paid

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bipin M. Manek	-	79.31
Mihir B. Manek	-	440.00
Pravina B. Manek	-	321.01
Total	**-**	**840.32**

Interest on Loan taken

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bipin M. Manek	-	2.63
Mihir B. Manek	-	6.69
Pravina B. Manek	-	11.00
Total	**-**	**20.32**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

29 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company financial instruments.

Category	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial instruments by category				
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	1,172.25	1,172.25	1,382.16	1,382.16
Trade receivables (current and non current)	8,833.74	8,833.74	10,076.78	10,076.78
Cash and cash equivalents	1,153.52	1,153.52	728.12	728.12
Other bank balances (current and non current)	23.08	23.08	25.74	25.74
Total	**11,182.59**	**11,182.59**	**12,212.80**	**12,212.80**
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	1,978.07	1,978.07	4,965.79	4,965.79
Lease liabilities (current and non current)	58.32	58.32	69.96	69.96
Other financial liabilities (current and non current)	102.70	102.70	194.41	194.41
Trade payables (current and non current)	1,588.33	1,588.33	2,278.57	2,278.57
Total	**3,727.42**	**3,727.42**	**7,508.73**	**7,508.73**

Management of the Company has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value

(i) The fair value of unquoted instruments, loans from banks other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

(ii) The fair values of the investment in mutual fund has been determined based on net assets value (NAV) available in open market.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(iii) Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose.

(iv) Fair value hierarchy

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. The mutual funds are valued using the net assets value (NAV) available in open market. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

a) Recognized and measured at Fair value

b) Measured at amortized cost and for which fair value is disclosed in financial statements

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2024

Particulars	Carrying value	Fair Value		
	As at March 31, 2024	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	1,172.25	-	-	1,172.25
		-	-	-
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	1,978.07	-	-	1,978.07
Lease liabilities (current and non current)	58.32	-	-	58.32
Other financial liabilities (current and non current)	102.70	-	-	102.70

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023

Particulars	Carrying value	Fair Value		
	As at March 31, 2023	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	1,382.16	-	-	1,382.16
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	4,965.79	-	-	4,965.79
Lease liabilities (current and non current)	69.96	-	-	69.96
Other financial liabilities (current and non current)	194.41	-	-	194.41

30 Financial risk management objectives and policies

The Company being the active supplier for the automobile industry is exposed to various market risk, credit risk and liquidity risk. The Company has global presence and has decentralised management structure. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. The Company has set up a risk management committee (RMC) which comprise of Company chief finance officer and three directors of parent company of which two are independent directors. RMC periodically reviews operating, financial and strategic risk in the business and their mitigating factors. RMC has formulated a risk management policy for the Individaul Company company and Company as a whole, which outlines the risk management framework to help minimise the impact of uncertainty. The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risk associated with the business. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective. The Company's financial risk management is an integral part of how to plan and execute its business strategies. Below notes explain the sources of risks in which the Company is exposed to and how it manages the risks.

(a) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company’s income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables . We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(i) Foreign currency risk

The Company is exposed to currency risk on account of transaction with foreign subsidiaries and other parties. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company exposure to foreign currency risk at the end of the reporting periods are as follows

Particulars of un-hedged foreign currency exposure

Currency	As at 31 March 2024			As at 31 March 2023		
	Foreign currency Amount	Exchange rate (in ₹)	Amount	Foreign currency Amount	Exchange rate (in ₹)	Amount
Trade receivables						
USD	$8,531,450.72	83.37	711,300,319.40	$7,176,789.82	82.22	590,053,411.12
EURO	€ 833,834.83	90.22	75,226,743.93	€ 633,613.09	89.61	56,776,548.50
Trade payable, Capital creditors and other financial liabilities						
USD	$32,735.63	83.37	2,729,297.14	$1,045,267.50	82.22	85,938,653.52
AED				-	-	-

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in currency exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as given below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gain/ (loss) Impact on profit before tax and equity		Gain/ (loss) Impact on profit before tax and equity	
	Change +3%	Change -3%	Change +3%	Change -3%
Trade receivables				
USD	21,339,009.58	(21,339,009.58)	17,701,602.33	(17,701,602.33)
EURO	2,256,802.32	(2,256,802.32)	1,703,296.46	(1,703,296.46)
Trade payable & Capital creditors				
USD	81,878.91	(81,878.91)	2,578,159.61	(2,578,159.61)
AED	-	-	-	-

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(ii) Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's main interest rate risk arises from long-term borrowings with variable rates. The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2024, after taking into account the effect of interest rate swaps, the Company has following fixed rate and variable rate borrowing:

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings		
Fixed rate borrowings	1,978.07	4,965.79
Total	**1,978.07**	**4,965.79**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Impact on profit before tax and equity	
Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Increase by 0.5%	(9.89)	(24.83)
Decrease by 0.5%	9.89	24.83

(b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through the use of short term bank deposits, short term loans, and cash credit facility etc. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Maturity profile of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2024	Less than 1 Years	1-5 Years	More than 5 Years	Total
Borrowings	1,943.05	35.02	-	1,978.07
Lease liabilities (undiscounted)	-	58.32	-	58.32
Trade payable	1,588.33	-	-	1,588.33
Other financial liabilities	102.70	-	-	102.70
As at March 31, 2023				
Borrowings	4,497.39	468.40	-	4,965.79
Lease liabilities (undiscounted)	-	69.96	-	69.96
Trade payable	2,278.57	-	-	2,278.57
Other financial liabilities	194.41	-	-	194.41

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions and funds with mutual fund asset management companies (AMC). The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(i) Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The Company uses an allowance matrix to measure the expected credt losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

(ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2024 is the carrying amounts . The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Other financial assets (current and non-current)	1,172.25	1,382.16
Cash and cash equivalents	1,153.52	728.12
Other bank balances (current and non current)	23.08	25.74
Investments measured at fair value through profit and loss:	-	-
	2,348.85	**2,136.02**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	8,833.74	10,076.78
	8,833.74	**10,076.78**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

Particulars	As at March 31, 2024	As at March 31, 2023
The ageing analysis of trade receivables has been considered from the date the invoice falls due		
Particulars		
Trade Receivables		
0 to 180 days due past due date	8,242.83	9,207.17
More than 180 days past due date	590.91	869.61
Total Trade Receivables	**8,833.74**	**10,076.78**

Particulars	As at March 31, 2024	As at March 31, 2023
The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-		
As at the beginning of year	139.98	104.30
Provision during the year	(42.07)	35.68
Reversal of provision during the year	-	-
As at the end of year	**97.91**	**139.98**

31 Capital management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the parent company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	March 31, 2024	March 31, 2023
Loan and borrowing *	1,978.07	4,965.79
Less : Cash and cash equivalent	(1,153.52)	(728.12)
Net debts	**824.55**	**4,237.67**
Equity / Net Worth	28,106.46	25,139.45
Total Capital	**28,106.46**	**25,139.45**
Capital and Net debts	**28,931.01**	**29,377.12**

Gearing Ratio (Net Debt/Capital and Net Debt)

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

* Borrowings does not includes Lease liabilities

32 Additional Regulatory Information

Ratios

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance*	Remarks
Current Ratio (in times)	Total current assets	Total current liabilities	4.80	2.87	67%	*Note no 1
Debt-Equity ratio (in times)	Debt consists of borrowings	Total equity	0.00	0.02	-93%	*Note no 2
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	0.10	0.02	353%	*Note no 3
Inventory turnover ratio	Revenue from operations	Average Inventory	5.41	6.69	-19%	
Return on equity ratio (in %)	Profit for the year (after tax)	Average total equity	0.18	0.21	-14%	

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance*	Remarks
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.45	4.02	-14%	
Trade payables turnover ratio (in times)	Cost of material consumed and purchase of stock-in-trade + Manufacturing cost + Other expenses	Average trade payables	14.65	14.93	-2%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.15	2.82	-24%	
Net profit ratio (in %)	Profit for the year (after tax)	Revenue from operations	0.16	0.12	30%	*Note no 4
Return on capital employed (in %)	Profit for the year (after tax)	Tangible net worth + Debt consists of borrowings + Deferred tax liabilities	0.18	0.21	-13%	
Return on Investement						
Quoted	Income generated from Investements	Time weighted average investements	-	-	0.00%	
Unquoted	Income generated from Investements	Time weighted average investements	-	-	0.00%	

Notes:-

1. During the year the working capital borrowings has reduced, resulting in favourable current ratio.

2. During the year the Company has repaid borrowed Term loan, resulting in favourable debt equity ratio.

3. During the year the Company has repaid borrowed Term loan alongwith interest substantiall,resulting in favourable debt service ratio.

4. During the year the Company has maintained the similar level of profitability even though reduction in the total revenue, resulted in favourable net profit ratio

33 Additional information required

(i) Details of Benami property: No proceedings have been initiated on or are pending against any of the group companies for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter: Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(iii) Compliance with approved scheme of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(iv) Utilisation of borrowed funds and share premium: The Company has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(v) Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) Valuation of PP&E, intangible asset and investment property: The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(vii) Utilisation of borrowings availed from banks and financial institutions: The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

34 Corporate social responsisbilty

During the year the company is required to contribute Rs.120 Lakhs towards the CSR contribution and company has incurred Rs. 120 Lakhs towards the "Education Purpose".

35 Previous year figures have been regrouped/rearranged to confirm them to current years figures.

The accompanying notes form an integral part of the standalone/consolidated financial statements.

As per our report of even date
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 29th May, 2024

For and on behalf of the board of directors of
Vidhi Specialty Food Ingredients Limited

Bipin M. Manek
Chairman & Managing Director
DIN: 00416441

Mihir B. Manek
Joint Managing Director
DIN: 00650613

Mitesh D. Manek
Chief Financial Officer
PAN: ALDPM9178K

Vishaka Pandya
Company Secretary
Membership No. 59436

Place : Mumbai
Date : 29th May, 2024

Independent Auditor's Report

To The Members of

Vidhi Specialty Food Ingredients Ltd

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Vidhi Specialty Food Ingredients Ltd**

("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated balance sheet as at 31st March, 2024, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity, with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2024, their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA" s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit matters

Key audit matters ("KAM") are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	Auditor's Response
1	**Inventory Existence:** The Company recognized inventory of Rs. 5,632.56 Lakhs as at 31 March 2024. Within each location, inventory is stored in packet, drums at factory and third-party locations. This is a key audit matter because of the • Significance of the inventory balance to the statement of financial position and • Complexity involved in determining inventory quantities on hand due to the number, conversion from Ltr. to Kgs., location and diversity of inventory storage locations, inventories lying with third parties etc.	We attended inventory counts at factory, which we selected based on financial significance and risk We performed the following procedures at each site: • Selected a sample of inventory items and compared the quantities we counted; • Observed a sample of managements inventory count procedures to assess compliance with Company Policy and • Made enquiries regarding obsolete inventory items and inspected the condition of items counted. We have also evaluated a selection of controls over inventory existence across the Company. Also obtained confirmation for inventories held with third parties.
2	**Trade Receivables:** Trade receivables comprise a significant portion of the current assets of the Company and serve as security for a majority of the Company short-term debt. As indicated in Note 6(C) of the financial statements. The receivables provision has made based on Expected Credit Loss method. Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter.	We assessed the validity of material long outstanding receivables by obtaining third-party confirmations of amounts receivable. We also considered payments received subsequent to year-end, insurance held for overseas trade receivables, past payment history and unusual patterns to identify potentially impaired balances. The assessment of the appropriateness of the allowance for trade receivables comprised a variety of audit procedures across the Company including: • Assessing the appropriateness and reasonableness of the assumptions applied in the managements' assessment of the receivables allowance; • Consideration of the creditworthiness of significant export trade receivables over 270 days; • Consideration and concurrence of the agreed payment terms; • Verification of receipts from trade receivables subsequent to year-end; and • Considered the completeness and accuracy of the disclosures. To address the risk of management bias, we evaluated the results of audit procedures on other key balances to assess whether or not there was an indication of bias. We were satisfied that the Company's trade receivables are fairly valued and adequately provided. We further considered whether the provisions were misstated and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the financial statements are appropriate.

Other information

The Holding Company's Management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the consolidated financial statements, and our auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of each Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

   We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

   We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

   From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Holding as well as subsidiary company as on 31st March, 2024 taken on record by the respective Board of Directors, none of the directors of group companies is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

a) The Group did not have any material foreseeable losses on long-term contracts, including derivative contracts, during the year ended 31st March, 2024.

b) There has been no delay in transferring amount which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company.

d) i The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) i and (d) ii above contain any material misstatement.

e) As stated in Note 10(viii) of the Consolidated financial statements:

1) The final dividend proposed in the previous year, declared and paid by the Holding during the year is in accordance with Section 123 of the Act, as applicable.

2) The interim dividend declared and paid by the Holding during the year and until the date of this report is in a compliance with Section 123 of the Act.

3) The Board of Directors of the Holding have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

f) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April, 2023. Based on our examination which included test checks, the Group has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software.

g) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.: 101474W/W100100

Atul Gala
Partner
Membership Number: 048650
Place: Mumbai
UDIN: 24048650BKCNII7579
Date: 29th May, 2024

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, have unfavourable remark given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No	Name of the entity	CIN	Relationship	Clause no. of the CARO report which is unfavourable
1.	Vidhi Specialty Food Ingredients Limited	L24110MH1994PLC076156	Holding Company	Clause ii(b), iii(d), (e) & (f), vii(a)
2.	Arjun Food Colorants Manufacturing Private Limited	U24111MH1995PTC092460	Subsidiary	Clause vii(a), xvii

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.: 101474W/W100100

Atul Gala
Partner
Membership Number: 048650
Place: Mumbai
UDIN: 24048650BKCNII7579
Date: 29th May, 2024

Annexure B to the Independent Auditor's Report on the Consolidated Financial Statements on the Consolidated Financial Statements of Vidhi Specialty Food Ingredients Pvt Ltd for the year ended 31st March, 2024

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the **Vidhi Specialty Food Ingredients Ltd** ("the Holding Company") as of and for the year ended 31st March, 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and such subsidiary company incorporated in India under the Companies Act, 2013 as of that date.

In our opinion, the Holding Company and such subsidiary company incorporated in India, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31st March, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Director's Responsibilities for Internal Financial Control

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.: 101474W/W100100

Atul Gala
Partner
Membership Number: 048650
Place: Mumbai
UDIN: 24048650BKCNII7579
Date: 29th May, 2024

Consolidated Balance Sheet as at March 31, 2024

(₹ in lakhs)

		Notes	As at March 31, 2024	As at March 31, 2023
	ASSETS			
I	**Non-current assets**			
	Property, plant and equipment	3	12,070.32	4,400.45
	Right of use assets	4	534.24	384.27
	Capital work in progress	3	395.05	6,845.33
	Good will	5	738.87	750.88
	Other non-current assets	8	9.93	13.15
	Total non-current assets		**13,748.41**	**12,394.08**
II	**Current assets**			
	Inventories	7	5,632.56	6,053.24
	Financial assets	6		
	(i) Trade receivables	6(C)	8,833.74	10,076.78
	(ii) Cash and cash equivalents	6(D)	1,154.01	728.56
	(iii) Bank balances other than (iii) above	6(E)	23.08	25.74
	(iv) Loans	6(F)	122.45	91.93
	(v) Other financial assets	6(G)	1,172.25	1,382.15
	Current tax assets (net)	9	-	-
	Other current assets	8	1,766.73	2,360.30
	Total current assets		**18,704.82**	**20,718.70**
	Total assets		**32,453.23**	**33,112.78**
EQUITY AND LIABILITIES				
I	**Equity**			
	Equity share capital	10	500.20	500.20
	Other equity	11	27,522.38	24,572.69
	Total equity attributable to owners of the Company		**28,022.58**	**25,072.89**
	Total equity		**28,022.58**	**25,072.89**
	Liabilities			
II	**Non-current liabilities**			
	Financial liabilities	12		
	(i) Borrowings	12(A)	37.10	470.48
	(ii) Lease liabilities	12(B)	58.32	69.96
	Provisions	13	64.01	58.82
	Deferred tax liabilities (net)	14	366.14	208.37
	Total non-current liabilities		**525.57**	**807.63**
III	**Current liabilities**			
	Financial liabilities	12		
	(i) Borrowings	12(A)	1,943.05	4,497.39
	(ii) Trade payables			
	(a) total outstanding dues of micro enterprises and small enterprises	12(C)	-	182.60
	(b) total outstanding dues of creditors other than micro and small enterprises	12(C)	1,595.09	2,102.30
	(iv) Other financial liabilities	12(D)	102.70	194.42
	Other current liabilities	15	241.35	197.37
	Provisions	13	17.77	15.69
	Current tax liabilities	16	5.12	42.49
	Total current liabilities		**3,905.08**	**7,232.26**
	Total Liabilities		**4,430.65**	**8,039.89**
	Total Equity and Liabilities		**32,453.23**	**33,112.78**

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 29th May, 2024

For and on behalf of the Board of Directors of
Vidhi Specialty Food Ingredients Limited

Bipin M Manek
Chairman & Managing Director
DIN No. 00416441

Mihir B Manek
Joint Managing Director
DIN No. 00650613

Mitesh D Manek
Chief Financial Officer
PAN: ALDPM9178K

Vishaka Pandya
Company Secretary
Membership No. 59436

Place : Mumbai
Date : 29th May, 2024

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(₹ in lakhs)

		Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I	**Income**			
	Revenue from operations	17	30,341.87	40,399.29
	Other income	18	119.21	120.99
	Total income		**30,461.08**	**40,520.28**
II	**Expenses**			
	Cost of raw materials and components consumed	19	17,011.65	16,259.99
	Purchases of stock in trade	20	1,743.51	13,133.97
	Change in inventories of finished goods, stock in trade and work-in-progress	21	323.74	(100.55)
	Employee benefits expense	22	1,039.62	908.38
	Finance costs	23	318.35	364.04
	Depreciation and amortisation expense	24	622.31	350.48
	Other expenses	25	4,521.64	4,624.02
	Total expenses		**25,580.82**	**35,540.33**
III	**Profit before exceptional items and tax**		4,880.26	4,979.95
	Exceptional items		-	-
IV	**Profit before tax**		**4,880.26**	**4,979.95**
V	**Income tax expense**	14		
	Current tax		1,075.00	1,265.00
	Deferred tax charge/(credit)		160.46	(55.05)
	Total tax expense		**1,235.46**	**1,209.95**
VI	**Net profit for the year after taxes**		**3,644.80**	**3,770.00**
VII	**Profit for the year**		**3,644.80**	**3,770.00**
VIII	**Other comprehensive income**			
(a)	**Items that will not be reclassified to profit or loss in subsequent periods**			
	(i) Remeasurements gains/(losses) on defined benefit plans		1.43	2.60
	(ii) Income tax effect on above		2.69	0.65
	Other comprehensive income for the year, net of tax		**4.12**	**3.25**
IX	**Total comprehensive income for the year, net of tax**		**3,648.92**	**3,773.25**
X	**Earnings per equity share [nominal value of share ₹ 1 (Previous year ₹ 1)]**			
	Basic earning per share(₹)		7.31	7.55
	Diluted earning per share(₹)		7.31	7.55

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 29th May, 2024

For and on behalf of the Board of Directors of
Vidhi Specialty Food Ingredients Limited

Bipin M Manek
Chairman & Managing Director
DIN No. 00416441

Mihir B Manek
Joint Managing Director
DIN No. 00650613

Mitesh D Manek
Chief Financial Officer
PAN: ALDPM9178K

Vishaka Pandya
Company Secretary
Membership No. 59436

Place : Mumbai
Date : 29th May, 2024

Consolidated Cash flow statement for the Financial Year ended 31st March 2024

(₹ in lakhs)

		For the year ended March 31, 2024	For the year ended March 31, 2024
A	**Cash flows from operating activities :**		
	Profit before tax	4,880.26	4,979.95
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expense	622.31	350.48
	Interest income on bank deposits and others	(67.40)	(46.27)
	Finance costs	318.35	364.04
	Sundry Balance Written off	62.74	(2.60)
	Expected Credit loss	(46.26)	35.68
	Interest on MSME	-	0.62
	Operating Profit before working capital changes	**5,770.01**	**5,681.89**
	Movement in working capital		
	(Increase)/ Decrease in inventories	420.68	1,213.14
	(Increase)/ Decrease in trade receivables	1,289.30	4,900.28
	(Increase)/ Decrease in financial assets	176.72	(262.43)
	(Increase)/ Decrease in other non-current assets	3.22	1.02
	(Increase)/Decrease in Other current assets	591.10	740.04
	Increase/ (Decrease) in trade payables	(752.55)	(1,389.89)
	Increase/ (Decrease) in other financial liabilities	(91.72)	22.48
	Increase/ (Decrease) in other liabilities	43.98	(140.80)
	Increase/ (Decrease) in provisions	8.70	5.63
	Cash generated from operations	**7,459.44**	**10,771.36**
	Income tax paid (net of refund)	(1,112.70)	(1,179.85)
	Net Cash flows from operating activities (A)	**6,346.74**	**9,591.51**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment and intangible assets	(1,989.41)	(4,283.05)
	Interest received	69.87	46.37
	Net cash used in investing activities (B)	**(1,919.54)**	**(4,236.68)**
C	**Cash flows from financing activities**		
	Proceeds/ (Repayment) of Long Term Borrowings (net)	(433.38)	(1,129.23)
	Proceeds from/ (repayment of) short term borrowings (net)	(2,554.34)	(2,855.27)
	Interest paid on borrowings	(317.45)	(363.41)
	Payment of dividend	(696.57)	(397.46)
	Net cash used in financing activities (C)	**(4,001.74)**	**(4,745.36)**
	Net Increase/ (decrease) in cash and cash equivalents(A+B+C)	**425.45**	**609.47**
	Cash and cash equivalents as at beginning	728.56	119.09
	Effects of exchange rate changes on cash and cash equivalents	-	-
	Cash and cash equivalents as at closing	**1,154.01**	**728.56**

Note :

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind As 7 Specified under section 133 of the companies Act, 2013.

2 Components of cash and cash equivalents

₹ In lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash and cash equivalents		
Balances with banks		
In current / cash credit accounts	354.41	640.19
Deposits with a original maturity of less than three months	-	-
Deposits with original maturity of more than three months but less than twelve months	783.50	73.75
Cash on hand	16.10	14.62
Cash and cash equivalents at the end of the year	**1,154.01**	**728.56**

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 29th May, 2024

For and on behalf of the Board of Directors of
Vidhi Specialty Food Ingredients Limited

Bipin M Manek
Chairman & Managing Director
DIN No. 00416441

Mihir B Manek
Joint Managing Director
DIN No. 00650613

Mitesh D Manek
Chief Financial Officer
PAN: ALDPM9178K

Vishaka Pandya
Company Secretary
Membership No. 59436

Place : Mumbai
Date : 29th May, 2024

Consolidated Statement of changes in equity for the year ended March 31, 2024

a) Equity share capital

Particulars	Amount
Balance as at April 01, 2022	**500.20**
Issue of equity shares ₹1/- each	-
Balance as at March 31, 2023	**500.20**
Issue of equity shares ₹1/- each	-
Balance as at March 31, 2024	**500.20**

(b) Other equity

₹ In lakhs

Particulars	Capital reserves	General reserves	Retained earnings	Total other equity
As at April 01, 2022	**7.77**	**2,445.01**	**18,746.22**	**21,199.00**
Profit for the year	-		3,770.00	**3,770.00**
Other comprehensive income for the year	-		3.25	3.25
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	-	-
Total Comprehensive income for the year	-	-	**3,773.25**	**3,773.25**
Transactions with owners in their capacity as owners:				
Dividend paid during the year				
Transfer to General Reserve	-	-	(399.56)	(399.56)
Capital Reserve (Business Combination)	-	-	-	-
As at March 31, 2023	**7.77**	**2,445.01**	**22,119.91**	**24,572.69**
Profit for the year	-	-	3,644.80	3,644.80
Other comprehensive income for the year	-	-	4.12	4.12
Total Comprehensive income for the year	-	-	**3,648.92**	**3,648.92**
Transactions with owners in their capacity as owners:				
Dividend paid during the year	-	-	(699.23)	(699.23)
As at March 31, 2024	**7.77**	**2,445.01**	**25,069.60**	**27,522.38**

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

For and on behalf of the Board of Directors of
Vidhi Specialty Food Ingredients Limited

Atul Gala
Partner
Membership No. 048650

Bipin M Manek
Chairman & Managing Director
DIN No. 00416441

Mihir B Manek
Joint Managing Director
DIN No. 00650613

Mitesh D Manek
Chief Financial Officer
PAN: ALDPM9178K

Vishaka Pandya
Company Secretary
Membership No. 59436

Place : Mumbai
Date : 29th May, 2024

Place : Mumbai
Date : 29th May, 2024

Notes to Financial Statements for the year ended 31 March 2024

(1). Corporate Information:

The Company was incorporated on 19th January, 1994 and is engaged in the business of manufacturing and trading in synthetic food colors and trading in chemicals. The company was formerly known as "Vidhi Dyestuffs Manufacturing Limited" and w.e.f. 25th August, 2016, it is changed to "Vidhi Specialty Food Ingredients Limited".

The equity shares of the company are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

Authorization of financial statements

The consolidated financials statemente were authorised for issue in accordance with a resolution of the Board of Directors passed on 29th May 2024.

(2) Material Accounting Policies:

(i) Basis of preparation

The Financial Statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements upto the year ended 31st March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

Effective 1st April 2017, the company has adopted Ind AS and adoption was carried out in accordance with Ind AS 101 first time adoption of accounting standard, with 1st April, 2016 as the transition was carried out from Indian Accounting

Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Use of Estimates

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

(iii) Current / Non-Current classification

The normal operating cycle of the Company is 12 months. Assets and Liabilities which are expected to be realizable / payable within 12 months are to be classified as current and rest will be classified as non-current.

(iv) Revenue Recognition

Revenue from sale of products is recognized on transfer of all significant risk and rewards of ownership to the customers, which is generally on dispatch of goods and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are stated exclusive of sales tax & GST and net of trade discount and quantity discount.

Dividend Income is recognized when the right to receive the dividend is established.

Interest Income is recognized on time proportion basis.

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

(v) Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Notes to Financial Statements for the year ended 31 March 2024

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at their reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

(vi) Property, plant and equipment

(i) Freehold land is carried at historical cost and all other property, plant and equipment are shown at cost (net of adjustable taxes) less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises of its purchase price, non refundable / adjustable purchase taxes and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, the initial estimate of any decommissioning obligation, if any and for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The cost also includes trial run cost and other operating expenses such as freight, installation charges etc. The projects under construction are carried at costs comprising of costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and attributable borrowing costs.

(ii) Stores and spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

(iii) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

(iv) An Item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset or significant part) is included in the Statement of Profit and Loss when the asset is derecognized.

(v) In line with the provisions of Schedule II to the Companies Act, 2013, the Company depreciates significant components of the main asset (which have different useful lives as compared to the main asset) based on the individual useful life of those components. Useful life for such components of property, plant and equipment has been assessed based on the historical experience and internal technical inputs.

(vi) Depreciation on property, plant and equipment is provided as per straight line method based on useful life prescribed under Schedule II to the Companies Act, 2013. The Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II.

The property, plant and equipment acquired under finance lease are depreciated over the period of lease. Depreciation on stores and spares specific to an item or property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the stores and spares are depreciated over their estimated useful life based on the technical assessment.

(vii) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end, and changes, if any, are accounted prospectively.

(viii) Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. These are stated at cost to date relating to items or project in progress, incurred during construction / preoperative period. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under “Other non-current Assets”.

Notes to Financial Statements for the year ended 31 March 2024

(vii) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets comprising of "Computer Software" are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Estimated useful life of software is assessed to be 10 years.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(viii) Inventories

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

The Inventories [Raw Materials, Traded Goods, Packaging Material, Stock in transit (RM) and Stock with Third Parties (RM)] are valued at lower of cost and net realizable value on First-In-First-Out basis (FIFO).

The Work-in-process and finished goods valued at the batch cost which comprises of cost of raw material, manufacturing expenses, labour charges and other direct expenses.

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

(ix) Foreign currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in financial statements, are recognized as income or as expenses in the year in which they arise.

(iv) Forward Contracts

The premium or discount arising at the inception of forward exchange contracts is booked as expense or income immediately. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

(x) Employee benefits

All employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Retirement benefits in the form of Provident Fund, Employee State Insurance and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Notes to Financial Statements for the year ended 31 March 2024

Defined Contribution plan:

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective fund are due. There are no other obligations other than the contribution payable to the respective fund.

Defined Benefit Plans:

The Company contributes to a gratuity fund which has taken a group policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The premium has been so adjusted as to cover the liability under the scheme in respect of all employees at the end of their future anticipated services with the company.

(xi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as Lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(xii) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to Financial Statements for the year ended 31 March 2024

(xiii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent liability is disclosed in the case of:

- Present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past event, when no reliable estimate is possible.
- A possible obligation arising from past events, unless the probability of outflow of resources is remote. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(xiv) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(xv) Financial instruments

(i) Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial asset not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial asset measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified into two broad categories:

· Financial asset at fair value

· Financial asset at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income)

A financial asset that meet the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

· Business model test: the objective of the Company's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes)

· Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meet the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

Notes to Financial Statements for the year ended 31 March 2024

- Business model test: the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Debt Instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit or loss.

Equity Instruments: All equity instruments within scope of Ind AS 109 are measured at fair value. Equity instruments which are classified as held for trading are measured at FVTPL. For all other equity instruments, the company decides to measure the same either at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such selection on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments measured at FVTOCI, all fair value changes on the instrument, excluding dividends, are recognised in Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of profit or loss, even on sale of such instruments.

The Investments are measured at Fair Market Value. The diminution in the market value of investments is not considered unless such diminution is considered permanent and accordingly provision for diminution is made in books of accounts.

All other financial asset is measured at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either
  - a) the Company has transferred substantially all the risks and rewards of the asset, or
  - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Notes to Financial Statements for the year ended 31 March 2024

Impairment of financial assets:

In accordance with Ind-AS 109, the company applies Expected Credit Losses (ECL) model for measurement and recognition of impairment loss on trade receivables and other advances. The company follows “Simplified Approach” for recognition of impairment loss on these financial assets. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

(ii) Financial liabilities:

Initial recognition and measurement:

Financial Liabilities are classified at initial recognition as:

(i) Financial liabilities at fair value through profit or loss,

(ii) Loans and borrowings, payables, net of directly attributable transaction costs or

(iii) Derivatives designed as hedging instruments in an effective hedge, as appropriate.

The company’s financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in the Statement of Profit and Loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender has agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within twelve months of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Derivative financial instruments:

The Company uses derivative financial instruments, such as foreign exchange forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives

Notes to Financial Statements for the year ended 31 March 2024

are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Loans and borrowings – subsequent measurement

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest Rate (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate (EIR). The Effective Interest Rate (EIR) amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms,or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(xvi) Investment Property

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purpose). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with the requirements of Ind AS 16 for cost model.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecongnition of the property is included in the Statement of Profit and Loss in the period in which the property is derecognized.

(xvii) Borrowing Costs

Borrowing costs are charged to Statement of Profit and Loss except to the extent attributable to acquisition / construction of and asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xviii) Impairment of Non-financial Assets

At each balance sheet date, an assessment is made of whether there is any indication of impairment.

If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Notes to Financial Statements for the year ended 31 March 2024

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments clarify the accounting of the proceeds before intended use wherein the amounts received from selling items produced while the company is preparing the asset for its intended use needs to be deducted from the cost of property, plant and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes to Financial Statements for the year ended 31 March 2024

3. Property, Plant and Equipment

₹In lakhs

Particulars	Leasehold Land	Freehold land	Factory Building	Administrative Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office equipment	Computers	Electrical Installation	Solar Power Project	Total	Capital work in progress	Grand total
Gross carrying amount														
As at April 01, 2022	**16.14**	**3.75**	**1,080.62**	**295.93**	**2,456.50**	**2.42**	**223.45**	**7.46**	**0.14**	**135.76**	**886.07**	**5,108.24**	**3,723.57**	**8,831.81**
Addition/ Deletion due to other reason (business acquisition/dispoal etc)	-	-	554.61	-	531.35	12.10	51.92	-	-	16.18	-	1,166.16	3,121.76	4,287.92
As at March 31, 2023	**16.14**	**3.75**	**1,635.23**	**295.93**	**2,987.85**	**14.52**	**275.37**	**7.46**	**0.14**	**151.94**	**886.07**	**6,274.40**	**6,845.33**	**13,119.73**
Addition/ Deletion due to other reason (business acquisition/dispoal etc)	-	-	5,015.26	41.80	2,697.53	31.13	66.31	-	-	385.07	38.53	8,275.63	(6,450.28)	1,825.35
As at March 31, 2024	**16.14**	**3.75**	**6,650.49**	**337.73**	**5,685.38**	**45.65**	**341.68**	**7.46**	**0.14**	**537.01**	**924.60**	**14,550.03**	**395.05**	**14,945.08**
Accumulated depreciation														
As at April 01, 2022	0.11	-	256.76	67.05	964.59	0.49	123.88	7.40	0.14	100.39	19.19	1,540.00	-	1,540.00
Depreciation charge for the year	-		48.46	11.17	204.27	0.46	24.40	0.06	-	12.08	33.04	333.94	-	333.94
As at March 31, 2023	0.11	-	305.22	78.22	1,168.86	0.95	148.28	7.46	0.14	112.47	52.23	1,873.94	-	1,873.94
Depreciation charge for the year	-	-	159.38	11.55	333.57	3.19	29.81	-	-	34.70	33.60	605.77	-	605.77
As at March 31, 2024	**0.11**	**-**	**464.60**	**89.77**	**1,502.43**	**4.14**	**178.09**	**7.46**	**0.14**	**147.17**	**85.83**	**2,479.71**	**-**	**2,479.71**
Net Carrying amounts														
As at March 31, 2023	**16.03**	**3.75**	**1,330.01**	**217.71**	**1,818.99**	**13.57**	**127.09**	**-**	**-**	**39.47**	**833.84**	**4,400.46**	**6,845.33**	**11,245.79**
As at March 31, 2024	**16.03**	**3.75**	**6,185.89**	**247.96**	**4,182.95**	**41.51**	**163.59**	**-**	**-**	**389.84**	**838.77**	**12,070.32**	**395.05**	**12,465.37**

Notes:-

(a) Property, plant and equipment are pledged/hypothecated as security for borrowing by the company. refer note no.12

(b) There is contractual commitments for the acquisition of property, plant and equipment refer note.26

(c) The amount of borrowing costs capitalised during the year ended March 31, 2024 was Rs 21.11 Lakhs (March 31, 2023: ₹ 46.77 Lakhs). The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.50% (March 31, 2023: 7.50%) which is the effective interest rate of the specific borrowing. No borrowing costs are capitalised on other items of property, plant and equipment under construction.

(d) Capital work in progress as at March 31, 2023 includes assets under construction at Dahej SEZ, Bharuch. In the F Y 2023-24 the same has been capitalised

Notes to Financial Statements for the year ended 31 March 2024

(e) Ageing of capital work-in-progress is as below:

As at March 31, 2024

Particulars	Amounts in capital work in progress for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	4.87	-	390.18	395.05
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**4.87**	**-**	**390.18**	**395.05**

As at March 31, 2023

Particulars	Amounts in capital work in progress for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,121.76	3,060.49	102.59	560.49	6,845.33
Projects temporarily suspended	-	-	-	-	-
Total	**3,121.76**	**3,060.49**	**102.59**	**560.49**	**6,845.33**

(f) There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan at the end of current year and previous year.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

4 Right of use assets and leases liabilities

(i) Right of use assets: The Group's lease asset primarily consist of :

(a) Leasehold land represents land obtained on long term lease from various Government authorities having lease terms between 95 years

(d) Leasehold building represents property taken on lease having lease terms between 36 to 60 months

(ii) The following is carrying value of right of use assets and movement thereof:

Particulars	Leasehold Land	Building	Total
As at April 01, 2022	**333.39**	**7.05**	**340.44**
Additions during the year	-	72.70	72.70
Disposal during the year	-	-	-
Foreign currency translation impact	-	-	-
As at March 31, 2023	**333.39**	**79.75**	**413.15**
Additions during the year	169.06	-	-
Disposal/adjustment during the year	-	-	-
Foreign currency translation impact	-	-	-
As at March 31, 2024	**502.45**	**79.75**	**413.15**
Accumulated depreciation			
As at April 01, 2022	13.66	7.05	20.70
Depreciation for the year	4.53	3.64	8.16
Deductions/ Adjustments (net)	-	-	-
As at March 31, 2023	**18.19**	**10.69**	**28.86**
Depreciation for the year	4.53	14.54	19.07
Disposal during the year	-	-	-
Foreign currency translation impact	-	-	-
As at March 31, 2024	**22.72**	**25.23**	**28.86**
Carrying amounts (net)			
As at March 31, 2023	**315.20**	**69.06**	**384.26**
As at March 31, 2024	**479.73**	**54.52**	**534.25**

(iii) The movement in lease liabilities is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning	69.96	-
Addition during the year	-	72.70
Finance cost accrued during the year	6.36	1.76
Payment of lease liabilities	(18.00)	(4.50)
Balance at the end	**58.32**	**69.96**
Current maturities of lease liabilities	-	-
Non-current lease liabilities	58.32	69.96

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(iv) Amount recognised in the statement of Profit and loss during the year:

Particulars	As at 31 March 2024	As at 31 March 2023
Depreciation charge of right of use assets	19.07	8.16
Finance cost incurred during the year	6.36	1.76
Total	**25.44**	**9.92**

(v) Maturity analysis of undiscounted lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Payable within one year	-	-
Payable between one to five years	58.32	69.96
Total	**58.32**	**69.96**

(vi) The Group does not face significant liquidity risk with regard to its lease liabilities as the current are sufficient to meet the obligation related to lease liabilities as and when they fall due

(vii) Non-cash investing activities during the year

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Acquisition of right of use assets	-	72.70

5 Goodwill and Other Intangible assets

Particulars	Goodwill	Total intangible assets
Gross carrying amount		
As at April 01, 2022	**798.92**	**798.92**
Additions during the year	-	-
Disposals/adjustments	-	-
Addition/ Deletion due to other reason (business acquisition/dispoal etc)	-	-
Foreign currency translation impact	-	-
As at March 31, 2023	**798.92**	**798.92**
Additions during the year	-	-
Disposals/adjustments	-	-
Addition/ Deletion due to other reason (business acquisition/dispoal etc)	-	-
Foreign currency translation impact	-	-
As at March 31, 2024	**798.92**	**798.92**
Accumulated amortisation		
As at April 01, 2022	**36.03**	**36.03**
Amortisation for the year	12.01	12.01
Disposals/adjustments	-	-
Addition/ Deletion due to other reason (business acquisition/dispoal etc)	-	-
Foreign currency translation impact	-	-
As at March 31, 2023	**48.04**	**48.04**
Amortisation for the year	12.01	12.01
Addition/ Deletion due to other reason (business acquisition/dispoal etc)	-	-
Disposals/adjustments	-	-
Foreign currency translation impact	-	-
As at March 31, 2024	**60.05**	**60.05**
Net Carrying amount		
As at March 31, 2023	**750.88**	**750.88**
As at March 31, 2024	**738.87**	**738.87**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

6 Financial Assets

(A) Investment in Subsidiary, associates and joint ventures

Particulars	As at 31 March 2024	As at 31 March 2023
(I) Unquoted equity investments Arjun Food Colorants Mfg Pvt Ltd		
{82,750 equity shares (March 31, 2023 82,750 equity shares) of ₹1595.35/- each, fully paid up}	-	-
	-	-
Total	-	-
Aggregate value of unquoted equity investments valued at cost	-	-

(B) Current investments

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Quoted investments measured at fair value through profit and loss:				
Ontrack System Limited {10,057 units (March 31, 2023: 10,057) of ₹ 1.47 per unit}	0.15	0.15	-	-
	0.15	**0.15**	-	-
Aggregate value of quoted investments measured at fair value through profit and loss	0.15	0.15	-	-
Aggregate market value of quoted investments measured at fair value through profit and loss	0.15	0.15	-	-
Aggregate amount of impairment in value of investments	(0.15)	(0.15)	-	-
Aggregate amount of Quoted Investments - net	-	-	-	-

(C) Trade receivables (valued at amortised cost)

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(Unsecured)				
Trade receivables from contract with customers - considered goods - billed	-	-	8,610.20	9,776.36

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Trade receivables from contract with customers - considered good – related parties	-	-	223.54	300.42
Trade receivables from contract with customers - credit impaired	-	-	97.91	139.98
	-	**-**	**8,931.65**	**10,216.76**
less: Impairment allowance for trade receivable - credit impaired	-	-	(97.91)	(139.98)
Total	**-**	**-**	**8,833.74**	**10,076.78**

Notes:

(a) Trade receivables Ageing Schedule

As at March 31, 2024

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	-	8,242.83	262.88	19.25	1.27	307.52	8,833.75
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	97.91	97.91
Total	**-**	**-**	**8,242.83**	**262.88**	**19.25**	**1.27**	**405.43**	**8,931.65**
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-	(97.91)	(97.91)
Net Trade receivables	**-**	**-**	**8,242.83**	**262.88**	**19.25**	**1.27**	**307.52**	**8,833.74**

As at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from the due date of payment					Total
			Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	-	9,207.17	409.16	57.38	34.51	368.56	10,076.78
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	139.98	139.98

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Total	-	-	9,207.17	409.16	57.38	34.51	508.54	10,216.76
Less: Impairment allowance for trade receivable - credit impaired	-	-	-	-	-	-	(139.98)	(139.98)
Net Trade receivables	-	-	9,207.17	409.16	57.38	34.51	368.56	10,076.78

(b) The movement in allowance for expected credit loss on credit impairment trade receivables is as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	139.98	104.30
Addition during the year	-42.07	35.68
Utilisation of provision during the year	-	-
Balance as at the end of the year	97.91	139.98

(c) Trade receivables includes ₹ 223.54 Lakhs (March 31, 2023: ₹ 300.42 Lakhs) due from Private company/proprietorship firms in which director of the company is director/proprietor respectively. Apart from this there is no other trade or other receivable are due from directors or other officers of the parent company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director of parent company is a partner, a director or a member refer note 29Dii

(d) Trade receivables are non-interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(D) Cash and cash equivalents (valued at amortised cost)				
Balances with banks				
In current / cash credit accounts	-	-	354.41	640.19
Deposits with original maturity of more than three months but less than twelve months {refer note (a)}			783.50	73.75
Cash on hand	-	-	16.10	14.62
	-	-	1,154.01	728.56

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(E) Other Bank balances (valued at amortised cost)				
Unpaid dividend accounts			23.08	25.74
	-	-	**23.08**	**25.74**
(F) Loans				
Loan to employees	-	-	122.45	91.93
	-	-	**122.45**	**91.93**
(G) Other financial assets (Unsecured, considered good unless otherwise stated)				
Derivatives financial instruments				
Financial assets measured at amortised cost				
Security deposits	-	-	185.30	153.44
Deposits with original maturity of more than twelve months	-	-	743.87	1,061.08
Interest accrued on bank deposits	-	-	-	2.47
Incentive receivable {refer note (i)}	-	-	230.66	160.90
Interest receivable on Subvention	-	-	-	-
Other advances	-	-	12.42	4.26
	-	-	**1,172.25**	**1,382.15**

Notes

(i) Movement of government grant receivable

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	160.90	212.67
Accrual of grant related to income (credited to statement of profit and loss account) {refer note below}	380.01	378.89
Grant related to income realised	(310.25)	(430.66)
Closing balance	**230.66**	**160.90**

Note: The above grant relates to export incentive which is recognised in the statement of profit and loss refer note no.17

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

7 Inventories

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw material and components	1,665.89	1,762.82
Work-in-progress	1,501.80	1,320.90
Finished goods	2,099.88	833.62
Traded goods	364.99	2,135.90
	5,632.56	**6,053.24**

Notes:

(a) Inventory hypothecated as security for borrowing by the company refer note no.12

(b) During the year ended March 31, 204 ₹ 39.74 Lakhs (March 31, 2023: ₹ 115.06 Lakhs) was recognised as an expense for inventories carried at net realisable value

(c) The above includes the goods in transits as under:

Raw Material	89.17	66.71

8 Other assets

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(Unsecured considered good, unless otherwise stated)				
Capital advances				
Advance other than capital advance				
Advance for material and supplies considered good	-	-	653.70	1,200.77
Others				
Prepaid expenses	9.93	13.15	166.65	129.80
Balances with government authorities credit impaired	-	-	946.38	1,027.78
Refund Receivable of wealth tax AY 2012-13	-	-	-	1.95
	9.93	**13.15**	**1,766.73**	**2,360.30**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

9 Current tax assets

Particulars	Non-Current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Current tax assests (net of advance tax and tax deducted at source)	-	-	-	-
	-	-	-	-

10 Share Capital

Particulars		As at 31 March 2024		As at 31 March 2023	
		Number	Amount	Number	Amount
(i)	**Authorized**				
	Equity share capital				
	Equity shares of ₹1/- each with voting rights	60,000,000	600.00	60,000,000	600.00
		60,000,000	**600.00**	**60,000,000**	**600.00**
(ii)	**Issued, subscribed and paid up**				
	Equity share capital				
	Equity shares of ₹1/- each with voting rights	50,034,000	500.34	50,034,000	500.34
		50,034,000	**500.34**	**50,034,000**	**500.34**
a	**Subscribed and fully paid up**				
	Equity share capital				
	Equity shares of ₹1/- each with voting rights	49,945,000	499.45	49,945,000	499.45
		49,945,000	**499.45**	**49,945,000**	**499.45**
b	**Subscribed and not fully paid up**				
	Equity share capital				
	Equity shares of ₹1/- each with voting rights	89,000	0.89	89,000	0.89
		89,000	**0.89**	**89,000**	**0.89**
(iii)	**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**				
	Equity shares of ₹1/- each with voting rights				
	Balance at the beginning of the year	50,020,000	500.20	50,020,000	500.20
	Balance at the end of the year	**50,020,000**	**500.20**	**50,020,000**	**500.20**

(iv) Details of shareholders holding more than 5% shares in the Company:

Name of shareholders	As at 31 March 2024		As at 31 March 2023	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹1/- each with voting rights				
Bipin M. Manek	26,10,333	5.23%	26,10,333	5.23%
Pravina B. Manek	34,90,667	6.99%	34,90,667	6.99%
Bipin Manek Family Private Trust	1,15,00,000	23.03%	1,15,00,000	23.03%
Pravina Manek Family Private Trust	1,30,00,000	26.03%	1,30,00,000	26.03%

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(v) Promoter's Holding

Details of shareholding of Promoters is as under:

Shares held by Promoters at the end of the year

Name of shareholders	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% Total Shares	% change during the year	No. of shares	% Total Shares	% change during the year
Bipin M. Manek	26,10,333	5.23%	0.00%	26,10,333	5.23%	0.00%
Pravina B. Manek	34,90,667	6.99%	0.00%	34,90,667	6.99%	0.00%

Promoter Group

Name of shareholders	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% Total Shares	% change during the year	No. of shares	% Total Shares	% change during the year
Bipin M. Manek	26,10,333	5.23%	0.00%	26,10,333	5.23%	0.00%
Pravina B. Manek	34,90,667	6.99%	0.00%	34,90,667	6.99%	0.00%
Bipin Manek Family Private Trust	1,15,00,000	23.03%	0.00%	1,15,00,000	23.03%	0.00%
Pravina Manek Family Private Trust	1,30,00,000	26.03%	0.00%	1,30,00,000	26.03%	0.00%
Manek Family Private Trust	1,500,000	3.00%	0.00%	1,500,000	3.00%	0.00%

(vi) Terms/rights attached to equity shares

The Group has only one class of issued equity shares capital having par value of ₹1/.- per share (31 March 2023 ₹ 1/-per share). Each shareholder is entitled to one vote per share held. . The Group declares and pays dividend in Indian Rupees The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential assets, in proportion to their shareholding. The Shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Group, as applicable.

(vii) Shares issued for consideration other than cash

There are no equity shares issued as bonus shares , issued for consideration other than cash and shares bought back during the period of 5 years immediately preceeding the reporting period

(viii) Dividend paid and proposed

Particulars	As at 31 March 2024	As at 31 March 2023
Dividend declared and paid during the year		
Final dividend of ₹ 0.40 per share for the FY 2022-23 (₹ 0.40 per share for FY 2021-22)	199.78	199.78

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Interim dividend of ₹ 1.00 per share for the FY 2023-24 (₹ 0.40 per share for FY 2022-23)	499.45	199.78
	699.23	**399.56**
Proposed dividends on equity shares:		
Final dividend for the year ended March 31, 2024 ₹ 0.40 per equity share of Rs 1 each (March 31, 2023: Rs 0.40 per equity share of Rs 1 each) recommended by the board of directors subject to approval of shareholders in the ensuing annual general meeting.	499.45	199.78

11 (A) Other equity:

	Particulars	As at 31 March 2024	As at 31 March 2023
	Capital reserve	7.77	7.77
	General Reserve	2,445.01	2,445.01
	Retained earnings	25,069.60	22,119.91
	Total other equity	**27,522.38**	**24,572.69**
(i)	**Capital reserves**		
	Opening balance	7.77	7.77
	Movement during the year	-	-
	Closing balance	**7.77**	**7.77**
(ii)	**General Reserve**		
	Opening balance	2,445.01	2,445.01
	Movement during the year	-	-
	Closing balance	**2,445.01**	**2,445.01**
(iii)	**Retained earnings**		
	Opening balance	22,119.91	18,746.22
	Net profit for the year	3,644.80	3,770.00
	Other comprehensive income / (loss) for the year	4.12	3.25
	Dividend paid during the year	(699.23)	(399.56)
	Transfer to General Reserve	-	-
	Closing balance	**25,069.60**	**22,119.91**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Nature and purpose of other reserves

(iv) Retained earnings

Rtained earning are the profits that the Company has earned till date including gain or loss on measurment of defined beneifts, plans as adjusted for distribuition to owners, transfers to other reserve etc.

(iv) General Reserve

Under the erstwhile Companies Act 1956, General reserve was created through and annual transfer of net income at a specified percentage in accordance with applicable regulations, however the same is not required to be created under Companies Act 2013., This reserve can utulise only in accordance with specified requirements of Companies Act 2013.

12 Financial liabilities

(A) Borrowings (valued at amortised cost)

	Particulars	Long term borrowing		Short term borrowing	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(a)	**Term loans**				
	Term loans from bank (secured) {refer note (i) below)	-	557.31	-	-
	Term loans from others (secured) {refer note (ii) below)	35.02	44.21	-	-
(b)	**Loans repayable on demand {refer note (ii) below)**				
	Working capital demand loan/cash credit from banks (secured) {refer note (v) below)	-	-	1,943.05	4,497.39
(c)	**Current maturities of long term borrowings**				
	Current maturities of term loan (secured)	-	(120.97)	-	-
(d)	**Other**				
	From related parties	-	-	-	-
		35.02	**480.55**	**1,943.05**	**4,497.39**

Notes:

(i) The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from banks are as below:

Nature of security	Terms of repayment and rate of interest	As at March 31, 2024	As at March 31, 2023
Charge on -Plot no Z/61 and Z/62 Dahej -SEZ, Bharuch, Gujarat	60 Monthly Instalments, @ 7.5%	-	557.31

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

The carrying amounts of financial and non-financial assets mortgaged/ hypothecated as security for current and non current borrowings (Loan from Standard Chartered bank is secured by personal assets of a director.)	180 Monthly Instalments, @ 10.75%	-	-
Total		**-**	**557.31**

(ii) The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from others are as below:

Nature of security	Terms of repayment and rate of interest	As at March 31, 2024	As at March 31, 2023
Term Loan taken against Keyman Insurance Policy in the Name of the Bipin M. Manek [Director] and Naresh Modi.	Repayment of loan on maturity of policy @ 10%	35.02	44.21
Total		**35.02**	**44.21**

(iii) The details and nature of securities provided in respect of secured working capital demand loans/cash credit from bank are as below:

Bank Name (facility) Nature of security	As at 31 March 2024	As at 31 March 2023
Working capital loan from HDFC bank is secured as under:	424.82	2,824.82
a) 'Primary Security		
*Charge in favour of HDFC Bank, Bank of Baroda by way of hypothecation of stocks, book debts and plant and machinery of the company.		
b) Collateral Security		
*Factory Land and Building situated at Roha and E/ 27 -28 & 29 Commerce Centre, Mumbai.		
Working capital loan from Bank of Baroda is secured as under:	1,518.23	1,672.57
a) Primary Security		
*Charge by way of hypothecation of fully insured raw material, work in progress and finished goods comprising of food colours and other material.		
*Charge on plant and machinery and manufacturing facility at Plot No.59B & 68, Roha, Mumbai.		
b) Collateral Security		
Factory Land and Building situated at Roha and E/ 27, E/28 and E/29, Commerce Centre, Mumbai.		
Term Deposits		
Total	**1,943.05**	**4,497.39**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(iv) Term loan from bank and others contain certain debt covenants The Comapny has satisfied all these debt covenants prescribed in the terms of these loans.

(v) The Company has not made any default in the repayment of loans to banks and other financial institutions including interest thereon.

(vi) The term loans have not been used for the purpose for which they were obtained and funds raised for a short term basis have not been used for long term purposes.

(vii) In pursuant to borrowing taken by the group from banks on security of current assets, the group is required to submit the information periodically which includes the stock statement, book debts statement, revenue, trade receivable and trade payable etc. During the current year, in one of the submissions made, few of company/group companies have submitted the following financial information to banks, from whom working capital demand loan has been taken, on quarterly basis and information is not reconciled with books as follows:

Quarter ending	Amount as per books of account	Amount as reported in the quarterly return / statement	Reason for material discrepancies
Inventory			
Jun-30	6,186.14	6,033.54	
Sep-30	6,374.69	6,308.91	
Dec-31	6,851.81	6,747.01	
Mar-31	5,632.55	5,485.02	
Revenue			
Jun-30	2,813.73	2,813.73	
Sep-30	1,997.71	1,997.71	The difference is occurred due to invoices received of Imports from CHA after submitting the Stock statement with the bank, hence this difference occurred.
Dec-31	2,425.40	2,425.40	
Mar-31	2,618.05	2,618.28	
Trade Payables			
Jun-30	1,256.92	1,256.72	
Sep-30	1,427.57	1,421.42	
Dec-31	1,072.24	1,182.71	
Mar-31	714.15	968.83	
Trade Receivables			
Jun-30	8,211.03	8,211.86	
Sep-30	9,374.24	9,374.20	
Dec-31	7,221.49	7,251.66	
Mar-31	8,720.81	8,756.46	

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars		Non-current		Current	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(B)	**Lease liabilities (valued at amortised cost)**				
	Lease liabilities refer note no.4	58.32	69.96	-	-
		58.32	**69.96**	**-**	**-**
(C)	**Trade payables (valued at amortised cost)**				
	Total outstanding dues of micro enterprises and small enterprises	-	-	-	182.60
	Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,595.09	2,102.30
		-	**-**	**1,595.09**	**2,284.90**

Notes:

(i) Trade payables Ageing Schedule

As at March 31, 2024

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Undisputed dues of creditors other than micro enterprises and small enterprises	-	-	1,589.58	0.35	1.83	3.33	1,595.09
Total	**-**	**-**	**1,589.58**	**0.35**	**1.83**	**3.33**	**1,595.09**

As at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following periods from the due date				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	-	-	182.60	0.20	-	-	182.80
Undisputed dues of creditors other than micro enterprises and small enterprises	-	-	2,065.40	-	36.70	-	2,102.10
Total	**-**	**-**	**2,248.00**	**0.20**	**36.70**	**-**	**2,284.90**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(ii) The trade payables are unsecured and non interest bearing and are usually on varying trade term.

(iii) Trade Payables include due to related parties ₹ Nil (March 31, 2023 : ₹ Nil) refer to note no.29

(iv) For terms and conditions with related parties refer to note no.29

(v) The amounts falling in the category of more than 1 year are related to pending obligations on the part of the supplier as per agreed terms and conditions mentioned in respective contracts.

	Particulars	Non-current		Current	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
(D)	**Other financial liabilities**				
	Financial liabilities measured at amortised cost				
	Current maturities of long-term debt	-	-	-	120.97
	Unpaid dividend	-	-	23.09	25.71
	Outstanding expenses	-	-	77.54	36.81
	Other liabilities	-	-	2.07	10.93
		-	**-**	**102.70**	**194.42**

13 Provisions

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits				
Provision for Gratuity refer note no.28	64.01	58.82	17.77	15.69
	64.01	**58.82**	**17.77**	**15.69**
Balance as at beginning of the year	58.82	55.95	15.69	15.53
Add: Provision made during the year	9.80	6.50	31.44	23.08
Less: Utilized during the year	(4.61)	(3.63)	(29.36)	(22.92)
Balance as at the end of the year	**64.01**	**58.82**	**17.77**	**15.69**

14 Income tax and deferred tax

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

	Particulars	As at 31 March 2024	As at 31 March 2023
(a)	**Income tax expense in the statement of profit and loss comprises :**		
	Current income tax charge	1,075.00	1,265.00
	Adjustment in respect of current income tax of previous year		
	Total current income tax	**1,075.00**	**1,265.00**
	Deferred Tax charge / (credit)		
	Relating to origination and reversal of temporary differences	160.46	(55.05)
	Income tax expense reported in the statement of profit or loss	**1,235.46**	**1,209.95**
(b)	**Other Comprehensive Income**		

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

	Particulars	As at 31 March 2024	As at 31 March 2023
	Tax expense related to items recognised in Other comprehensive income during the year:		
	Deferred tax on re-measurement loss on defined benefit plans	2.69	2.69
	Income tax on other item in other comprehensive income	-	-
	Income tax related to items recognised in Other comprehensive income during the year	**2.69**	**2.69**
(c)	**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate :**		
	Accounting Profit before tax	**4,880.26**	**4,979.95**
	Applicable tax rate	25.17%	25.17%
	Computed Tax Expense	**1,228.36**	**1,253.45**
	Tax impact of items not deductible in calculating the taxable income	38.60	34.15
	Tax impact of income not taxable in calculating the taxable income	-	-
	Difference in tax rate of taxable items	-	-
	Change in tax rates	(196.92)	(26.02)
	Tax Impact of difference of tax rate of group companies	-	-
	Others	165.42	(51.63)
	Income tax charged to Statement of Profit and Loss at effective rate of 25.17% (March 31, 2023: 25.17%)	**1,235.46**	**1,209.95**

(d) Deferred tax liabilities /assets comprises :

Particulars		Balance Sheet	
		As at 31 March 2024	As at 31 March 2023
Deferred tax liabilities (net)			
Property, plant and equipment and intangible assets		413.71	259.28
Deferrred Tax on OCI		0.35	0.01
	(A)	**414.06**	**259.29**
Deferred tax assets (net)			
Security Deposit		(0.33)	1.40
Provision for ECL		30.91	35.22
Defined benefit obligation		16.11	14.07
Defered Tax Donation		0.27	-
Deffered Tax on Lease Liability		0.96	0.23
	(A)	**47.92**	**50.92**
Net Deferred tax liabilities	**(A) - (B)**	**366.14**	**208.37**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(e) Net Deferred tax movement:

Particulars	As at 31 March 2024	As at 31 March 2023
Net deferred tax liabilities at the beginning of the year	208.37	264.07
Deferred tax charged/(credited) to profit and loss account during the year	154.43	(59.40)
Deferred tax charged/(credited) to other comprehensive income account during the year	0.34	-
Deferred Tax Asset		
Deferred tax charged/(credited) to profit and loss account during the year	3.00	3.70
Deferred tax charged/(credited) to other comprehensive income account during the year	-	-
Net deferred tax liabilities at the end of the year	**366.14**	**208.37**

(f) Effective tax rate has been calculated on profit before tax.

15 Other current liabilities

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Deferred government grant {refer note (i) below}				
Advance from customers	-	-	112.93	93.01
Statutory dues payable	-	-	56.72	38.21
Payable to contract creditors	-	-	71.70	66.15
	-	**-**	**241.35**	**197.37**

16 Current tax liability

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Current tax liabilities (net of advance tax and tax deducted at source)	-	-	5.12	42.49
	-	**-**	**5.12**	**42.49**

17 Revenue from operations

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
Revenue from contract with customers			
Sale of products			
Finished products		26,449.98	27,246.51
Traded products		3,110.04	12,373.59
	(A)	**29,560.02**	**39,620.10**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
Other operating revenues			
Export incentive		380.01	378.89
Net gain on foreign currency transaction and translation		401.84	400.30
	(B)	**781.85**	**779.19**
Total revenue from operations	(A) + (B)	**30,341.87**	**40,399.29**

Notes:

	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
(i)	**Timing of revenue recognition**		
	Goods transferred at a point in time	29,560.02	39,620.10
	Total revenue from contract with customers	**29,560.02**	**39,620.10**
	Add: Other operating revenues	781.85	779.19
	Total revenue from operations	**30,341.87**	**40,399.29**
(ii)	**Revenue by location of customers**		
	Within India	5,369.27	13,192.51
	Outside India	24,190.76	26,427.59
		29,560.03	**39,620.10**
(iii)	**Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**		
	Revenue as per contracted price	29,560.02	39,620.10
	Revenue from contract with customers	**29,560.02**	**39,620.10**
	Add: Other operating revenues	781.85	779.19
	Total revenue from operations	**30,341.87**	**40,399.29**

(iv) Unsatisfied performance obligations:

Information about the Comapny performance obligations are summarised below:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

18 Other Income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Deposit with banks	67.40	46.27
Proceeds on maturity of keymen policy	-	67.70
Lifting charges	1.82	2.66
Interest on FV of rent deposit	3.73	3.04
Interest on Late payment	-	1.32
Reversal of Provision for doubtful debts and advances	46.26	-
	119.21	**120.99**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

19 Cost of raw materials and components consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Raw materials and components at the beginning of the year	1,762.82	3,076.51
Add: Purchases during the year	16,914.72	14,946.30
Less: Raw materials and components at the end of the year	(1,665.89)	(1,762.82)
	17,011.65	**16,259.99**

20 Purchases of traded goods

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of traded goods	1,743.51	13,133.97
	1,743.51	**13,133.97**

21 Changes in inventories of finished goods, traded goods and work in progress

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the end of the year:		
Work-in-progress	1,501.80	1,320.90
Finished goods	2,099.88	833.62
Traded goods	364.99	2,135.90
	3,966.67	**4,290.42**
Inventories at the beginning of the year:		
Work-in-progress	1,320.90	1,484.51
Finished goods	833.62	810.25
Traded goods	2,135.89	1,895.11
	4,290.41	**4,189.87**
Net (increase) / decrease in inventories	**323.74**	**(100.55)**

22 Employee benefits expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	438.21	372.09
Contribution to provident and other funds	15.85	13.52
Net defined benefit plan expense (Gratuity, Pension and other defined benefit plan) Refer note no.28	9.80	9.11
Remuneration & commission to Directors	510.00	460.00
Leave compensation	4.98	1.78
Staff welfare expense	60.78	51.88
	1,039.62	**908.38**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

23 Finance costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on borrowings	164.20	206.58
Bank Processing Charges	154.15	157.46
	318.35	**364.04**

24 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation on property, plant and equipment (refer note 3)	605.77	333.94
Amortisation on intangible assets refer note. 5	12.01	12.01
Depreciation on right-of-use assets refer note.4	2.10	2.10
Amortisation of lease assets	2.43	2.43
	622.31	**350.48**

25 Other expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
a) Manufacturing and operating expenses		
Power and fuel	606.95	481.92
Consumption of stores and spare parts	317.37	243.62
Repairs and maintenance:		
Buildings	76.94	32.29
Plant and machinery	661.55	531.53
Others	241.07	193.81
Clearing and forwarding	77.89	97.05
Conveyance	0.62	0.96
Effluent treatment charges	-	-
Factory salaries and wages	51.55	63.44
Freight and octroi charges	200.27	231.12
Insurance charges	28.32	23.55
Loading and unloading charges	9.60	17.06
Professional and consultancy fees	6.83	9.93
Warehousing charges	48.30	80.56
Import charges	41.87	110.55
Miscellaneous manufacturing and operating expenses:	213.72	154.05
b) Administrative expenses		
Agency charges	27.44	29.48
Keyman insurance premium	20.31	20.09
Insurance charges-others	4.79	2.04

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Printing and stationery	53.42	30.78
Legal and professional charges {refer note (i) below}	13.33	12.50
Communication expenses	7.58	6.00
Electricity expenses	11.72	7.98
Rent	7.83	14.38
Rates & taxes	21.02	23.11
Professional and consultancy charges	89.57	73.18
Donation	9.35	3.76
Listing fees	8.26	6.78
Travelling charges	29.26	9.19
Commission	90.00	90.00
Director sitting fees	4.00	4.13
Depreciation Ind As 116	14.54	3.63
Interest on others	0.95	5.23
Interest on FV of rent deposit	-	-
Interest on Lease Liability - INDAS	6.36	1.76
Contribution towards corporate social responsibility expense (CSR)	120.00	116.15
Allowance for doubtful debts and advances	-	35.68
Miscellaneous administrative expenses	183.05	135.61
c) Selling and distribution expenses		
Advertisement and sales promotion expense	3.63	4.09
Business promotion	76.15	99.19
Clearing and forwarding(S)	12.36	17.12
Commission expenses	123.07	92.98
Exhibition and trade fair expenses	63.39	82.21
Foreign travelling expenses	20.76	15.64
Insurance	2.33	2.82
ISI / FDA marketing fees	317.30	383.90
Freight and other distribution expense	401.46	854.14
Terminal handling charges	135.99	114.08
Packing and forwarding	59.57	54.95
	4,521.64	**4,624.02**

Notes:

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
(i)	**Details of payments to auditors**		
	As auditor:		
	Audit fee (Including limited review fee)	13.33	12.75
	In other capacities:		
	Certification fee and others	-	3.54
		-	-
	Total (included in legal and professional charges)	**13.33**	**16.29**

26 Commitments and Contingencies

(A) Contingent liabilities (to the extent not provided for)

Particulars		As at March 31, 2024	As at March 31, 2023
(a)	Disputed tax liabilities in respect of pending litigations before appellate authorities	-	-

(B) Capital and other commitments (net of advance)

Particulars		As at March 31, 2024	As at March 31, 2023
(a)	Estimated amount of contracts remaining to be executed on account of capital and other commitments (net of advance) and not provided for	-	877.28

(C) Contingent Liability and Capital Commitments (As certified by the Management)

The Company has trade receivables of ₹ 34,12,574 from Export debtors which is receivable in US $ 39,522.40, as the same is outstanding more than 9 months. As per the Foreign Exchange Management Act 1999, the company need to apply for extension to Reserve Bank of India (“RBI”) for receipt of foregin exchange from Export Debtors if same is not received within 9 months from the date of invoice. As the debt is receivable in US $, the writing off of the debt also needs approval from RBI. However, this trade receivables are received in part earlier. The company is confident to receive the balance of ₹ 34,12,574 in US $ 39,522.40 from export debtors in due course. The export debtors are regularly doing the business with the company. The delay in amount receivable from export debtors is due to commercial on mutually discussed with them by company.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

27 Segment information

The Group operates in single business segment namely manufacturing and trading of food colors and chemicals. Hence, no separate disclosure as per "Ind AS-108" is required for the business segment

The Group's operating divisions are managed from India. The principal geographical areas in which the Group operates are Asian Countries, European Countries, South Africa, Middle East Countries, United States and others.

For the purpose of geographical segment the sales are divided into two segments - within India and outside India. The accounting policies of the segments are the same

Gegraphical segment wise disclousre:

Particulars	Within India	Outside India	Total
Revenue from operation by location of customers			
Year Ended March 31, 2024	6,151.12	24,190.76	30,341.87
Year Ended March 31, 2023	13,971.70	26,427.59	40,399.29
Total assets by geographical location			
Year Ended March 31, 2024	24,587.96	7,865.27	32,453.23
Year Ended March 31, 2023	26,644.48	6,468.30	33,112.78
Non-current operating assets by geographical location			
Year Ended March 31, 2024	13,748.41	-	13,748.41
Year Ended March 31, 2023	12,394.08	-	12,394.08
Capital expenditure - Property plant and equipments by geographical location			
Year Ended March 31, 2024	14,945.08	-	14,945.08
Year Ended March 31, 2023	13,119.73	-	13,119.73

Notes:

(i) Capital expenditure consists of additions of property, plant and equipment,Capital work in progress net of capitalisation from previous year

(ii) There are two customers having revenue exceeding 10% of total revenue of the Company.

(iii) Non-current operation assets includes property, plant and equipment, right of use assets, capital work in progress under development and other non-current assets.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

28 Disclosure of Defined benefit plans and defined contribution plan

(A) Defined benefit plan

The Group operates following defined benefit obligations:

(a) Defined benifit plan :

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-

(i) Net defined benefit asset/ (liability) recognised in the balance sheet

Particulars	Gratuity	
	As at 31 March 2024	As at 31 March 2023
Present value of defined benefit obligation	118.34	109.33
Fair value of plan assets	54.32	50.51
Net liability recognized in consolidated balance sheet	**64.02**	**58.82**

(ii) Net defined benefit expense (recognised in the statement of profit and loss for the year)

Particulars	Gratuity	
	As at 31 March 2024	As at 31 March 2023
Current service cost	5.58	5.26
Interest cost (net)	4.22	3.85
Net defined benefit expense debited to statement of profit and loss	**9.80**	**9.11**

(iii) The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Present value of obligation as at the beginning of the year	109.33	99.89
Current service cost	5.58	5.26
Interest cost	7.92	7.06
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions	2.98	(2.97)
Actuarial changes arising from changes in experience adjustments	(4.14)	0.10
Benefits paid	(3.34)	
Closing defined benefit obligation	**118.34**	**109.33**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(iv) Reconciliation of opening and closing balances of fair value of plan assets:

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Fair value of plan assets at the beginning of the year	50.51	43.94
Employer contribution	3.19	3.63
Benefits paid	(3.34)	-
Returns on plan assets	3.96	2.94
Fair value of plan assets at the end of the year	**54.32**	**50.51**

(v) Re-measurements Gain/ (loss) recognised in other comprehensive income (OCI):

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:	0.05	2.65
Actuarial changes arising from changes in financial assumptions	2.98	(2.98)
Actuarial changes arising from changes in experience adjustments	(4.14)	0.10
Return on plan assets, excluding amount recognised in net interest expense	(0.27)	0.28
Recognised in other comprehensive income	**(1.38)**	**0.05**

(vi) Principal actuarial used in recognition of Defined benefit obligation are as follows:

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.20%	7.50%
Future salary increase	7.00%	7.00%
Expected return on plan assets	NA	NA
Retirement age (in years)	58	58

Mortality rate

Particulars	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition rates based on age (per annum):		
Up to 30 years	5%	5%
From 31 to 40 years	3%	3%
Above 41 years	2%	2%

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(vi) Maturity profile of defined benefit obligation:

Particulars	Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023
Expected benefits for year 1	5.67	7.46
Expected benefits for year 2	3.63	3.41
Expected benefits for year 3	6.56	3.53
Expected benefits for year 4	12.21	0.64
Expected benefits for year 5	12.78	12.13
Expected benefits for year 6	3.73	12.05
Expected benefits for year 7	18.11	3.61
Expected benefits for year 8	3.62	19.19
Expected benefits for year 9	28.53	3.46
Expected benefits for year 10 and above	146.09	165.56

(viii) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(ix) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(x) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

(xi) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(B) Defined contribution plan

Following are the contribution to Defined Contribution Plan, recognised as expense for the year:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contribution to provident and other funds	15.85	13.52
Total	**15.85**	**13.52**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

29 Related Party Disclosures

The related parties as per identified by management.

(A) Names of related parties and description of relationship:

(i) Related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:

Entity Name	Relationship
Arjun Food Colorants Manufacturing Private Limited	Wholly Owned Subsidiary
Chroma Food Ingredients Pvt Ltd	KMP is a Director
Vidhi Finechem Pvt Ltd	KMP is a Director
Vidhi Food Colours Dahej Pvt Ltd	KMP is a Director

Partnership firms	Relationship
Trident Colours & Chemicals	Enterprises in which relative of KMP is a Proprietor
Vibgyor Exports	Enterprises in which director is a Proprietor

(ii) Key management personnel

Name	Relationship
Bipin M. Manek	Key Mangement Personnel - Executive Director
Mihir B. Manek	Key Mangement Personnel - Executive Director
Vidhi H Parekh	Key Mangement Personnel - Executive Director
Pravina B. Manek	Key Mangement Personnel - Non Executive Director
Vijay K. Atre	Key Mangement Personnel - Non Executive Director (Resigned w.e.f 31.08.2022)
Rahul Berde	Key Mangement Personnel - Independent Director
Niren Desai	Key Mangement Personnel - Independent Director
Prafulchandra Shah	Key Mangement Personnel - Independent Director
Ashit Doshi	Key Mangement Personnel - Independent Director
Jyoti Modi	Key Mangement Personnel - Independent Director
Priyanka Soni (Company secreatry)	Company Secretary (Resigned w.e.f 10.12.2022)
Vishakha Pandya (Company secreatry)	Company Secretary (w.e.f 10.02.2023)

Relatives of key management personnel	Relationship
Mitesh Manek	Chief Financial Officer
Kripa M Manek	Spouse of CFO

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(B) Transactions with related parties

Particulars	Entities over which key management personnel and their relatives are able to exercise significant influence		Key management personnel and relatives	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Sale of goods	127.10	146.43	-	-
Purchase of goods	2.61	66.12	-	-
Services received	-	-	12.00	10.00
Remuneration	-	-	150.00	158.57
Sitting Fees	-	-	4.00	2.25
Interest paid	-	-	-	80.39
Unsecured loan received	-	-		2,115.00
Unsecured loan repayment	-	-	-	1,363.10
Payment of commission	-	-	390.00	400.00
Payment of Guarantee Commission	-	-	90.00	90.00
Reimbursement of Expense	-	-	-	1.20

(C) Balances with related parties at the year end

Particulars	Entities over which key management personnel and their relatives are able to exercise significant influence		Key management personnel and relatives	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Receivables	223.54	310.49	-	-
Payables	-	-	(31.02)	(62.94)

(D) Transactions with related parties

(i) Transactions with related parties for the year ended March 31, 2024

Particulars	March 31, 2024	March 31, 2023
Sale of goods		
Vibgyor Exports (Net of GST)	-	58.57
Chroma Food Ingredients Pvt Ltd (Net of GST)	127.10	87.87
	127.10	**146.44**
Purchase of goods		
Vibgyor Exports (Net of GST)	-	66.12
Trident Colours and chemicals	-	-
Chroma Food Ingredients Pvt Ltd (Net of GST)	2.61	-
	2.61	**66.12**
Services received		
Kripa M Manek	12.00	11.70
	12.00	**11.70**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(E) Balances with related parties

(i) Balances Outstanding as at March 31, 2024

Particulars	March 31, 2024	March 31, 2023
Payables		
Pravina B. Manek	-	(34.56)
Bipin Manek	(27.53)	(1.41)
Mihir B. Manek	(0.25)	(24.75)
Mitesh D Manek	(1.33)	(0.31)
Vishakha Pandya Shashikant	(0.60)	(0.60)
Rahul Berde	(0.11)	(0.11)
Vidhi H Parekh	(0.75)	(0.75)
Kripa M Manek	(0.45)	(0.45)
	(31.02)	**(62.94)**
Trade Receivables		
Trident Colours & Chemicals	207.82	245.39
Chroma Food Ingredients Pvt Ltd	15.72	9.83
Vibgyor Exports	-	45.20
	223.54	**300.42**

Notes:

(a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates

(b) As at March 31, 2024 , the Group has not granted any loans to the promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person

(c) All the liabilities for post retirement benefits being 'Gratuity, compensated absence and pension benefit' are provided on actuarial basis for the Group as a whole, accordingly the amount pertaining to Key management personnel are not included above.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(F) Key managerial personnel compensation

Remuneration to Chairman & Managing Director (CMD)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short Term Benefit		
Remuneration to Chairman & Managing Director (CMD)		
Bipin M. Manek	60.00	60.00
Mihir B. Manek	60.00	60.00
Commission	390.00	340.00
Total	**510.00**	**460.00**

Payment of Bank Guarantee Commission

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bipin M. Manek	45.00	45.00
Pravina B. Manek	45.00	45.00
Total	**90.00**	**90.00**

Remuneration to Key Managerial other than CMD

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short Term Benefit		
Vidhi H Parekh (Wholetime Director)	12.00	12.00
Vijay K Atre (Non Executive Director)	-	2.50
Mitesh D Manek (Chief Financial Officer)	18.00	18.00
Vishakha Pandya Shashikant (Company secreatry)	7.20	1.01
Priyanka Soni (Company secreatry)	-	3.75
Awdhesh Kumar Pandey (Company secreatry)	-	-
Others - Allowances		
Vijay K Atre (Non Executive Director)	-	0.50
Total	**37.20**	**37.76**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Sitting Fees to Independent Directors

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sitting Fees		
Rahul Berde	0.80	0.80
Niren Desai	0.80	0.80
Prafulchandra Shah	0.80	0.80
Jyoti Sunil Modi	0.80	0.93
Ashit Kantilal Doshi	0.80	0.80
Total	**4.00**	**4.13**

Loan Paid

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bipin M. Manek	-	79.31
Mihir B. Manek	-	440.00
Pravina B. Manek	-	321.01
Total	**-**	**840.32**

Interest on Loan taken

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bipin M. Manek	-	2.63
Mihir B. Manek	-	6.69
Pravina B. Manek	-	11.00
Total	**-**	**20.32**

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

30 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company financial instruments.

Category	As at March 31, 2024		As at March 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial instruments by category				
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	1,172.25	1,172.25	1,382.15	1,382.15
Trade receivables (current and non current)	8,833.74	8,833.74	10,076.78	10,076.78
Cash and cash equivalents	1,154.01	1,154.01	728.56	728.56
Other bank balances (current and non current)	23.08	23.08	25.74	25.74
Total	**11,183.08**	**11,183.08**	**12,213.23**	**12,213.23**
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	1,978.07	1,978.07	4,977.94	4,977.94
Lease liabilities (current and non current)	58.32	58.32	69.96	69.96
Other financial liabilities (current and non current)	102.70	102.70	194.42	194.42
Trade payables (current and non current)	1,595.09	1,595.09	2,284.90	2,284.90
Total	**3,734.18**	**3,734.18**	**7,527.22**	**7,527.22**

Management of the Company has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value

(i) The fair value of unquoted instruments, loans from banks other non-current financial assets and non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

(ii) The fair values of the investment in mutual fund has been determined based on net assets value (NAV) available in open market.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(iii) Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose.

(iv) Fair value hierarchy

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. The mutual funds are valued using the net assets value (NAV) available in open market. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

a) Recognized and measured at Fair value

b) Measured at amortized cost and for which fair value is disclosed in financial statements

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2024

Particulars	Carrying value	Fair Value		
	As at March 31, 2024	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	1,172.25	-	-	1,172.25
		-	-	-
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	1,978.07	-	-	1,978.07
Lease liabilities (current and non current)	58.32	-	-	58.32
Other financial liabilities (current and non current)	102.70	-	-	102.70

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023

Particulars	Carrying value	Fair Value		
	As at March 31, 2023	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	1,382.15	-	-	1,382.15
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	4,977.94	-	-	4,977.94
Lease liabilities (current and non current)	69.96	-	-	69.96
Other financial liabilities (current and non current)	194.42	-	-	194.42

31 Financial risk management objectives and policies

The Group being the active supplier for the automobile industry is exposed to various market risk, credit risk and liquidity risk. The Group has global presence and has decentralised management structure. The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimise operating, financial and strategic risks. The Group has set up a risk management committee (RMC) which comprise of group chief finance officer and three directors of parent company of which two are independent directors. RMC periodically reviews operating, financial and strategic risk in the business and their mitigating factors. RMC has formulated a risk management policy for the Individaul group company and group as a whole, which outlines the risk management framework to help minimise the impact of uncertainty. The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risk associated with the business. This process provides assurance that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective. The Group's financial risk management is an integral part of how to plan and execute its business strategies. Below notes explain the sources of risks in which the Group is exposed to and how it manages the risks.

(a) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company’s income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables . We are exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(i) Foreign currency risk

The Company is exposed to currency risk on account of transaction with foreign subsidiaries and other parties. The functional currency of the Company is Indian Rupee. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future.

The Company exposure to foreign currency risk at the end of the reporting periods are as follows

Particulars of un-hedged foreign currency exposure

Currency	As at 31 March 2024			As at 31 March 2023		
	Foreign currency Amount	Exchange rate (in ₹)	Amount	Foreign currency Amount	Exchange rate (in ₹)	Amount
Trade receivables						
USD	$8,531,450.72	83.37	711,300,319.40	$7,176,789.82	82.22	590,053,411.12
EURO	€ 833,834.83	90.22	75,226,743.93	€ 633,613.09	89.61	56,776,548.50
Trade payable, Capital creditors and other financial liabilities						
USD	$32,735.63	83.37	2,729,297.14	$1,045,267.50	82.22	85,938,653.52
AED				-	-	-

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in currency exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities as given below:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gain/ (loss) Impact on profit before tax and equity		Gain/ (loss) Impact on profit before tax and equity	
	Change +3%	Change -3%	Change +3%	Change -3%
Trade receivables				
USD	2,13,39,009.58	(2,13,39,009.58)	1,77,01,602.33	(1,77,01,602.33)
EURO	22,56,802.32	(22,56,802.32)	17,03,296.46	(17,03,296.46)
Trade payable & Capital creditors				
USD	81,878.91	(81,878.91)	25,34,807.34	(25,34,807.34)
AED	-	-	-	-

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(ii) Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2024, after taking into account the effect of interest rate swaps, the Group has following fixed rate and variable rate borrowing:

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings		
Fixed rate borrowings	1,978.07	4,977.94
Total	**1,978.07**	**4,977.94**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Impact on profit before tax and equity	
Particulars	**For the year ended March 31, 2024**	**For the year ended March 31, 2023**
Increase by 0.5%	(9.89)	(24.89)
Decrease by 0.5%	9.89	24.89

(b) Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through the use of short term bank deposits, short term loans, and cash credit facility etc. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Maturity profile of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at March 31, 2024	Less than 1 Years	1-5 Years	More than 5 Years	Total
Borrowings	1,943.05	37.10	-	1,980.15
Lease liabilities (undiscounted)	-	58.32	-	58.32
Trade payable	1,595.09	-	-	1,595.09
Other financial liabilities	102.70	-	-	102.70
As at March 31, 2023				
Borrowings	4,497.39	470.48	-	4,967.87
Lease liabilities (undiscounted)	-	69.96	-	69.96
Trade payable	2,284.90	-	-	2,284.90
Other financial liabilities	194.42	-	-	194.42

(c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Group and arises principally from the Group's receivables from customers and deposits with banking institutions and funds with mutual fund asset management companies (AMC). The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(i) Trade Receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The group uses an allowance matrix to measure the expected credt losses of trade receivables (which are considered good). The following table provides information about the exposure to credit risk and loss allowance (including expected credit loss provision) for trade receivables:

(ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2024 is the carrying amounts . The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group

Particulars	As at March 31, 2024	As at March 31, 2023
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Other financial assets (current and non-current)	1,172.25	1,382.15
Cash and cash equivalents	1,154.01	728.56
Other bank balances (current and non current)	23.08	25.74
Investments measured at fair value through profit and loss:	-	-
	2,349.34	**2,136.45**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	8,833.74	10,076.78
	8,833.74	**10,076.78**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

Particulars	As at March 31, 2024	As at March 31, 2023
The ageing analysis of trade receivables has been considered from the date the invoice falls due		
Particulars		
Trade Receivables		
0 to 180 days due past due date	8,242.83	9,207.17
More than 180 days past due date	590.91	869.61
Total Trade Receivables	**8,833.74**	**10,076.78**

Particulars	As at March 31, 2024	As at March 31, 2023
The following table summarizes the change in loss allowance measured using the life time expected credit loss model:-		
As at the beginning of year	139.98	104.30
Provision during the year	(42.07)	35.68
Reversal of provision during the year	-	-
As at the end of year	**97.91**	**139.98**

32 Capital management

For the purposes of Group's capital management, Capital includes equity attributable to the equity holders of the parent company and all other equity reserves. The primary objective of the Group's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

structure and maximize shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023. The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	March 31, 2024	March 31, 2023
Loan and borrowing *	1,978.07	4,977.94
Less : Cash and cash equivalent	(1,154.01)	(728.56)
Net debts	**824.06**	**4,249.38**
Equity / Net Worth	28,022.58	25,072.89
Total Capital	**28,022.58**	**25,072.89**
Capital and Net debts	**28,846.64**	**29,322.27**

Gearing Ratio (Net Debt/Capital and Net Debt)

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

* Borrowings does not includes Lease liabilities

33 Additional Regulatory Information

Ratios

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance*	Remarks
Current Ratio (in times)	Total current assets	Total current liabilities	4.79	2.86	67%	*Note no 1
Debt-Equity ratio (in times)	Debt consists of borrowings	Total equity	0.00	0.02	-93%	*Note no 2
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	0.10	0.02	353%	*Note no 3
Inventory turnover ratio	Revenue from operations	Average Inventory	5.21	6.08	-14%	
Return on equity ratio (in %)	Profit for the year (after tax)	Average total equity	0.18	0.21	-14%	

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance*	Remarks
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.22	3.23	0%	
Trade payables turnover ratio (in times)	Cost of material consumed and purchase of stock-in-trade + Manufacturing cost + Other expenses	Average trade payables	12.00	11.41	5%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	2.15	2.82	-24%	
Net profit ratio (in %)	Profit for the year (after tax)	Revenue from operations	0.16	0.12	30%	*Note no 4
Return on capital employed (in %)	Profit for the year (after tax)	Tangible net worth + Debt consists of borrowings + Deferred tax liabilities	0.18	0.21	-13%	
Return on Investement						
Quoted	Income generated from Investements	Time weighted average investements	-	-	0.00%	
Unquoted	Income generated from Investements	Time weighted average investements	-	-	0.00%	

Notes:-

1. During the year the working capital borrowings has reduced, resulting in favourable current ratio.
2. During the year the Company has repaid borrowed Term loan, resulting in favourable debt equity ratio.
3. During the year the Company has repaid borrowed Term loan alongwith interest substantiall,resulting in favourable debt service ratio.
4. During the year the Company has maintained the similar level of profitability even though reduction in the total revenue, resulted in favourable net profit ratio

34 Group information

The consolidated financial statements of the group includes following subsidiaries, associates and joint ventures-.

Details of subsidiary companies are as follows:

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Name of Company	Country of Incorporation	Ownership interest held by Group		Non Controlling Interest		Reporting date used for consolidation
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	
Subsidiaries						
Arjun Food Colorants Manufacturing Pvt Ltd	07-09-1995	100.00%	100.00%	-	-	22-04-2019

35 Additional information required

(i) Details of Benami property: No proceedings have been initiated on or are pending against any of the group companies for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Wilful defaulter: Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Compliance with approved scheme of arrangements: The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(iv) "Utilisation of borrowed funds and share premium: The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries"

(v) Details of crypto currency or virtual currency: The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) Valuation of PP&E, intangible asset and investment property: The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Notes to Financial Statements for the year ended 31 March 2024

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(vii) Utilisation of borrowings availed from banks and financial institutions: The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were was taken.

36 Corporate social responsisbilty

During the year the company is required to contribute Rs. Rs 120 Lakhs towards the CSR contribution and company has incurred Rs. 120 Lakhs towards the Education Purpose.

37 Previous year figures have been regrouped/rearranged to confirm them to current years figures.

The accompanying notes form an integral part of the standalone/consolidated financial statements.

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

For and on behalf of the Board of Directors of
Vidhi Specialty Food Ingredients Limited

Atul Gala
Partner
Membership No. 048650

Bipin M Manek
Chairman & Managing Director
DIN No. 00416441

Mihir B Manek
Joint Managing Director
DIN No. 00650613

Mitesh D Manek
Chief Financial Officer
PAN: ALDPM9178K

Vishaka Pandya
Company Secretary
Membership No. 59436

Place : Mumbai
Date : 29th May, 2024

Place : Mumbai
Date : 29th May, 2024

COLOURS You Can Trust For Your Food

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VIDHI

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