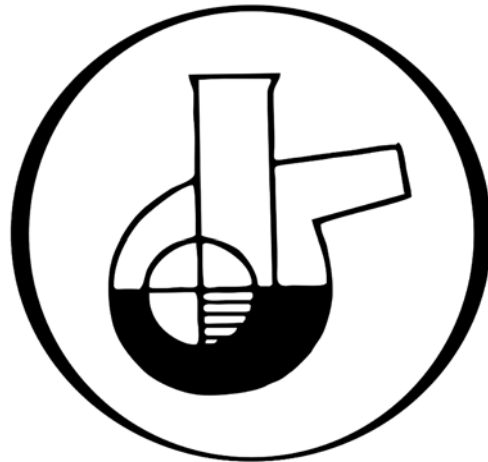


VIVID GLOBAL INDUSTRIES LIMITED



**33rd
Annual Report 2019-20**

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BOARD OF DIRECTORS:

| | |
|-----------------------------|--|
| SHRI. SUMISH S. MODY | MANAGING DIRECTOR |
| SMT. MEENA SUMISH MODY | NON EXECUTIVE DIRECTOR |
| SHRI. MITEN S. MODY | WHOLE-TIME DIRECTOR |
| SHRI. MAHESH SHIVRAM GHARAT | INDEPENDENT DIRECTOR |
| SHRI. DHARMESH D. CHOKSI | INDEPENDENT DIRECTOR (RESIGNED ON 23/04/2019) |
| SHRI. NITIN ANANT ZUJAM | INDEPENDENT DIRECTOR |
| SHRI. NAINESH DESAI | INDEPENDENT DIRECTOR (APPOINTED ON 20/05/2019) |

CHIEF FINANCIAL OFFICER

SHRI. SUDHIR M. MODY

COMPANY SECRETARY:

SMT. NILAM PRADEEP BAJORIA

BANKERS:

KOTAK MAHINDRA BANK LIMITED
178/181, BHABHA BUILDING,
OPP. GANGA JAMNA THEATRE,
TARDEO ROAD, MUMBAI 400007

BANK OF BARODA
BACKBAY RECLAMATION BRANCH
MUMBAI - 400020

AUDITORS:

M/s. SAUMIL KAPADIA & CO.
61, KALPANA, PUNJABI LANE,
BORIVALI (WEST), MUMBAI - 400092

INTERNAL AUDITOR:

SMT. AMISHA M. MODY (For FY 2019-2020)
SHRI. STEVAN L. MENDONCA (For FY 2020-2021)

SECRETARIAL AUDITOR:

PANKAJ & ASSOCIATES,
COMPANY SECRETARY IN PRACTICE

REGISTERED OFFICE:

D-21/1, M.I.D.C., TARAPUR,
VIA BOISAR, DIST. PALGHAR – 401506, MAHARASHTRA

ADMINISTRATIVE OFFICE:

C/o. SUMICHEM CORPORATION,
1-D, DHANNUR BUILDING,
SIR P.M.ROAD, FORT,
MUMBAI – 400001

EMAIL ID: info@vividglobalinds.com

WEBSITE URL: www.vividglobalinds.com

REGISTRAR & SHARE TRANSFER AGENTS:

REGD. OFFICE & INVESTOR RELATION CENTRE:

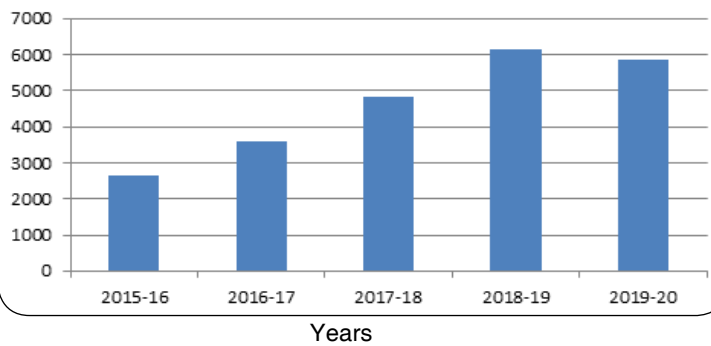
SHAREX DYNAMIC (INDIA) PVT. LTD.
(MERGED WITH LINK INTIME INDIA PVT.LTD.)
C 101, 247 PARK, L B S MARG,
VIKHROLI WEST, MUMBAI - 400083

VIVID GLOBAL INDUSTRIES LIMITED

PERFORMANCE HIGHLIGHTS

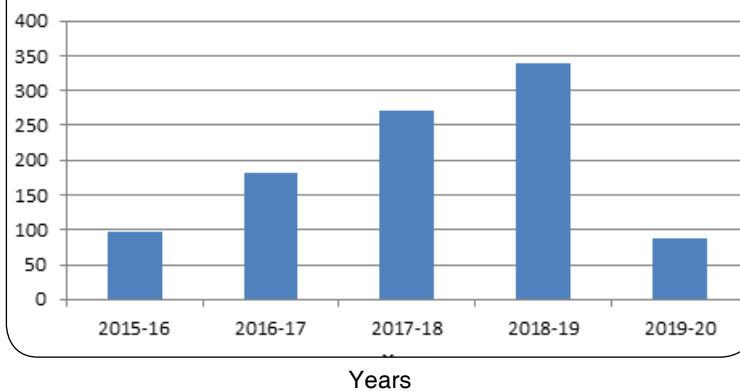
₹ In Lakhs

Revenue from Operations



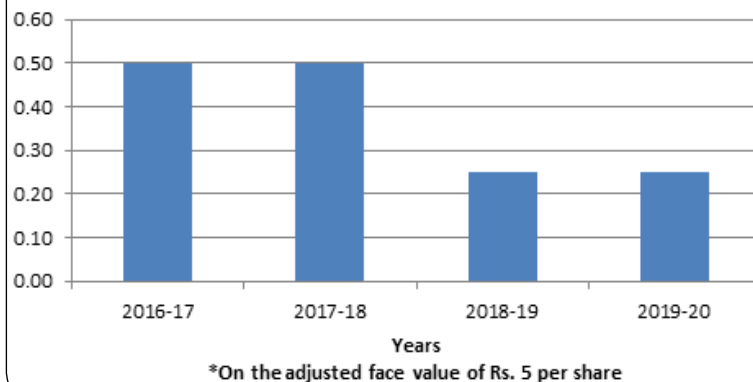
₹ In Lakhs

Net Profit After Tax



₹ In Rupees

Dividend Per share*



*On the adjusted face value of Rs. 5 per share

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NOTICE

NOTICE is hereby given that the Thirty Third Annual General Meeting (AGM) of the Members of Vivid Global Industries Limited will be held on Wednesday, the 30th September, 2020 at 11.00 a.m. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2020 and Profit and Loss Account for the Year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint Director in place of Shri. Sumish S. Mody (DIN: 00318652) who retires by rotation and being eligible offers himself for re-appointment.
3. To confirm the interim dividend of ₹0.25 per equity share (i.e., 5%) on fully paid up Equity Share of ₹ 5/- (Rupees Five only) each paid during the Financial year 2019-2020.

SPECIAL BUSINESS:

4. To increase the overall managerial remuneration and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Section 197 of the Companies Act, 2013 as amended by the Companies (Amendment) Act, 2017, read with Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is here by accorded to pay overall managerial remuneration in respect of any financial year in excess of 11% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and to do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company and in terms of recommendations of the “Nomination & Remuneration Committee” and as approved by the Board of Directors, approval of Members of the Company be and is hereby accorded to revise the remuneration of Shri. Sumish S. Mody, Managing Director (DIN: 00318652) from 1st April, 2020 as set out in the Explanatory Statement.

RESOLVED FURTHER THAT notwithstanding anything contained hereinabove, where, during the term of employment of the Managing Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any Statutory Authority, as may be required, the remuneration payable to the Managing Director including salary, perquisites and any other allowances shall be governed and be subject to the conditions and ceiling provided under the provisions of Schedule V of Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the the Board of Directors of the Company be and are hereby authorized to take all necessary steps for the aforesaid purpose and matters incidental thereto.”

VIVID GLOBAL INDUSTRIES LIMITED

REGISTERED OFFICE

D-21/1 M.I.D.C., Tarapur,
Via Boisar, Dist. Palghar,
Maharashtra – 401506

Dated: 24.08.2020

For and on behalf of the Board

Sd/-
SUMISH S. MODY
MANAGING DIRECTOR
DIN: 00318652

NOTES:

1. In view of the prevailing lockdown situation across the country due to outbreak of the COVID-19 pandemic and resultant travel restrictions as well as continuing Government guidelines to maintain social distancing, the Ministry of Corporate Affairs vide Circular No. 20/2020 dated May 05, 2020 read with Circular Nos. 14/2020 dated April 08, 2020 and 17/2020 dated April 13, 2020, has permitted companies to hold their Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') not requiring the physical presence of the Members at a common venue. Considering the health and safety of all stakeholders including the shareholders, the 33rd Annual General Meeting of the Company is being conducted through VC/OAVM in compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and applicable Circulars issued in this regard on 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020 and SEBI circular dated 12th May, 2020.

The Company has appointed National Securities Depository Limited (NSDL) to provide electronic voting facility and video conferencing facility for the AGM.

Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, as this AGM is being held through VC/OAVM, physical attendance of Members is being dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy form and Attendance slip are not being annexed to this Notice and the resultant requirements for entitlement to appoint a proxy and submission of proxy form does not arise.
3. 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.
4. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members with facility to exercise their right to vote at the 33rd Annual General Meeting by electronic means and the business may be transacted through e-Voting services as provided by National Securities Depository Limited (NSDL).
5. The statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the businesses under item nos. 4 and 5 of the Notice to be transacted at the AGM is annexed hereto.
6. The Register of Members and Transfer Books of the company will remain closed from 24.09.2020 to 30.09.2020 (Both days inclusive).
7. The Board of Directors has declared an interim dividend of ₹0.25 per equity share on each fully paid 9128870 no. of equity shares of ₹5/- each of the company amounting to ₹4,56,44,350/- for the financial year ended 31st March, 2020. The dividend was paid to those members whose names appear on the Company's Register of Members on 20.03.2020. The above payment of Interim Dividend be confirmed as Final Dividend for the financial year ended 31st March, 2020.
8. Members desiring to seek any further information or clarification on the Annual Accounts or operations of the Company at the meeting are requested to send their queries so as to reach the Registered Office at least 10 days in advance of the date of meeting to enable the management to keep the information ready.

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9. Members are requested to notify immediately any change in their address to the Company's Registrar and Share Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400083.
10. (a) Members desirous of receiving Notices and/or documents from the Company through the electronic mode are urged to update their email addresses with their Depository Participants, where shares are held in electronic form and to the Share department of the Company/Share Transfer Agents where shares are held in physical form.
(b) Email Addresses of Members are advised to the Share Department of the Company/Share Transfer Agents where shares are held in physical mode or registered with Depositories where shares are held in the electronic mode will be deemed to be the Member's registered Email address for serving Company documents/notices as per provisions of the Act and the instructions of the Ministry of Corporate Affairs. Members intending to refresh/update their email addresses should do so as soon as possible.
11. Members holding shares, in physical form, in identical order of names in more than one Folio, are requested to write to the Share Department of the Company/Share Transfer Agents enclosing the relevant Share Certificates requesting consolidation of such folios into one folio.
12. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company's Registrar and Transfer Agents, Sharex Dynamic (India) Private Limited for assistance in this regard.
13. As per the provisions of the Act, the facility for making nominations is available to individuals holding shares in the company. The Nomination Form-2B, prescribed by the Government for the purpose, can be obtained from the Share Department of the Company / Share Transfer Agent.
14. In view of the prevailing COVID-19 pandemic situation, the Ministry of Corporate Affairs vide its circular dated 5th May, 2020 has exempted companies from sending Annual Reports in physical mode. Accordingly, an electronic copy of the Annual Report is being sent to all the Members holding shares in dematerialized mode and whose e-mail addresses are available with the Depository Participant(s) as well as to all the Members holding shares in physical mode whose e-mail addresses are registered with the Company/RTA for communication purposes. Procedure for obtaining the Annual Report, AGM notice as well as electronic voting (e-voting) instructions for Members whose e-mail addresses are not registered with the depositories or with RTA is provided herein and also available on the website of the Company. The Annual report is also available on the Company's website <https://vividglobalinds.com/> website of the Stock Exchange i.e. BSE Limited <https://www.bseindia.com/> and the website of NSDL (agency for providing the Remote e-Voting facility) i.e. <https://www.evoting.nsdl.com/>.

In view of the exemptions provided, no physical or hard copies of the Notice and the Annual Report will be sent to the shareholders who have not registered their e-mail addresses with the Company/RTA as well as to those specifically requesting for physical copy of the documents.

Members holding shares in electronic form who have registered/not registered their e-mail address, mobile number, address and bank details may please contact and validate/update their details with the Depository Participant.

15. Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings in respect of the Directors seeking appointment/re-appointment at the AGM is furnished and forms part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
16. Voting through Electronic Means (E-Voting):

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Sunday the 27.09.2020 (9.00 a.m.) and ends on Tuesday the 29.09.2020. The voting by electronic means shall not be allowed beyond 5.00 p.m. on 29.09.2020. During

the e-voting period, Members of the Company, holding shares either in physical or dematerialized form, as on end of the day of business hours 23.09.2020 will be eligible to cast their vote electronically. Once the vote on a resolution is cast by the shareholder, it cannot be changed subsequently. The remote e-voting module shall be disabled by NSDL for voting thereafter.

Pankaj & Associates, Practicing Company Secretaries, has been appointed as Scrutinizer having their office at 5/14, Malad C.H.S., Opp. Saraf Hall, Poddar Park, Malad (East), Mumbai – 400097, to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results shall be declared within forty eight hours from the conclusion of the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vividglobalinds.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited (BSE) accordingly.

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: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password 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. Your password details 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.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - 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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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 shirdipankaj@hotmail.com with a copy marked to evoting@nsdl.co.in.
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 toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

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 info@vividglobalinds.com.

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 info@vividglobalinds.com.

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 the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

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- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- Shareholders 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 at (info@vividglobalinds.com) from 24th September, 2020 to 26th September, 2020. The same will be replied by the Company suitably.
- The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Details of Directors seeking appointment/re-appointment at the Annual general Meeting [Pursuant to Regulation 36(3) of the Listing Regulation], are as follows:

| | | |
|----|--|---|
| 1. | Name of the Director | Shri. Sumish Sudhir Mody |
| 2. | DIN | 00318652 |
| 3. | Date of Birth | 09/06/1972 |
| 4. | Date of Original Appointment | 09/06/1993 |
| 5. | Experience in specific Areas | He is looking after Production, Marketing, Finance, Exports, Imports, Trading activities, Banking, etc. |
| 6. | Qualifications | M.B.A. (Finance & Marketing) from Rider University, U.S.A. |
| 7. | Relationship with other Directors | Smt. Meena Sumish Mody – Wife Shri. Miten S. Mody - Brother |
| 8. | Directorships in other Companies | Vivid Intermediates Pvt. Ltd. Shlokee Builders And Developers Pvt. Ltd |
| 9. | Membership / Chairmanship of Committees other than Vivid Global Industries Limited | Nil |

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4

As per Section 197 of the Companies Act, 2013 as amended by Companies (Amendment) Act, 2017 which has become effective since September 12, 2018, total managerial remuneration payable by the Company to its directors, including managing director and whole-time director and its manager in respect of any financial year may exceed 11 % (eleven per cent) of the net profits of the Company calculated as per the Section 198 of the Companies Act, 2013, provided that the same has been approved by the shareholders of the Company by way of Ordinary Resolution/Special Resolution. The requirement of Central Government approval which was hitherto required has been done away with.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in its meeting held on 30th July, 2020 recommended to pay overall managerial remuneration in respect of any financial year in excess of 11% of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013.

Except Shri. Sumish S. Mody, Shri. Miten Mody & Smt. Meena S. Mody, none of the Directors and Shri. Sudhir Muljibhai Mody, CFO, none of Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No. 4.

The Board of Directors recommends the resolution for approval by the members.

Item No. 5

Shri. Sumish S. Mody has played a key role in the growth of the Company's business and has substantially contributed in taking the Organization to the current position. He has been instrumental in the acquisition of quality projects added over the past few years resulting in accelerated pace of growth and optimization of stakeholders' return and total remuneration of ₹2,75,000/- per month was being paid by the Company for his services as Managing Director. Keeping in view, the additional roles and responsibilities borne by the Managing Director, Subject to necessary approval by the Members at the ensuing Annual General Meeting and on recommendation of the Nomination & Remuneration Committee in its meeting held on 30th July, 2020 and approval of the Board of Directors in its meeting held on 30th July, 2020, revised the remuneration payable to Shri. Sumish S. Mody as Managing Director from 1st April, 2020 is Total: ₹3,25,000/-per month.

As per Section 197 of the Companies Act 2013 as amended by Companies (Amendment) Act, 2017 read with Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and pursuant to amendment in the Regulation 17(6)(e) of SEBI LODR, the fees or compensation payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in a general meeting, if the annual remuneration payable to such Executive Director exceeds ₹5 Crore or 2.5% of the net profits of the Company calculated as per section 198 of the Companies Act, 2013, whichever is higher; or where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5% of the net profits of the Company and hence, the aforementioned revision of remuneration of Shri. Sumish S. Mody exceeding the aggregate managerial remuneration limit payable to all directors taken together of 10 % of the Net Profits of the Company is subject to the approval of shareholders of the Company in General Meeting and therefore, the Shareholders of the Company are required to approve the aforementioned revision of Managerial Remuneration of Shri. Sumish S. Mody, Managing Director of the Company by passing a Special Resolution.

Save and except as indicated hereinabove, other terms of appointment & remuneration of Shri. Sumish S. Mody, Managing Director, remains the same.

This Explanatory Statement shall be treated as a written memorandum under Section 190 of the Companies Act, 2013, of the Agreement between the Company and Shri. Sumish S. Mody.

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In compliance with the applicable provisions of the Companies Act, 2013, a Special Resolution as per the terms set out in Item No. 5 of the accompanying Notice is being placed before the members in the Annual General Meeting.

Except Shri. Sumish S. Mody, Shri. Miten Mody & Smt. Meena S. Mody, none of the Directors and Shri. Sudhir Muljibhai Mody, CFO, none of the other Directors or Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No. 5.

The Board of Directors recommends the resolution for approval by the members.

REGISTERED OFFICE

D-21/1 M.I.D.C., Tarapur,
Via Boisar, Dist. Palghar ,
Maharashtra – 401506

Dated: 24.08.2020

For and on behalf of the Board

**Sd/-
SUMISH S. MODY
MANAGING DIRECTOR
DIN: 00318652**

VIVID GLOBAL INDUSTRIES LIMITED

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the Thirty Third Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2020.

1. FINANCIAL STATEMENTS & RESULTS

a. **FINANCIAL SUMMARY :**

Financial summary and performance highlights of your Company, for the financial year ended 31st March, 2020 are as follows

(₹ in Lakhs)

| Particulars | 31st March, 2020 | 31st March, 2019 |
|--|------------------|------------------|
| Income from Operations & Other income excluding Excise & VAT (GST) | 5,879.44 | 6148.01 |
| Profit/(Loss) before Depreciation & Interest | 374.90 | 586.82 |
| Less: Depreciation & Interest | 155.13 | 117.13 |
| Net Profit / (Loss) before Exceptional items and Tax | 219.77 | 469.69 |
| Less: Prior years adjustments, Deferred tax etc. | 72.12 | 130.23 |
| Less: Exceptional items/Prior Period Items | 61.08 | 0.01 |
| Net Profit / (loss) after tax | 86.57 | 339.45 |
| Net Profits after Dividends | 59.05 | 284.24 |
| Add/Less: Profit/(Loss) Brought forward | 544.03 | 259.78 |
| Balance carried to Balance Sheet | 630.76 | 544.03 |

b. **OPERATIONS:**

Due to the vulnerabilities of our domestic economy & the global market dislocation including on the back of the COVID-19 pandemic in March 2020, the Company has recorded lower total income of ₹5879.44 Lakhs as compared to ₹6148.01 Lakhs for the previous year and lower net Profits after tax of ₹86.56 Lakhs for the year as compared to the profits of ₹339.45 Lakhs in the previous year.

Considering preventive measures to curtail the spread of COVID-19 and in line with the directions issued by the Ministry of Home Affairs, the Company had to temporarily suspend its manufacturing operations from 23rd March, 2020. The detailed impact of Covid-19 pandemic on the business is given below in point no. 8 of this report.

c. **FUTURE PROSPECTS:**

The Company has initially planned to start production of J. Acid at their Boisar Plant by March or April 2020. But due to the Covid – 19 crisis the Management has decided to stop the manufacturing of this product at the moment and will take the decision when the market situation stabilise.

So, the Company is watching the market requirement and will take further decision with the production of J.Acid with full capacity.

d. **DIVIDEND:**

Based on the Company's performance, the Directors have declared interim dividends of ₹0.25 per equity share(i.e.5%) on fully paid up Equity Share of ₹ 5/- (Rupees Five only) each paid during the financial year 2019-2020. The above payment of Interim Dividend be confirmed as Final Dividend for the financial year ended 31st March, 2020.

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e. CHANGE IN SHARE CAPITAL:

There is no change in the Paid-up Share Capital of the Company as on 31st March, 2020, which was ₹4,56,44,350/- comprising of 91,28,870 Shares of ₹5/- each. The company has not issued shares with differential voting rights nor granted stock options nor sweat equity during the period under review.

f. DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

g. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report as required under the Listing Regulations, which form an integral part of this Report, is set out as separate "Annexure D".

h. FINANCE:

Cash and cash equivalents as at March 31, 2020 was ₹1,78,62,609/-. The company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters which were kept under strict check through continuous monitoring.

i. SUBSIDIARY COMPANIES:

The Company does not have any subsidiary.

j. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. The disclosure of material Related Party Transaction in FORM AOC-2 is given in "Annexure A" to this report.

k. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of the investments made by company are given in the notes to the financial statements.

2. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri. Dharmesh D. Choksi resigned from the office of Board of director w.e.f. 23rd April, 2019. The Board of directors takes on record the invaluable contributions made by Shri. Dharmesh D. Choksi, as a Director of the company.

Shri. Mahesh Shivram Gharat and Shri Nitin Anant Zujam were appointed as Independent Directors of the company w.e.f. 2nd November, 2018 and Shri. Nainesh Desai was appointed as an Independent Director of the company w.e.f. 20th May, 2019 for a period of five years by the members of the company in the Annual General Meeting held on 30th September, 2019.

As per the provisions of Companies Act, 2013, Shri. Sumish Sudhir Mody, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

On recommendation of the Nomination & Remuneration Committee in its meeting held on 30th July, 2020 and approval of the Board of Directors in its meeting held on 30th July, 2020, the board has revised/ changed the remuneration payable to Shri. Sumish S. Mody, Managing Director, Shri. Miten S. Mody, Wholetime Director and Shri. Sudhir Muljibhai Mody, Chief Financial Officer from 1st April, 2020.

The board of directors have in their meeting held on 30th July, 2020 appointed Mrs. Amisha Miten Mody, as Management & HRD consultant as office of place of profit on a remuneration of ₹ 1,25,000/- per month.

The necessary resolutions for the appointment/revision in remuneration are also being placed before the members for their consideration at the forthcoming Annual General Meeting.

- **DECLARATION BY INDEPENDENT DIRECTORS:**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and SEBI Listing Regulations and the relevant rules. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and Rules made there under and are independent of the Management.

- **BOARD EFFECTIVENESS :**

- i. **Familiarization Programme For Independent Directors**

Pursuant to requirements of the Listing Regulations, the Company has a familiarization programme for Independent Directors with regard to their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The Board Members are provided with all necessary documents/ reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board constituted Committee Meetings pertaining to business and performance updates of the Company, global business environment, business strategies and risks involved. Directors attend training programme/conferences on relevant subject matters and keep themselves abreast of the latest corporate, regulatory and industry developments.

The same has been posted on website of the Company viz; www.vividglobalinds.com

- ii. **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, 2015, the evaluation of the performance of the Board as well as of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee has been carried out. The performance evaluation of the Independent Directors was carried out by the entire Board and the performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

3. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

- a. **BOARD MEETINGS:**

During the year 5 (Five) Board Meetings and 4 (four) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

- b. **DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(3) and 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

c. NOMINATION AND REMUNERATION COMMITTEE:

The details pertaining to the composition of the Nomination and Remuneration Committee are included in the Report on Corporate Governance, which forms part of this Report.

The Board has on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

The Committee at its meeting held on 30th July, 2020, recommended revision in remuneration payable to Shri. Sumish S. Mody as Managing Director, Shri. Miten Sudhir Mody as Wholetime Director and Shri. Sudhir Muljibhai Mody, Chief Financial Officer of the Company and the necessary resolution for the said revision in remuneration is also being placed before the members for their consideration at the forthcoming Annual General Meeting.

d. AUDIT COMMITTEE:

The details pertaining to the composition of the Audit Committee are included in the Report on Corporate Governance, which forms part of this Report.

During the year under review, there was no instance wherein the Board had not accepted any recommendation of the Audit Committee.

e. VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any. The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board

f. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman of the Company. The Internal Auditor appointed by the Company viz. Smt. Amisha M. Mody, monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. The Board addresses significant issues raised by both the Internal Auditors and Statutory Auditors.

g. BUSINESS RISK MANAGEMENT :

Integrated enterprise risk management framework is in existence under which the common prevailing risks in the Company are identified, the risks so identified are reviewed on periodic basis by the Audit Committee and the management's actions to mitigate the risk exposure in a timely manner are assessed.

A risk management policy under the above said enterprise risk management framework as approved by the Board has been adopted by the Company and being reviewed on yearly basis.

At present the company has not identified any element of risk which may threaten the existence of the company.

h. REMUNERATION DETAILS PURSUANT TO COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND OTHER APPLICABLE PROVISIONS :

- Information pursuant to Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

- i. The percentage of increase in remuneration of each Director, Chief Financial Officer and Company during the financial year 2019-20, ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20 and the comparison of remuneration of each KMP against the performance of the company are as under:

ii

| Sr. No. | Name of the Director/ KMP and designation | Remuneration of the Director/ KMP for the financial year 2019-20 | % increase in remuneration in the financial year 2018-19 | Ratio of remuneration of each Director/ to median remuneration of employees | Comparison of the remuneration of the KMP against the performance of employees |
|---------|---|--|--|---|--|
| 1. | Shri. Sumish S. Mody– Managing Director | 33,00,000 | 83.33 | 24.81:1 | The remuneration of the Directors & KMPs is well within the industry limits and in tandem with the performance of the company. |
| 2. | Shri. Miten S Mody– Wholetime Director | 14,40,000 | 77.25 | 10.83:1 | |
| 3. | Shri. Sudhir Mody CFO(KMP) | 5,18,400 | 232.30 | 3.90:1 | |
| 4. | Smt. Nilam P. Bajoria– Company Secretary | 1,38,000 | - | 1.04:1 | |

- iii. The median remuneration of employees of the Company during the financial year was ₹ 1.33 Lakhs;

- iv. In the financial year, there was no change in the median remuneration of employees;

- v. There were 70 permanent employees on the rolls of Company as on 31st March, 2020;

- vi. Relationship between average increase/ decrease in remuneration and company performance:

The Profit before Tax for the financial year ended 31st March, 2020 stood at ₹1,58,69,151/- from the profit of ₹4,69,67,807/- posted in the same period last year. There was no change in the median remuneration. The average increase in median remuneration was in line with the performance of the Company.

- vii. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

The total remuneration of Key Managerial Personnel was ₹47,40,000/- for the FY 2019-20 as compared to ₹28,20,000/- for the FY 2018-19. Whereas profit before tax stood at ₹

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1,58,69,151/- from the profit of ₹ 4,69,67,807/- posted in the same period last year.

- viii. a) Variations in the market capitalization of the Company: The market capitalization as on 31st March, 2020 was ₹1,036.13 Lakhs (₹3,678.92 Lakhs as on 31st March, 2019).
- b) Earnings ratio of the Company was 0.95 as at 31st March, 2020 and was 3.72 as at 31st March, 2019.
- ix. No increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20.
- x. The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company.
- xi. During the year ended 31st March, 2020, there was no employee, who is not a Director of the Company and received remuneration in excess of highest paid Director of the Company.
- xii. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- Information pursuant to Rule 5(2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:- There was no employee, who is paid in excess of the limit as specified in the rule.

4. **AUDITORS AND REPORTS**

The matters related to Auditors and their Reports are as under:

a. **OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2020:**

There are no qualifications, reservation or adverse remark or disclaimer made by statutory auditor in his report. The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2020 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. **SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31ST MARCH, 2020:**

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Pankaj & Associates, a firm of company Secretaries in practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit report of the Company for the financial year ended 31st March, 2020 in the prescribed Form MR-3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "Annexure B".

c. **STATUTORY AUDITORS:**

At the Company's 30th Annual General Meeting held on 27th September, 2017, M/S Saamil Kapadia & Co., Mumbai, Chartered Accountants (Firm Reg. No. 135970W) has been appointed as the Statutory Auditor of the Company for a term of 5 years to hold office from the conclusion of the 30th Annual General Meeting until the conclusion of the 35th Annual General Meeting of the Company

d. **INTERNAL AUDIT:**

Smt. Amisha M. Mody, Internal Auditor of the Company has carried out audit on various expense heads of the Company and site and inventory management. The findings of the Internal Auditors are discussed on an on-going basis in the meetings of the Audit Committee and corrective actions are taken as per the directions of the Audit Committee. The Board of Directors have in their meeting held on 30th July, 2020 appointed Mr. Stevan L. Mendonca as Internal Auditor for the year 2020-21.

5. OTHER DISCLOSURES

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

a. **EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2020 made under the provisions of Section 92(3) of the Act is attached as "Annexure C" which forms part of this Report.

b. **CONSERVATION OF ENERGY:**

- i. Though the Company's manufacturing operations do not involve substantial energy consumption, the Company has taken adequate steps to improve energy utilization wherever possible.
- ii. Additional investments and proposals for reduction of consumption of energy- No additional investments made during the year.
- iii. Impact of the above measures: Nil
- iv. Total energy consumption and energy consumption per unit of production: "FORM – A" Not Applicable

c. **TECHNICAL ABSORPTION, ADAPTION AND INNOVATION:**

- i. The Company is having in-house R&D facilities for all its products and doing continuous research for its improvement.
- ii. The Company is examining possibilities of new technology to improve the quality and yield of the products development by in-house technical personnel.
- iii. Imported Technology: No technology was imported by the Company during the year under review.

d. **INDUSTRIAL RELATIONS:**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

e. **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- i. Activities relating to export, initiative taken to increase exports, development of new export markets for products and services. During the current year, the Company has exported its products to Far East Countries. Efforts are being made to develop new markets and the Company expects substantial increase in exports during the current year.
- ii. Total Foreign Exchange.
 - Outgo - ₹59,42,706/-
 - Earned - ₹20,16,75,764/-

f. **CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of business of the Company.

g. **THE DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

There are no significant material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

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h. MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31 March, 2020 to which the financial statements relates and the date of signing of this report.

i. CORPORATE GOVERNANCE:

The Corporate Governance, which form an integral part of this Report, are set out as separate Annexure E, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Listing Regulations.

j. PREVENTION OF SEXUAL HARASSMENT ATWORK PLACE:

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there under, your Company has adopted a policy for prevention of sexual harassment at work place and has constituted an Internal Complaints Committee. During the year, the Company has not received any complaints on sexual harassment under the said Act.

k. REPORTING OF FRAUD:

The Auditors of the Company have not reported any fraud as specified under the second provision of Section 143(12) of the Act.

l. HUMAN RESOURCES (HR):

The Company's HR policies and procedures are designed to recruit and retain the best talent to support the operations of your Company and to align the interests of all employees with the long term organizational goals.

6. GENERAL

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

- a. Details relating to deposits covered under Chapter V of the Act.
- b. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c. Issue of sweat equity shares to employees of the Company under any scheme.
- d. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- e. No 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.
- f. No revision of Financial Statements has been done during the year under review.

7. LISTING OF SHARES

Your Company's shares are listed on the Bombay Stock Exchange Limited. Listing fees of BSE Limited has been paid within the stipulated time period.

VIVID GLOBAL INDUSTRIES LIMITED

8. DISCLOSURE ON IMPACT OF COVID-19 PANDEMIC ON THE BUSINESS AS ADVISED VIDE SEBI CIRCULAR NO SEBI/HO/CFD/CMDI/CIR/P/2020/84 DATED MAY 20, 2020

In accordance with the SEBI Circular, information relating to COVID – 19 impact on the business of the Company is given below:-

| Particulars As Per SEBI Circular Dated May 20, 2020 | Details of Disclosures |
|--|---|
| Impact of Covid 19 pandemic on the business | The impact on the business has been very pronounced due to National, State and Local Governments Lockdown for almost a period of 4 months |
| Ability to maintain operations including the Factories/units/office spaces functioning and closed down | Company allowed employees to work from home and thereby the Company has been able to maintain its operations in order to comply with duly applicable legal framework. |
| Schedule, if any for restarting the operations | There was no planned schedule as the lockdowns were not allowing for working as a continuous process industry. |
| Steps taken to ensure smooth functioning of operations | Given the constraints, steps have been taken to mitigate the business and industry specific stress. |
| Estimation of future impact of COVID-19 on operations | The past 4 months' experience has shown that the financial year 2020 – 2021 is going to be a very stressful. |
| Details of impact of COVID-19 | |
| Capital | The prospects of identifying strategic partners may get delayed up to December 2020 and accordingly there may be delay in infusion of new capital. |
| Profitability | The area is in neutral territory and very tough to get by. |
| Liquidity | Company do not expect any major adverse impact on liquidity from its current position. Company has enough liquidity to sustain its existing operations |
| Ability to service debts and other financial arrangements | Company will be able to meet its debts obligations. |
| Assets | No impact is estimated |
| Internal Financial reporting and control | No impact is estimated |
| Supply Chain | Affected due to transport restrictions and movement of people. |
| Demand for products and services | Demand for products has suffered due to the adverse supply chain impact |
| Existing contracts/agreements where ' _ non-fulfillment of the obligations by any party will have significant impact on the listed entity's business | Yes – the stress on contracts / obligations exists but so far these factors are not yet disruptive. The next 8 months would reveal the significance and extent of the impact on the company's business. |
| Other relevant material updates Though the impact of COVID-19 seems to about the listed entity's business | The following are material updates:- (1) The factory has been functioning with just about 45 - 50% normalcy. (2) The Creditors and Debtors have so far been manageable. |

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9. ACKNOWLEDGEMENTS AND APPRECIATION

The Board of Directors wishes to express its gratitude and record its sincere appreciation for the commitment and dedicated efforts put in by all the employees. Your Director take this opportunity to express their grateful appreciation for the encouragement, co-operation and support received by the Company from the local authorities, bankers, customers, suppliers and business associates. The Directors are thankful to the esteemed shareholders for their continued support and the confidence reposed in the Company and its management.

REGISTERED OFFICE

D-21/1 M.I.D.C., Tarapur,
Via Boisar, Dist. Palghar ,
Maharashtra – 401506

Dated: 30.07.2020

For and on behalf of the Board of Directors

**Sd/-
SUMISH S. MODY
MANAGING DIRECTOR
DIN: 00318652**

**Sd/-
MITEN SUDHIR MODY
WHOLETIME DIRECTOR
DIN: 02422219**

VIVID GLOBAL INDUSTRIES LIMITED

ANNEXURE-A Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**
2. **Details of material contracts or arrangement or transactions at arm's length basis:**
 - (a) Name(s) of the related party and nature of relationship:
 1. Vivid Intermediates Pvt. Ltd. – Associate Company
 2. Sumichem Corporation- Partnership Firm (Enterprises over which Key Management Persons have significant influence)
 3. Vivid Chemical- Partnership Firm (Enterprises over which Key Management Persons have significant influence)
 - (b) Nature of transactions: Salaries, Rent Paid, Loans given & received, Reimbursement of expenses & Professional Fees Paid
 - (c) Duration of the transactions: April 2019 - March 2020
 - (d) Salient terms of the transactions including the value, if any: Salaries, Rent Paid, Loans given & received, Reimbursement of expenses, Professional fees paid etc. at arm's length basis. (for details of transactions during the year refer Note No.II (7) of Financial Statement)
 - (e) Date(s) of approval by the Board, if any: 20/05/2019
 - (f) Amount paid as advances, if any: NIL

For and on behalf of the Board of Directors

**Place: Mumbai
Date: 30.07.2020**

**Sd/-
SUMISH S. MODY
MANAGING DIRECTOR
DIN: 00318652**

**Sd/-
MITEN SUDHIR MODY
WHOLETIME DIRECTOR
DIN: 02422219**

ANNEXURE-B

Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2020

To,
The Members,
Vivid Global Industries Limited,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vivid Global Industries 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 Vivid Global Industries Limited's books, papers, minutes book, 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 31st March, 2020 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, minutes book, forms and returns filed and other records maintained by Vivid Global Industries Limited ("the Company") for the financial year ended on 31st March, 2020 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made there under;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made there under. There was no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - d) 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;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, **(No instances for compliance requirements during the year);**
 - g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(No instances for compliance requirements during the year);**
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, **(No instances for compliance requirements during the year);** and

- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, **(No instances for compliance requirements during the year);**

We have also examined compliance with the applicable clauses of the Listing Obligations entered into by the Company with Bombay Stock Exchange (BSE Limited);

- 6) Other laws applicable specifically to the Company
 - a) Factory act, 1948;
 - b) The Export and Import Policy of India;
 - c) Hazardous Waste (Management and Handling) Rules, 1989 amended 2000 and 2003;
 - d) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 amended 2000;
 - e) Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996;
 - f) Public Liability Insurance Act, 1991 amended 1992 and Rules;
 - g) The Gas Cylinder Rules, 2004;
 - h) The Static and Mobile Pressure Vessels (Unfired) Rules, 1981;
 - i) The Merchant Shipping Act, 1958 and amendments;
 - j) Labour Laws and other incidental Laws related to the employees appointed by the Company either on its payroll or on the contractual basis as related to the wages, provident fund, Gratuity, ESIC, Compensation etc;
 - k) Foreign Exchange Management Act, 1999 / Foreign Direct Investment Policy;
 - l) Consumer Protection Act, 1986;
 - m) Acts Specified under the Direct and the Indirect tax;
 - n) Acts prescribed under the Environmental Protection, 15 Acts prescribed under the prevention and control of the pollution;
 - o) General Clauses Act, 1897.

We have relied on the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company as follows:

- 1) Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- 2) Professional Tax Act, 1975 and Rules
- 3) Payment of Gratuity Act, 1972
- 4) Contract Labour (R&A) Act, 1970
- 5) Employees State Insurance Act, 1948
- 6) Equal Remuneration Act, 1976
- 7) Minimum Wages Act, 1948
- 8) Payment of Bonus Act, 1965
- 9) Shop and Establishment Act, 1948
- 10) Income Tax Act, 1961
- 11) Central Excise Act, 1944

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During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the following:

The Company has paid Environmental compensation penalty of ₹36 Lakhs levied by Central Pollution Control Board & ₹25 Lakhs by Gujarat Pollution Control Board on the Company's factory units at Tarapur & Vapi respectively for operating the factory in violation of the pollution control board guidelines. The remedial actions have thereafter been undertaken by the company.

We further report that

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

We also report that as regards to the provisions of notices of board meeting, sending of agenda papers, holding of board meetings as laid down in the Act, are concerned, they are not strictly and properly followed by the company.

Majority decisions are carried through, while the dissenting members' views are captured and recorded as part of the minutes.

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 major specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

SD/-

Pankaj S. Desai

Practicing Company Secretary:

ACS No.: 3398

C. P. No.: 4098

Place: Mumbai

Date: 30.07.2020

UDIN A003398B000524666

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 (Integral part of Secretarial Audit Report)

To,
The Members,
Vivid Global Industries Limited,

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

1. Maintenance of Secretarial records 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 it was appropriate to obtain responsible assurance about the correctness of the contents of 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 follow provide a responsible 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 happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

SD/-

Pankaj S. Desai

Practicing Company Secretary:

ACS No.: 3398

C. P. No.: 4098

Place: Mumbai

Date: 30.07.2020

UDIN A003398B000524666

Annexure II

Other General Laws Applicable

- 1) Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- 2) Professional Tax Act, 1975 and Rules
- 3) Payment of Gratuity Act, 1972
- 4) Contract Labour (R&A) Act, 1970
- 5) Employees State Insurance Act, 1948
- 6) Equal Remuneration Act, 1976
- 7) Minimum Wages Act, 1948
- 8) Payment of Bonus Act, 1965
- 9) Shop and Establishment Act, 1948
- 10) Income Tax Act, 1961
- 11) Central Excise Act, 1944

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ANNEXURE-C

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

| | | |
|------|---|---|
| i | CIN: | L24100MH1987PLC043911 |
| ii | Registration Date: | 26/09/1987 |
| iii | Name of the Company: | VIVID GLOBAL INDUSTRIES LIMITED |
| iv | Category/Sub-category of the Company : | Company limited by shares/ Indian Non-Government Company |
| v | Address of the Registered office: | D-21/1, MIDC Tarapur, VIA Boisar, Palghar - 401506, Maharashtra |
| vi | Telephone: | 022-22619531 |
| vii | Email Address: | info@vividglobalinds.com |
| viii | Website : | http://www.vividglobalinds.com |
| | Whether listed company: | YES |
| | Name , Address & contact details of the Registrar & Transfer Agent, if any. | Sharex Dynamic (India) Pvt. Ltd: C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400083; Tele: 2851 5606/ 5644/ 6338; Web: http://www. sharexindia.com |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company |
|-------|--|----------------------------------|------------------------------------|
| 1 | N.M.J | 201 | 33.24 |
| 2 | PH J. Acid | 201 | 21.67 |
| 3 | Sulpho Tobias Acid | 201 | 14.71 |

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| Sl No | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|-------------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Vivid Intermediates Private limited | U24110MH1973PTC016578 | ASSOCIATE | 6.23 | 2(6) |

VIVID GLOBAL INDUSTRIES LIMITED

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

(i) CATEGORY-WISE SHAREHOLDING

| Category of Shareholders | No. of Shares held at the beginning of the year i.e. 01.04.2019 | | | | No. of Shares held at the end of the year i.e. 31.03.2020 | | | | % change during the year |
|--|---|-------------|-------------------|-------------------|---|-------------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 3906958.00 | 0.00 | 3906958.00 | 42.800 | 3906958.00 | 0.00 | 3906958.00 | 42.80 | 0.000 |
| b) Central Govt.or State Govt. | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| c) Bodies Corporates | 588568.00 | 0.00 | 588568.00 | 6.450 | 588568.00 | 0.00 | 588568.00 | 6.45 | 0.000 |
| d) Bank/FI | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| e) Any other | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| SUB TOTAL:(A) (1) | 4495526.00 | 0.00 | 4495526.00 | 49.250 | 4495526.00 | 0.00 | 4495526.00 | 49.25 | 0.000 |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| b) Other Individuals | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| c) Bodies Corp. | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| d) Banks/FI | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| e) Any othe | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| SUB TOTAL (A) (2) | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 4495526.00 | 0.00 | 4495526.00 | 49.250 | 4495526.00 | 0.00 | 4495526.00 | 49.25 | 0.000 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| b) Banks/FI | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| c) Central govt | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| d) State Govt. | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| e) Venture Capital Fund | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| f) Insurance Companies | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| g) FIs | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| h) Foreign Venture Capital Funds | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |

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| | | | | | | | | | |
|---|-------------------|-------------------|-------------------|----------------|-------------------|------------------|-------------------|----------------|--------------|
| i) Others (specify) | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| SUB TOTAL (B)(1): | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 140658.00 | 34800.00 | 175458.00 | 1.922 | 111969 | 34800 | 146769 | 1.608 | -0.314 |
| ii) Overseas | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.000 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹1 lakhs | 2137793 | 913440 | 3051233 | 33.424 | 2179696 | 847240 | 3026936 | 33.158 | -0.266 |
| ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs | 1130101 | 30800 | 1160901 | 12.717 | 1263858 | 30800 | 1294658 | 14.182 | 1.465 |
| c) Others (specify) | 0.00 | 0.00 | 0.00 | 0.000 | | | | | |
| i) Non Resident Individuals | 162704.00 | 58400.00 | 221104.00 | 2.422 | 84715.00 | 40600.00 | 125315.00 | 1.373 | -0.149 |
| ii) Overseas Corporate | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.000 | 0.000 |
| iii) Foreign Nationals | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.000 | 0.000 |
| iv) Clearing Members | 24648.00 | 0.00 | 24648.00 | 0.270 | 39666.00 | 0.00 | 39666.00 | 0.435 | 0.165 |
| v) Trusts | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.000 | 0.000 |
| vi) Foreign Bodies | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.000 | 0.000 |
| SUB TOTAL (B)(2): | 3403104.00 | 1226240.00 | 4629344.00 | 50.710 | 3679904.00 | 953440.00 | 4633344.00 | 50.756 | 0.040 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 3595904.00 | 1037440.00 | 4633344.00 | 50.755 | 3679904.00 | 953440.00 | 4633344.00 | 50.756 | 0.001 |
| C. Shares held by Custodian for GDRs & ADRs | 0.00 | 0.00 | 0.00 | 0.000 | 0.00 | 0.00 | 0.00 | 0.000 | 0.000 |
| | | | | | | | | | 0.000 |
| Grand Total (A+B+C) | 7902630.00 | 1226240.00 | 9128870.00 | 100.000 | 3679904.00 | 953440.00 | 9128870.00 | 100.000 | 0.000 |

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(ii) SHARE HOLDING OF PROMOTERS

| Sl No. | Shareholders Name | Shareholding at the beginning of the year i.e. 01.04.2019 | | | Shareholding at the end of the year i.e. 31.03.2020 | | | % change in share holding during the year |
|--------|---|---|----------------------------------|--|---|----------------------------------|--|---|
| | | NO of shares | % of total shares of the company | % of shares pledged encumbered to total shares | NO of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | SUMISH S MODY | 986660 | 10.808 | 0 | 986660 | 10.808 | 0 | 0 |
| 2 | MEENA SUMISH MODY | 806178 | 8.831 | 0 | 806178 | 8.831 | 0 | 0 |
| 3 | SUDHIR M. MODY | 746004 | 8.172 | 0 | 746004 | 8.172 | 0 | 0 |
| 4 | VIVID INTERMEDIATES PVT LTD | 568568 | 6.228 | 0 | 568568 | 6.228 | 0 | 0 |
| 5 | AMISHA MITEN MODY | 531396 | 5.821 | 0 | 531396 | 5.821 | 0 | 0 |
| 6 | MITEN MODY | 520320 | 5.7 | 0 | 520320 | 5.7 | 0 | 0 |
| 7 | SUDHIR M MODY HUF | 270200 | 2.96 | 0 | 270200 | 2.96 | 0 | 0 |
| 8 | ANSUYA PANKAJ MODY | 8800 | 0.096 | 0 | 8800 | 0.096 | 0 | 0 |
| 9 | SHLOKEE BUILDERS AND DEVELOPERS PVT LTD | 20000 | 0.219 | 0 | 20000 | 0.219 | 0 | 0 |
| 10 | PANKAJ MULJIBHAI MODY | 18800 | 0.206 | 0 | 18800 | 0.206 | 0 | 0 |
| 11 | PRATIMA D MODI | 13600 | 0.149 | 0 | 13600 | 0.149 | 0 | 0 |
| 12 | DEEPAK | 5000 | 0.055 | 0 | 5000 | 0.055 | 0 | 0 |
| | Total | 4495526 | 49.25 | 0 | 4495526 | 49.25 | 0 | 0.00 |

(iii) CHANGE IN PROMOTERS' SHAREHOLDING-

| Sl. No. | Name of Promoter & Particulars | Shareholding at the Beginning of the Year i.e. 01.04.2019 | | | Shareholding at the end of the Year i.e. 31.03.2020 | | | |
|-----------|--------------------------------|---|--------------------------------|------|---|--------|---------------|----------------------------------|
| | | No. of Shares at the beginning /end of the Year | % of the Shares of the company | Date | Increasing/ Decreasing in shareholding | Reason | No. of shares | % of total Shares of the company |
| NO CHANGE | | | | | | | | |
| | | | | | | | | |

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

| Sl. No | | Shareholding at the beginning of the year i.e. 01.04.2019 | | Change in Shareholdings (No. of Shares) | | Shareholding at the end of the year i.e. 31.03.2020 | |
|--------|-------------------------------------|---|----------------------------------|---|---------------|---|----------------------------------|
| | For Each of the Top 10 Shareholders | No. of shares | % of total shares of the company | Increase | Decrease | No. of shares | % of total shares of the company |
| 1 | DEEPAK NAGJI PATEL | 172974 | 1.89 | 0 | 0 | 172974 | 1.89 |
| 2 | CHARU VIJAY SURA | 167346 | 1.83 | 0 | 0 | 167346 | 1.83 |
| 3 | ADITI ASHISH TRIVEDI | 114000 | 1.25 | 0 | 0 | 114000 | 1.25 |
| 4 | N B VIJAYA KUMAR | 99591 | 1.09 | 3798 | 0 | 103389 | 1.13 |
| 5 | NEELAM MUTHA | 26600 | 0.29 | 47500 | 0 | 74100 | 0.81 |
| 6 | SEAHORSE INDIA PRIVATE LIMITED | 62400 | 0.68 | 0 | 0 | 62400 | 0.68 |
| 7 | PARESH CHANDRKUMAR CHOKSHI | 50854 | 0.56 | 0 | 0 | 50854 | 0.56 |
| 8 | HEMLATA SOLANKI | 46320 | 0.51 | 0 | 0 | 46320 | 0.51 |
| 9 | SURENDRA KUMAR TULSIAN | 38020 | 0.42 | 0 | 0 | 38020 | 0.42 |
| 10 | SANJAY PAREEK | 20000 | 0.22 | 17448 | 0 | 37448 | 0.41 |
| 11 | MAHESHKUMAR RAMDAS KANKAREJ | 95000 | 1.04 | 0 | 95000 | 0 | 0 |
| 12 | JAINAM UDAY SHAH | 42150 | 0.46 | 0 | 42150 | 0 | 0 |
| | Total | 935255 | 10.24 | 68746 | 137150 | 866851 | 9.49 |

(v). Shareholding of Directors & KMP

| Sl. No | For Each of the Directors & KMP | Shareholding during the year | | Cumulative Shareholding during the year | |
|-----------|--|------------------------------|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1) | SUMISH S MODY | | | | |
| | At the beginning of the year i.e. 01.04.2019 | 986660 | 10.8 | 986660 | 10.8 |
| | Increase/Decrease in Shareholding | NA | | NA | |
| | At the end of the year i.e. 31.03.2020 | 986660 | 10.8 | 986660 | 10.8 |
| 2) | SUDHIR M. MODY | | | | |
| | At the beginning of the year i.e. 01.04.2019 | 746004 | 8.17 | 746004 | 8.17 |
| | Increase/Decrease in Shareholding | NA | | NA | |
| | At the end of the year i.e. 31.03.2020 | 746004 | 8.17 | 746004 | 8.17 |

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| | | | | | |
|-----------|--|--------|------|--------|------|
| 3) | MITEN MODY | | | | |
| | At the beginning of the year i.e. 01.04.2019 | 520320 | 5.70 | 520320 | 5.70 |
| | Increase/Decrease in Shareholding | NA | | NA | |
| | At the end of the year i.e. 31.03.2020 | 520320 | 5.70 | 520320 | 5.70 |
| 4) | MEENA SUMISH MODY | | | | |
| | At the beginning of the year i.e. 01.04.2019 | 806178 | 8.83 | 806178 | 8.83 |
| | Increase/Decrease in Shareholding | NA | | NA | |
| | At the end of the year i.e. 31.03.2020 | 806178 | 8.83 | 806178 | 8.83 |

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebted- ness |
|--|---|--------------------|----------|----------------------------|
| Indebtness at the beginning of the financial year | | | | |
| i) Principal Amount | 18596464 | 0 | 0 | 18596464 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 18596464 | 0 | 0 | 18596464 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 74856 | 0 | 0 | 74856 |
| Reduction | 2321593 | 0 | 0 | 2321593 |
| Net Change | -2246737 | 0 | 0 | -2246737 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 16349727 | 0 | 0 | 16349727 |
| ii) Interest due but not paid | 0 | 0 | 0 | 0 |
| iii) Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (i+ii+iii) | 16349727 | 0 | 0 | 16349727 |

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VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No | Particulars of Remuneration | Name of the WTD | Managing Director | Total Amount |
|--------|--|------------------------------|-------------------------------|----------------|
| 1 | Gross salary | Mr. Miten Sudhir Mody | Mr. Sumish Sudhir Mody | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 1440000 | 3300000 | 4740000 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission as % of profit others, specify | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | Total (A) | 1440000 | 3300000 | 4740000 |

B. Remuneration to other directors:

| Sl. No | Particulars of Remuneration | Name of the Directors | Total Amount |
|--------|--|-----------------------|--------------|
| 1 | Other Executive Directors | NA | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 0 | 0 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 0 | 0 |
| | Stock option | | |
| | Sweat Equity | 0 | 0 |
| | Commission as % of profit others, specify | 0 | 0 |
| | Others, please specify | 0 | 0 |
| | Total (1) | 0 | 0 |

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| 2 | Independent Directors/Non Executive Directors | Mrs. Meena Mody | Mr. Dharmesh Shirendra Choksi (Resigned on 23/04/2019) | Mr. Nainesh Desai (Appointed on 20/05/2019) | Mr. Mahesh Shivram Gharat | Mr. Nitin Anant Zujam | Total |
|---|--|-------------------------------|---|--|---------------------------|-----------------------|--------------|
| | | Non-Executive Director | Independent Non-Executive Directors | | | | |
| | (a) Fee for attending board / committee meetings | 25000 | 0 | 20000 | 25000 | 25000 | 95000 |
| | (b) Commission | 0 | 0 | 0 | 0 | 0 | 0 |
| | (c) Others, please specify. | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (2) | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (B)=(1+2) | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Managerial Remuneration | 25000 | 0 | 20000 | 25000 | 25000 | 95000 |

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|----------|--|----------------------------------|----------------------------------|---------------|
| | | CFO | CS | Total |
| 1 | Gross Salary | MR. SUDHIR MULJIBHAI MODY | MRS.NILAM PRADEEP BAJORIA | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 518400 | 160000 | 678400 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission as % of profit others, specify | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 |
| | Total | 518400 | 160000 | 678400 |

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VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCLT/ Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | 0 | 0 | 0 | 0 | 0 |
| Punishment | 0 | 0 | 0 | 0 | 0 |
| Compounding | 0 | 0 | 0 | 0 | 0 |
| B. DIRECTORS | | | | | |
| Penalty | 0 | 0 | 0 | 0 | 0 |
| Punishment | 0 | 0 | 0 | 0 | 0 |
| Compounding | 0 | 0 | 0 | 0 | 0 |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | 0 | 0 | 0 | 0 | 0 |
| Punishment | 0 | 0 | 0 | 0 | 0 |
| Compounding | 0 | 0 | 0 | 0 | 0 |

ANNEXURE-D

MANAGEMENT DISCUSSION AND ANALYSIS:

A. Industry Structure and Development

The Company is engaged in the business of production of dye intermediates particularly in N-Methyl J. Acid, derivatives of J. Acid, Tobias Acid, Tobias Acid purified Grade & Sulpho Tobias Acid. Further the Company undertakes job work of various dye industries. The main raw material J.Acid is imported from China.

B. Opportunities and Threats

The Company is having a good market for its range of products and exporting to twenty countries of the World.

C. Segment-wise Performance

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

D. Outlook

Due to the Covid-19 pandemic in the Financial year 2019-20, the future outlook of the Company looks very stressful and the reasons are as follows:

1. The impact on the business has been very pronounced due to National, State and Local Governments Lockdown.
2. There was no planned schedule as the lockdowns were not allowing for working as a continuous process industry.
3. Given the constraints, steps have been taken to mitigate the business and industry specific stress.
4. Company do not expect any major adverse impact on liquidity from its current position. Company has enough liquidity to sustain its existing operations.
5. Company will be able to meet its debts obligations.
6. The stress on contracts / obligations exists but so far these factors are not yet disruptive. The next 8 months would reveal the significance and extent of the impact on the company's business.

E. Risk and Concerns

We are manufacturing Dyes & Dye Intermediates which goes in manufacturing of clothes and apparels. In this Covid-19 situation, the hospitality & tourism industry almost shut down and so the demand of our product is very low.

F. Internal Control Systems and their Adequacy

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

G. Human Resources

In the field of Human Resources, the Company has developed speedily water/air/land pollution control departments and hired qualified people for the same.

ANNEXURE - E

REPORT ON CORPORATE GOVERNANCE

In accordance with the Listing Agreements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the 'Listing Regulations') with BSE the report containing the details of the corporate governance systems and processes at Vivid Global Industries Limited is as follows:

1. **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

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

The Company has adopted a Code of Conduct as required under Listing Regulations with the Stock Exchanges. The Directors have confirmed compliance with the code of conduct for the year ended 31st March, 2020.

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

2. **BOARD OF DIRECTORS:**

a. **Composition and size of the Board:**

The present strength of the Board is 6 (Six). The Board comprises of 1 (one) Managing Director, 1(One) Executive Director, 1 (One) Non-Executive Director and the remaining are Independent Directors.

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

The particulars of Directors, Category, their attendance at the Board Meetings and Annual General Meeting ,other Directorships and Memberships / Chairmanships in committees of other Companies as on 31st March, 2020 are as under:

| Directors | Category | Shares Held | Attendance Particular | | No. of other Directorship and Committee Membership/ Chairmanship held | | |
|--|----------|-------------|-----------------------|----------|---|---------------------------|-------------------------|
| | | | Board Meeting | Last AGM | Director ships** | Committee Member-ships*** | Committee Chairman-ship |
| Shri. Sumish S. Mody | MD | 986660 | 5 | Yes | 3 | 1 | - |
| Smt. Meena Sumish Mody | NED | 806178 | 5 | Yes | 1 | 1 | - |
| Shri. Miten S. Mody | WTD | 520320 | 5 | Yes | 3 | 1 | - |
| Shri. Dharmesh D. Choksi (resigned on 23/04/2019) | NED | Nil | 0 | Yes | 1 | - | - |

VIVID GLOBAL INDUSTRIES LIMITED

| Directors | Category | Shares Held | Attendance Particular | | No. of other Directorship and Committee Membership/ Chairmanship held | | |
|--|----------|-------------|-----------------------|----------|---|--------------------------|------------------------|
| | | | Board Meeting | Last AGM | Director ships** | Committee Memberships*** | Committee Chairmanship |
| Shri. Nainesh Sumantrai Desai (Appointed on 20/05/2019) | NED | Nil | 5 | Yes | - | - | - |
| Shri. Mahesh Shivram Gharat | NED | Nil | 5 | Yes | 1 | 3 | - |
| Shri. Nitin Anant Zujam | NED | Nil | 5 | Yes | 1 | - | 3 |

**Including Directorships in Vivid Global Industries Limited

***Committees considered are Stakeholders Relationship Committee, Audit committee, Nomination and Remuneration Committee in Vivid Global Industries Limited

C: Chairman; MD: Managing Director; WTD: Whole Time Director; NED: Non – Executive Director; Directors who are Chairperson of the Committee have been included in list of members as well.

The Board periodically reviews compliance reports of all laws applicable to the company as well as steps taken by the Company to rectify instances of non-compliances, if any.

None of the Directors are Director in more than 20 Companies and member of more than 10 Committees or acts as a Chairman of more than 5 Committees. None of the Independent Directors serves as an Independent Director in more than seven listed companies..

b. Board Meetings, AGM and Attendance of Directors:

The Company's Board of Directors plays primary role in ensuring good governance functioning of the Company. The Board meets at least once in a quarter to consider amongst other business, the performance of the Company and financial results.

During the year ended 31st March, 2020 the Board met 5 times. The Board Meetings were held on 20.05.2019, 13.08.2019, 24.10.2019, 05.02.2020 and 12.03.2020. The Annual General Meeting for the financial year 2018-19 was held on 30th September, 2019.

3. BOARD COMMITTEES:

To enable better and more focused attention on the affairs of the Company, the Board delegates specific matters to Committees of the Board set up for the purpose. The Committees prepare the groundwork for decision making and report at the subsequent meeting of the Board of Directors.

Currently, the Board has three Committees viz. Audit Committee, Nomination & Remuneration Committee and Stakeholder's Relationship Committee. The Board is responsible for the constitution, co-opting and fixing the terms of reference for the said Committees.

a. **AUDIT COMMITTEE:**

Terms of Reference, Composition:

The term of reference of this committee covers the matters specified for Audit Committee under Regulation 18 of the Listing Regulations. The Chairman of Audit Committee is Shri. Nitin Anant Zujam, Independent director of the Company.

The terms of reference of the Audit Committee include:

- i. 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;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause of sub-section 3 of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the company with related parties;
- ix. Scrutiny of Inter-corporate loans and investments;
- x. Valuation of undertakings or assets of the company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. 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;
- xvi. 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;

- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the Whistle Blower mechanism;
- xix. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

- **Details of Composition of the Committee**

The Composition of Audit Committee and attendance at its meetings is given hereunder:

| Sr. No. | Name of the Member | Position |
|---------|---|----------|
| 1. | Shri. Dharmesh D. Choksi (Resigned on 23/04/2019) | Chairman |
| 2. | Shri. Nitin Anant Zujam (Appointed on 23/04/2019) | Chairman |
| 3. | Shri. Mahesh Shivram Gharat | Member |
| 4. | Shri. Sumish Sudhir Mody | Member |

- **Details of Committee Meetings and Attendance**

During the Financial Year 2019-20, 4 (Four) meetings of the Audit Committee were held i.e. on 20.05.2019, 13.08.2019, 24.10.2019 and 05.02.2020.

The table hereunder gives the attendance record of the Audit Committee members.

| Name of the Members | Number of Meetings Convened | Number of Meetings Attended |
|---|-----------------------------|-----------------------------|
| Shri. Dharmesh D. Choksi (Resigned on 23/04/2019) | 4 | 0 |
| Shri. Nitin Anant Zujam (Appointed on 23/04/2019) | 4 | 4 |
| Shri. Mahesh Shivram Gharat | 4 | 4 |
| Shri. Sumish Sudhir Mody | 4 | 4 |

Chief Financial Officer, Internal Auditors and Statutory Auditors were invitees to the meeting.

b. NOMINATION AND REMUNERATION COMMITTEE:

The Broad terms of reference of the Nomination & Remuneration Committee is to ensure that the remuneration practices of the Company in respect of the Senior Executives including the Whole time Directors are competitive keeping in view prevalent compensation packages so as to recruit and retain suitable individual(s) in such capacity.

The Listing Regulations provide that a Company may appoint a Committee for recommending managerial remuneration payable to the Directors and KMPs which is approved by the Board of Directors and where necessary further approved by the shareholders through ordinary or special resolution as applicable. The Company has setup a remuneration committee for the said purpose. The main function of the Committee is to determine the remuneration payable to the Directors and KMP. The remuneration committee has met once during the year.

i. Terms of Reference:

- Formulate the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel, and other personnel.

- Identifying and assessing potential individuals with reference to their expertise, skills, qualifications, attributes and personal and professional standing for appointment/reappointment as Directors/Key managerial Personnel in the Company.
- Support the Board of Directors for formulating policies for evaluation of performance of directors.
- Recommend compensation payable to the Executive Directors, Directors and Senior Managerial Personnel.

ii. Appointment and Remuneration Policy:

The Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, Key Managerial Personnel and their remuneration. This Policy is accordingly derived from the said Charter.

Criteria of selection of Non Executive Directors:

The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-a-vis the Company so as to enable the Board to discharge its functions and duties effectively.

The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- Qualification, expertise and experience of the Directors in their respective fields;
- Personal, Professional or business standing;
- Diversity of the Board.

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

iii. Composition of the Committee:

The Nomination & Remuneration Committee comprised of the following members as on 31st March, 2020:

| Sr. No. | Name of the Member | Position |
|---------|---|----------|
| 1. | Shri. Dharmesh D. Choksi (Resigned on 23/04/2019) | Chairman |
| 2. | Shri. Nitin Anant Zujam (Appointed on 23/04/2019) | Chairman |
| 3. | Shri. Mahesh Shivram Gharat | Member |
| 4. | Shri. Miten Sudhir Mody | Member |

iv. Nomination Remuneration Policy:

Details of Remuneration paid to Directors and Key Managerial Personnel of the Company are as follows:

The remuneration of the Whole time Directors is recommended by the remuneration committee based on factors such as industry benchmarks, the Company's performance etc. Shri. Sumish Sudhir Mody, Managing Director of the Company, draws remuneration of ₹33,00,000/- during the

year. Other than above, Shri. Miten Sudhir Mody draws remuneration of ₹14,40,000/-, Shri. Sudhir Muljibhai Mody draws remuneration of ₹5,18,400/- and Smt. Meena Mody does not draw any remuneration apart from getting Director Sitting Fees.

Non Executive Directors:

The Company currently does not pay any compensation to Non-Executive Directors.

c. **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

i. **Scope of the Stakeholders' Relationship Committee:**

The Stakeholders' Relationship Committee specifically looks into shareholders' complaints, if any and to redress the same expeditiously. The Committee deals with various matters like share transfers, transmissions, issue of duplicate share certificates, approve the remat requests, request for consolidation of shares as and when received, and to generally deal with all investors related matters and redress the grievances of investors if any.

ii. **Composition of the Committee:**

Stakeholders' Relationship Committee consists of three Directors out of which, one Director is Executive Director and two Directors are Non-Executive Independent Director.

The Stakeholders' Relationship Committee comprised of the following members as on 31st March, 2020:

| Sr. No. | Name of the Member | Position |
|---------|---|----------|
| 1. | Shri. Dharmesh D. Choksi (Resigned on 23/04/2019) | Chairman |
| 2. | Shri. Nitin Anant Zujam (Appointed on 23/04/2019) | Chairman |
| 3. | Shri. Mahesh Shivram Gharat | Member |
| 4. | Smt. Meena Sumish Mody | Member |

Shri. Sudhir Mody is the Compliance Officer of the Company.

There are no complaints that have remained un-redressed. The brief terms of reference of Stakeholders Relationship Committee are as under:

- To oversee the share transfer process.
- To monitor the redressal of stakeholders' grievances.
- To consider and approve issue of share certificates on requests for duplicate certificates, consolidation of folios etc.
- To do all such acts, deeds, matters and things as may be necessary or expedient for performing any of the above acts

d. **Meeting of Independent Directors**

During the year under review, the independent Directors of the Company met on 12th March, 2020 interalia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors of the Company as a whole.
- Evaluation of performance of the Chairman of the Company, taking into views of Executive and Non-Executive Directors.

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4. DETAILS OF GENERAL BODY MEETINGS:

i Annual General Meeting (AGM):

| Financial Year | Day and Date | Time |
|----------------|-----------------------|------------|
| 2018-2019 | Monday, 30/09/2019 | 11.00 a.m. |
| 2017-2018 | Thursday, 27/09/2018 | 11.00 a.m. |
| 2016-2017 | Wednesday, 27/09/2017 | 11.00 a.m. |

5. LOCATION:

The 30th, the 31st and the 32nd Annual General Meeting were held at Banquet Hall of Hotel Sarovar Residency, P-180-Tarapur MIDC Area, Near Hotel Sarovar, Chitralaya, Boisar (W), Dist. Palghar- 401506, Maharashtra.

6. MEANS OF COMMUNICATION:

- i. The financial results of the Company are published in widely circulating National dailies such as Business Standard and Lakshadweep. These are not sent individually to the shareholder.
- ii. The Company's results or official news are displayed on the Company's website. There were no presentations made to the institutional investors or to the analysts.
- iii. The Management Discussion and Analysis Report forms a part of this Annual Report.

7. OTHER DISCLOSURES:

- i. There are no related party transactions made by the Company with its promoters, Directors or Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval. The transactions with the related parties are disclosed in the notes to accounts in the Annual Report.
- ii. The Company has complied with all the requirements of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 entered into with the Stock Exchange. There were no penalties or strictures imposed on the Company by the Stock Exchange, SEBI or other statutory authorities for non-compliances of any matter related with capital market during the last three years except as disclosed hereunder.

1. The Company has paid Environmental compensation penalty of ₹36 Lakhs levied by Central Pollution Control Board & ₹25 Lakhs by Gujarat Pollution Control Board on the Company's factory units at Tarapur & Vapi respectively for operating the factory in violation of the pollution control board guidelines. The remedial actions have thereafter been undertaken by the company.

iii. Code of Conduct:

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website www.vividglobalinds.com

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

VIVID GLOBAL INDUSTRIES LIMITED

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

iv. **CEO / CFO Certification:**

As required under Regulation 17 of Listing Regulations, the Managing Director and CFO of the Company have certified to the Board regarding their review on the Financial Statements, Cash Flow Statements and matters related to internal control etc. in the prescribed format for the year ended 31st March, 2020.

v. **Prevention Of Insider Trading:**

The Company has adopted a Policy for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Rules requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Policy. The Board of Directors and the designated employees have confirmed compliance with the Policy.

The same has been posted on website of the Company viz; www.vividglobalinds.com

8. General Shareholder Information:

| | |
|---|--|
| a. AGM Day, Date, Time, Venue : | Wednesday, the 30th September, 2020 at 11.00 a.m. through Video Conferencing (VC) or Other Audio Visual Means (OAVM). |
| b. Financial Calendar : | 01.04.2019 to 31.03.2020 |
| c. Unaudited Financial Results : | 1st Quarter –13.08.2019 |
| | 2nd Quarter –24.10.2019 |
| | 3rd Quarter –05.02.2020 |
| | 4th Quarter -30.07.2020 (Audited) |
| d. Book Closure Period : | 24.09.2020 to 30.09.2020 |
| e. Dividend Payment Date : | The Board of Directors has declared an interim dividend of ₹0.25 per equity share on each fully paid 9128870 no. of equity shares of ₹5/- each of the company amounting to ₹4,56,44,350/- for the financial year ended 31st March, 2020. The dividend was paid to those members whose names appear on the Company's Register of Members on 20.03.2020. The above payment of Interim Dividend be confirmed as Final Dividend for the financial year ended 31st March, 2020. |

f. **The Shares of the Company are traded frequently on the Stock Exchange. High, Low, Market Price of Vivid Global Industries Limited on the Stock Exchange, Mumbai during each month between April,2019 to March, 2020 (face value ₹5/-per share) are as under:**

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| Month | High (₹) | Low (₹) | BSE INDEX High | BSE INDEX Low |
|-----------------|----------|---------|----------------|---------------|
| April, 2019 | 40.95 | 36.15 | 39487.45 | 38460.25 |
| May, 2019 | 39.9 | 33 | 40124.96 | 36956.1 |
| June, 2019 | 35.75 | 23.6 | 40312.07 | 38870.96 |
| July, 2019 | 28.25 | 20.4 | 40032.41 | 37128.26 |
| August, 2019 | 24.45 | 16.55 | 37807.55 | 36102.35 |
| September, 2019 | 23 | 16.6 | 39441.12 | 35987.8 |
| October, 2019 | 21.8 | 16.25 | 40392.22 | 37415.83 |
| November, 2019 | 18.7 | 12.55 | 41163.79 | 40014.23 |
| December, 2019 | 15.5 | 13 | 41809.96 | 40135.37 |
| January, 2020 | 16.8 | 13.15 | 42273.87 | 40476.55 |
| February, 2020 | 23.5 | 13.05 | 41709.3 | 38219.97 |
| March, 2020 | 16.95 | 9.5 | 39083.17 | 25638.9 |

g. Listing on Stock Exchange at:

The Equity Shares of the Company are listed at the following Stock Exchanges:

The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.

The Ahmedabad Stock Exchange, Opp. Sahajanand College, Panjarapole, Ahmedabad-380015.

h. Stock/ Company/ Security/ Common Code:

The Stock Exchange, Mumbai

BSE Code: 524576

i. Registrar and Transfer Agents:

In Compliance with the SEBI Directive for all listed companies to have a common agency to handle physical and electronic share registry work, the Company has appointed Sharex Dynamic (India) Pvt. Ltd. as the Registrar and Transfer Agent. Accordingly all documents, transfer deeds, Demat requests and other communications in relation thereto should be addressed to the R & T at its offices at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai -400083.

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

j. Distribution of Shareholding as on 31st March, 2020:

| Distribution of Shares | Number of Shareholders | % to total no. | Number of Shares | % to total |
|------------------------|------------------------|----------------|------------------|---------------|
| Upto100 | 642 | 16.261 | 29407 | 0.322 |
| 101 To 200 | 1069 | 27.077 | 208475 | 2.284 |
| 201 To 500 | 1044 | 26.444 | 412043 | 4.514 |
| 501 To 1000 | 626 | 15.856 | 501907 | 5.498 |
| 1001 To 5000 | 417 | 10.562 | 939544 | 10.292 |
| 5001 To 10000 | 70 | 1.773 | 536334 | 5.875 |
| 10001 To 100000 | 69 | 1.748 | 1514125 | 16.586 |
| 100001 To Above | 11 | 0.279 | 4987035 | 54.629 |
| Total | 3948 | 100.000 | 9128870 | 100.00 |

VIVID GLOBAL INDUSTRIES LIMITED

k. Shareholding Pattern of the Company as on 31st March, 2020

| Sr. No. | Holders | Physical Forms | Electronic Form | Total No. of Shares | % of total |
|---------|---------------------------|----------------|-----------------|---------------------|------------|
| 1. | Promoter & Promoter Group | 0 | 4495526 | 4495526 | 49.25 |
| 2. | Public | 953440 | 3679904 | 4633344 | 50.75 |
| | TOTAL | 953440 | 8175430 | 9128870 | 100 |

l. Dematerialization of Shares & Liquidity

89.56% of the Company's share capital is dematerialized as on 31st March, 2020. The Company's shares are regularly traded on the BSE.

Address for Correspondence:

Vivid Global Industries Limited
C/o. Sumichem Corporation,
1-D, Dhannur Building,
Sir P. M. Road, Fort,
Mumbai – 400001

Place: Mumbai
Date: 30.07.2020

For and On behalf of the Board of Directors

Sd/-
SUMISH S. MODY
MANAGING DIRECTOR
DIN: 00318652

Sd/-
MITEN SUDHIR MODY
WHOLETIME DIRECTOR
DIN: 02422219

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CERTIFICATE OF CHIEF FINANCIAL OFFICER ON CORPORATE GOVERNANCE

The Board of Directors
M/s. Vivid Global Industries Limited

We have reviewed the financial statements and the cash flow statement of Vivid Global Industries Limited for the financial year 2019-20 and certify that:

These statements to the best of our knowledge and belief:

Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading.

Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

To the best of our knowledge and belief, there are no transactions entered into by the Directors and Senior Management Personnel during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware of and the steps taken and/or proposed to be taken to rectify these deficiencies.

We have also indicated to the Auditors and the Audit Committee:

Significant changes in Internal Controls with respect to financial reporting during the year. Significant changes in accounting policies during the Year and these have been disclosed in the notes to the financial statements.

To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

FOR VIVID GLOBAL INDUSTRIES LIMITED

**SD/-
SUDHIR MULJIBHAI MODY
CHIEF FINANCIAL OFFICER**

**Place: Mumbai
Date: 30.07.2020**

VIVID GLOBAL INDUSTRIES LIMITED

PRACTICING COMPANY SECRETARY'S CERTIFICATE UNDER SUB-PARA 10(i) OF PART C OF SCHEDULE V OF SEBI (LODR), REGULATIONS, 2015

To,
The Members
Vivid Global Industries Limited

I, Pankaj & Associates, Practicing Company Secretary, hereby certify that I have examined and verified the records, books and papers of the Company VIVID GLOBAL INDUSTRIES LIMITED as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made there under, as regards the Directors of the Company for the Financial Year ended on 31st March, 2020.

I further certify that based on the examinations carried out by me and the explanations and representations furnished to me by the said Company, its officers and agents, none of the following Directors of the Company:

| Sr. No. | Name of the Director | DIN | Category |
|---------|-----------------------------|----------|------------------------|
| 1 | Shri. Sumish S. Mody | 00318652 | Managing Director |
| 2. | Smt. Meena Sumish Mody | 07994050 | Non-Executive Director |
| 3 | Shri. Miten S. Mody | 02422219 | Whole-Time Director |
| 4 | Shri. Mahesh Shivram Gharat | 08272531 | Independent Director |
| 6 | Shri. Nitin Anant Zujam | 08272546 | Independent Director |
| 7 | Shri. Nainesh Desai | 08452630 | Independent Director |

have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI or Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2020.

SD/-

Pankaj S. Desai

Practicing Company Secretary:

ACS No.: 3398

C. P. No.: 4098

Place: Mumbai

Date: 30.07.2020

UDIN A003398B000524688

Independent Auditor's Report

To the Members of
M/s VIVID GLOBAL INDUSTRIES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of M/s VIVID GLOBAL INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and

VIVID GLOBAL INDUSTRIES LIMITED

give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its Profit, total comprehensive income, its cash Flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act we report, to the extent applicable that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Saumil Kapadia & Co.
(Chartered Accountants)
Firm Reg. No. 135970W

Place: Mumbai
Dated: 30th July, 2020

(Saumil Kapadia)
Membership No.: 144873
UDIN: 20144873AAAAEE3601

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/s VIVID GLOBAL INDUSTRIES LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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 Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**For Saumil Kapadia & Co.
(Chartered Accountants)
Firm Reg. No. 135970W**

Place: Mumbai
Dated: 30th July, 2020

**(Saumil Kapadia)
Membership No.: 144873
UDIN: 20144873AAAAEE3601**

“Annexure B” to the Independent Auditors’ Report

(Referred to in paragraph 2 under ‘Report on Other Legal & Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of Fixed assets to cover all the items in a phased manner over have been physically verified by the management in a phased manner, designed to cover all the item over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds, transfer deeds, mutation of title papers, property tax papers and conveyance deeds provided to us, we report that the title deeds, comprising all the immovable properties in respect of land and buildings which are freehold, are held in the name of the company as at the balance sheet date.
- (ii) As explained to us, inventories of finished and semi-finished goods and raw materials were physically verified during the year by the Management. In respect of inventories of stores and spare parts and stocks at, the Company has a programme of verification of stocks over a three year period. In our opinion and according to the information and explanations given to us, the inventories have been verified by the management at reasonable intervals in relation to size of the Company and nature of business and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest. - Not Applicable
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and interest have been regular as per stipulations. – Not Applicable
 - (c) Amounts referred to (b) above have been overdue for more than 90 days and, as explained to us, the Management has taken reasonable steps for recovery of the principal amounts and interest thereon. –Not Applicable
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. The Company has however not registered itself as required under the Gratuity Act and have informed us that they are in process of obtaining the same at the earliest.

VIVID GLOBAL INDUSTRIES LIMITED

- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable, except for the following:
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
 - (ix) In our opinion and according to the information and explanations given to us, term loans taken have been applied by the Company during the year for the purposes for which they were raised.
 - (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company has been noticed or reported during the year.
 - (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
 - (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 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, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
 - (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
 - (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its sister concerns or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
 - (xvi) the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934..

**For Saumil Kapadia & Co.
(Chartered Accountants)
Firm Reg. No. 135970W**

Place: Mumbai
Dated: 30th July, 2020

**(Saumil Kapadia)
Membership No.: 144873
UDIN: 20144873AAAAEE3601**

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Standalone Balance Sheet as at 31 March 2020

| Particulars | Note No. | As at | As at |
|--|----------|--------------------|--------------------|
| | | 31 March 2020 | 31 March 2019 |
| | | ₹ | ₹ |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| (a) Property, Plant and Equipment | 1 | 67,386,717 | 70,063,893 |
| (b) Right of use assets | | | |
| (c) Capital Work-in-Progress | | | |
| (d) Investment Properties | | | |
| (e) Goodwill | | | |
| (f) Other Intangible Assets | | | |
| (g) Intangible Assets Under Development | | | |
| (h) Biological Assets Other Than Bearer Plants | | | |
| (i) Financial Assets | | | |
| (i) Investments | 2 | 407,800 | 407,800 |
| (ii) Trade receivables | 3 | - | - |
| (iii) Loans | 4 | - | - |
| (iv) Other Financial Assets | 5 | - | - |
| (j) Deferred Tax Assets (Net) | | | |
| (k) Other Non-current Assets | 6 | 8,767,563 | 4,680,401 |
| SUB-TOTAL | | 76,562,080 | 75,152,094 |
| CURRENT ASSETS | | | |
| (a) Inventories | 7 | 89,553,752 | 69,838,352 |
| (b) Financial Assets | | | |
| (i) Investments | 2 | - | - |
| (ii) Trade Receivables | 3 | 67,531,532 | 86,288,414 |
| (iii) Cash and Cash Equivalents | 8 | 17,862,609 | 11,413,842 |
| (iv) Bank Balances other than (iii) above | 9 | 28,694,114 | 19,805,449 |
| (v) Loans | 4 | 176,000 | 31,700 |
| (vi) Other Financial Assets | 5 | 54,921 | 51,027 |
| (c) Current Tax Assets (Net) | 10, 17 | 819,075 | - |
| (d) Other Current Assets | 6 | 5,330,813 | 3,806,091 |
| SUB-TOTAL | | 210,022,816 | 191,234,875 |
| Non-Current Assets Classified as Held for Sale | | | |
| TOTAL ASSETS | | 286,584,896 | 266,386,969 |
| EQUITY AND LIABILITIES | | | |
| (a) Equity share capital | 11 | 45,644,350 | 45,644,350 |
| (b) Other equity | 12 | 76,239,776 | 67,566,846 |
| LIABILITIES | | 121,884,126 | 113,211,196 |
| NON-CURRENT LIABILITIES | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 | 1,110,814 | 1,984,613 |
| (ii) Trade Payable | 14 | - | - |
| (iii) Other financial liabilities | 15 | 634,920 | 609,920 |
| (b) Provisions | 16 | 493,421 | 709,460 |
| (c) Deferred tax liabilities (net) | 17 | 5,402,642 | 4,056,277 |
| (d) Other non current liabilities | 18 | - | - |
| SUB-TOTAL | | 7,641,796 | 7,360,270 |
| CURRENT LIABILITIES | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 13 | 15,238,913 | 16,611,851 |
| (ii) Trade payables | 14 | 140,800,136 | 118,046,327 |
| (iii) Other financial liabilities | 15 | - | 5,519,861 |
| (b) Provisions | 16 | 336,741 | 1,195,020 |
| (c) Other current liabilities | 19 | 683,184 | 1,776,733 |
| (d) Current tax liabilities (net) | 17 | - | 2,665,711 |
| SUB-TOTAL | | 157,058,974 | 145,815,503 |
| TOTAL EQUITY AND LIABILITIES | | 286,584,896 | 266,386,969 |

For Saumil Kapadia & Co.

Chartered Accountants
(FRN 135970W)

CA.Saumil Kapadia
M. No. 144873

Place: Mumbai
Date:30/07/2020

VIVID GLOBAL INDUSTRIES LIMITED

Sd/-
Sumish Sudhir Mody
Managing Director
(DIN:00318652)

Sd/-
Miten Sudhir Mody
Whole-time Director
(DIN:02422219)

Sd/-
Meena Sumish Mody
Director
(DIN : 07994050)

Sd/-
Neelam Pradeep Bajoria
Company Secretary

Sd/-
Sudhir Muljibhai Mody
CFO

VIVID GLOBAL INDUSTRIES LIMITED

Statement of Standalone Profit and Loss for the year ended 31 March 2020

| Particulars | | Note No. | For the year ended on 31st March 2020 | For the year ended on 31st March 2019 |
|-------------|---|----------|--|--|
| | | | ₹ | ₹ |
| I. | Revenue from operations | 20 | 585,706,857 | 612,406,986 |
| II. | Other income | 21 | 2,237,188 | 2,394,196 |
| III. | Total Revenue (I + II) | | 587,944,045 | 614,801,182 |
| IV. | Expenses: | | | |
| | (a) Cost of materials consumed | 22 | 438,217,796 | 449,682,771 |
| | (b) Purchases of Stock-in-trade | 23 | 28,785,689 | 25,344,102 |
| | (c) Changes in stock of finished goods, work-in- progress and stock-in-trade | 24 | -8,100,626 | -3,597,729 |
| | (d) Employee benefit expense | 25 | 19,318,886 | 20,063,936 |
| | (e) Finance costs | 26 | 8,394,955 | 6,065,985 |
| | (f) Depreciation and amortisation expense | 27 | 7,117,742 | 5,647,245 |
| | (g) Impairment expenses/losses | | - | - |
| | (h) Other expenses | 28 | 72,232,572 | 64,625,720 |
| | Total expenses | | 565,967,014 | 567,832,030 |
| V. | Profit/(loss) before exceptional items and tax (III - IV) | | 21,977,031 | 46,969,152 |
| VI. | Exceptional Items | 29 | 6,107,880 | 1,345 |
| VII. | Profit/(loss) before tax (V - VI) | | 15,869,151 | 46,967,807 |
| VIII. | Tax expense: | | | |
| | (1) Current tax | 17 | 5,866,233 | 12,369,791 |
| | (2) Deferred tax | 17 | 1,346,365 | 653,285 |
| | Total tax expense | | 7,212,598 | 13,023,076 |
| IX | Profit/(loss) after tax from continuing operations (VII-VIII) | | 8,656,553 | 33,944,731 |
| X | Discontinued Operations | | | |
| | (1) Profit/(loss) from discontinued operations | | - | - |
| | (2) Tax Expense of discontinued operations | | - | - |
| XI | Profit/(loss) after tax from discontinued operations | | - | - |
| XII | Profit/(loss) for the period (IX + XI) | | 8,656,553 | 33,944,731 |
| XIII | Other comprehensive income | | | |
| A | (i) Items that will not be recycled to profit or loss | | | |
| | (a) Changes in revaluation surplus | | - | - |
| | (b) Remeasurements of the defined benefit liabilities / (asset) | | - | - |
| | (c) Equity instruments through other comprehensive income | | - | - |
| | (d) Fair value changes relating to own credit risk | | - | - |
| | (e) Others (specify nature) | | - | - |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| B | (i) Items that may be reclassified to profit or loss | | | |
| | (a) Exchange differences in translating the financial statements of foreign operations | | - | - |
| | (b) Debt instruments through other comprehensive income | | - | - |
| | (c) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge | | - | - |
| | (d) Share of other comprehensive income of equity accounted investees | | - | - |
| | (e) Others (specify nature) | | - | - |
| | (ii) Income tax on items that may be reclassified to profit or loss | | - | - |
| XIV | Total comprehensive income for the period (XIV + XII) | | 8,656,553 | 33,944,731 |
| XV | Earnings per equity share (for continuing operation): | | | |
| | (1) Basic | | 0.95 | 3.72 |
| | (2) Diluted | | 0.95 | 3.72 |
| XVI | Earnings per equity share (for discontinued operation): | | | |
| | (1) Basic | | | |
| | (2) Diluted | | | |
| XVII | Earnings per equity share (for continuing and discontinued operations): | | | |
| | (1) Basic | | 0.95 | 3.72 |
| | (2) Diluted | | 0.95 | 3.72 |

For Saumil Kapadia & Co.

Chartered Accountants
(FRN 135970W)

CA.Saumil Kapadia

M. No. 144873

Place: Mumbai
Date:30/07/2020

VIVID GLOBAL INDUSTRIES LIMITED

Sd/-
Sumish Sudhir Mody
Managing Director
(DIN:00318652)

Sd/-
Miten Sudhir Mody
Whole-time Director
(DIN:02422219)

Sd/-
Meena Sumish Mody
Director
(DIN : 07994050)

Sd/-
Neelam Pradeep Bajoria
Company Secretary

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Standalone Statement of Cash Flows for the year ended 31 March 2020

| Particulars | For the year ended on 31st March 2020 | For the year ended on 31st March 2019 |
|--|--|--|
| | ₹ | ₹ |
| Cash flows from operating activities | | |
| Profit before tax for the year Adjustments for: | | |
| Income tax expense recognised in profit or loss | 15,869,151 | 46,967,807 |
| Finance costs recognised in profit or loss | 8,394,955 | 6,065,985 |
| Investment income recognised in profit or loss | | |
| Gain on disposal of property, plant and equipment | | |
| Gain on disposal of a subsidiary | | |
| Gain on disposal of interest in former associate | | |
| Net (gain)/loss recorded in profit or loss on financial liabilities designated as at fair value through profit or loss | | |
| Net (gain)/loss arising on financial assets mandatorily measured at fair value through profit or loss | | |
| Net loss/(gain) arising held for trading financial liabilities | | |
| Hedge ineffectiveness on cash flow hedges | | |
| Net (gain)/loss on disposal of available-for-sale financial assets | | -65,000 |
| Impairment loss recognised on trade receivables | | |
| Reversal of impairment loss on trade receivables | | -609,854 |
| Depreciation and amortisation of non-current assets | 7,117,742 | 5,647,245 |
| Impairment of non-current assets | | |
| Net foreign exchange (gain)/loss | | |
| Expense recognised in respect of equity-settled share-based payments | | |
| Expense recognised in respect of shares issued in exchange for goods/services | | |
| Amortisation of financial guarantee contracts | | |
| | 31,381,848 | 58,006,183 |
| Movements in working capital: | | |
| Increase/decrease in trade and other receivables | 2,397,840 | -8,789,852 |
| (Increase)/decrease in amounts due from customers under construction contracts | | |
| (Increase)/decrease in inventories | -19,715,400 | -1,328,445 |
| (Increase)/decrease in other assets | | |
| Decrease in trade and other payables | 22,180,259 | -9,256,539 |
| Increase/(decrease) in amounts due to customers under construction contracts | | |
| Increase/(decrease) in provisions | | |
| (Decrease)/increase in deferred revenue | | |
| (Decrease)/increase in other liabilities | | |
| Cash generated from operations | 36,244,547 | 38,631,347 |
| Income taxes paid | -5,866,233 | -12,369,791 |
| Net cash generated by operating activities | 30,378,313 | 26,261,556 |
| Cash flows from investing activities | | |
| Payments to acquire financial assets | -4,440,566 | -12,371,696 |
| Proceeds on sale of financial assets | | 65,000 |
| Interest received | | |
| Royalties and other investment income received | | |
| Dividends received from associates | | |
| Other dividends received | | |
| Amounts advanced to related parties | | |
| Repayments by related parties | | |
| Payments for property, plant and equipment | | |
| Proceeds from disposal of property, plant and equipment | | |
| Payments for investment property | | |

VIVID GLOBAL INDUSTRIES LIMITED

| Particulars | For the year ended on 31st March 2020 | For the year ended on 31st March 2019 |
|--|--|--|
| | ₹ | ₹ |
| Proceeds from disposal of investment property | | |
| Payments for intangible assets | | |
| Net cash outflow on acquisition of subsidiaries | | |
| Net cash inflow on disposal of subsidiary | | |
| Net cash inflow on disposal of associate | | |
| Net cash (used in)/generated by investing activities | -4,440,566 | -12,306,696 |
| Cash flows from financing activities | | |
| Proceeds from issue of equity instruments of the Company | | |
| Proceeds from issue of convertible notes | | |
| Payment for share issue costs | | |
| Payment for buy-back of shares | | |
| Payment for share buy-back costs | | |
| Proceeds from issue of redeemable preference shares | | |
| Proceeds from issue of perpetual notes | | |
| Payment for debt issue costs | | |
| Proceeds from borrowings | 25,000 | 206,566 |
| Repayment of borrowings | -2,246,737 | -2,034,632 |
| Proceeds from government loans | | |
| Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control | | |
| Dividends paid on redeemable cumulative preference shares | | |
| Dividends paid to owners of the Company | -2,751,742 | -5,520,042 |
| Reduction in Dividend Paid for FY 2018-19 | 2,768,119 | |
| Interest & Other Finance Cost paid | -8,394,955 | -6,065,985 |
| Net cash used in financing activities | -10,600,315 | -13,414,094 |
| Net increase in cash and cash equivalents | 15,337,432 | 540,767 |
| Cash and cash equivalents at the beginning of the year | 31,219,291 | 30,678,524 |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | | |
| Cash and cash equivalents at the end of the year. | 46,556,723 | 31,219,291 |
| Reconciliation of cash and cash equivalents as per the cash flow Statement | | |
| Cash and cash equivalents (incl. Other Bank Balance) | 46,556,722 | 31,219,291 |
| Bank overdraft (Note __) | - | - |
| Balance as per statement of cash flows | 46,556,722 | 31,219,291 |

Notes

- (a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.
- (b) Non cash items : No transactions
- (c) Changes in liability arising from financing activities

For Saumil Kapadia & Co.

Chartered Accountants
(FRN 135970W)

VIVID GLOBAL INDUSTRIES LIMITED

Sd/-
Sumish Sudhir Mody
Managing Director
(DIN:00318652)

Sd/-
Meena Sumish Mody
Director
(DIN : 07994050)

Sd/-
Sudhir Muljibhai Mody
CFO

CA.Saumil Kapadia

M. No. 144873

Sd/-
Miten Sudhir Mody
Whole-time Director
(DIN:02422219)

Sd/-
Neelam Pradeep Bajoria
Company Secretary

Place: Mumbai
Date:30/07/2020

Note 1

| Fixed Assets | Gross Block | | | Accumulated Depreciation | | | Net Block | | | | | |
|---|----------------------------|------------------------|--|-----------------------------|-----------------------------|----------------------------|----------------------------------|--------------------------|--------------------------------|--------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2019 | Additions/ (Disposals) | Acquired through business combinations | Revaluations/ (Impairments) | Balance as at 31 March 2020 | Balance as at 1 April 2019 | Depreciation charge for the year | Retained Earnings Effect | Adjustment due to revaluations | On disposals | Balance as at 31 March 2020 | Balance as at 31 March 2019 |
| a | | | | | | | | | | | | |
| Tangible Assets | | | | | | | | | | | | |
| Land under lease | 7,510,168 | | | | 7,510,168 | - | | | | | 7,510,168 | 7,510,168 |
| Buildings | 20,045,943 | 656,489 | | | 20,702,432 | 6,376,812 | 594,475 | | | | 13,731,144 | 13,669,131 |
| Plant and Equipment(Not Utilised for Production) (Fully Depreciated in Earlier Years) | 3,147,223 | | | | 3,147,223 | 3,147,223 | | | | | | |
| Plant and Equipment (Fully Depreciated in Earlier Years) | 30,213,025 | | | | 30,213,025 | 30,213,025 | | | | | | |
| Plant and Equipment | 47,195,133 | 3,361,496 | | | 50,556,629 | 10,543,021 | 4,772,035 | | | | 35,241,573 | 36,652,112 |
| Furniture and Fixtures | 394,342 | | | | 394,342 | 374,521 | 4,333 | | | | 15,489 | 19,821 |
| Vehicles (Fully Depreciated sold during the year) | - | | | | - | - | | | | | | |
| Vehicles (Utilising during the year) | 12,229,544 | | | | 12,229,544 | 3,253,294 | 1,257,270 | | | | 7,718,980 | 8,976,250 |
| Office equipment (Fully Depreciated) | 680,209 | | | | 680,209 | 680,209 | | | | | | |
| Computers (Fully Depreciated) | 21,025 | | | | 21,025 | 19,974 | | | | | 1,051 | 1,051 |
| Computers | 299,257 | 27,358 | | | 326,615 | 157,597 | 80,608 | | | | 88,411 | 141,660 |
| Electrical Installations and Equipment | 2,931,089 | 343,380 | | | 3,274,469 | 754,674 | 299,890 | | | | 2,219,905 | 2,176,415 |
| Laboratory Equipment | 1,209,779 | 51,843 | | | 1,261,622 | 292,494 | 109,132 | | | | 859,996 | 917,285 |
| Total | 125,876,737 | 4,440,566 | | | 130,317,303 | 55,812,844 | 7,117,742 | | | | 67,930,586 | 70,063,893 |
| b | | | | | | | | | | | | |
| Intangible Assets | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |
| c | | | | | | | | | | | | |
| Capital Work In Progress | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |
| d | | | | | | | | | | | | |
| Intangible assets under Development | | | | | | | | | | | | |
| Total | | | | | | | | | | | | |

Note 1 a

| Particulars | Year | | | | |
|-------------------------|---------------|---------------|---------------|---------------|---------------|
| | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
| Asset details: | | | | | |
| Balance as at 1 April | 67,386,717.13 | 63,339,441.45 | 60,946,735.67 | 40,463,948.88 | 20,434,931.46 |
| Impairment/ Revaluation | | | | | |
| Balance as at 31 March | 67,386,717.13 | 63,339,441.45 | 60,946,735.67 | 40,463,948.88 | 20,434,931.46 |

Note 1 b

Capital Subsidy of ₹11,00,000/- during the year ended 2018 received from Directorate of Industries, Palghar, Government of Maharashtra has been reduced from the Cost of the Plant & Machinery. Hence the depreciation on addition to Fixed Assets made during the year has been calculated at the cost of new assets less the subsidy received.

Note 1 c

Building has been provide as security against the Bank's Packing Credit Facility. Motor vehicles are hypothetized against the Car loan.

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Note 2

FINANCIAL ASSETS - INVESTMENT

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|----------------|---------------------|----------------|
| | No.of Share | Amount | No.of Share | Amount |
| <u>Non Current Investment</u> | | | | |
| Unquoted | | | | |
| Investment in Equity Instruments | | | | |
| VIPL | 3,800 | 3,800 | 3,800 | 3,800 |
| Tarapur Environment Protection Society | 2,422 | 384,000 | 2,422 | 384,000 |
| TIMA CEPT CO-OP SOC. SHARES | 200 | 20,000 | 200 | 20,000 |
| TOTAL | 6,422 | 407,800 | 6,422 | 407,800 |
| <u>Current Investment</u> | | | | |
| Quoted | | | | |
| Unquoted | | | | |
| TOTAL | - | - | - | - |

Note 3

FINANCIAL ASSETS - TRADE RECEIVABLES

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|-------------------|---------------------|-------------------|
| <u>Non Current Trade Receivables</u> | | | | |
| Secured & Considered Good | | | | |
| Secured & Considered Bad | | | | |
| Unsecured & Considered Good | | | | |
| Unsecured & Considered Bad | | | | |
| TOTAL | | - | | - |
| <u>Current Trade Receivables</u> | | | | |
| Secured & Considered Good | | | | |
| Secured & Considered Bad | | | | |
| Unsecured & Considered Good | 67,531,532 | | 86,288,414 | |
| Unsecured & Considered Bad | | 67,531,532 | | 86,288,414 |
| TOTAL | | 67,531,532 | | 86,288,414 |

The Confirmation of the Trade Receivables have not been provided as at the time of completion of the Audit and hence the Debtors have been considered as certified by the Management.

Trade Receivable has been provided as security against Bank's Credit Facility availed.

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Note 4

FINANCIAL ASSETS - LOANS

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|----------------|---------------------|---------------|
| Non Current Loans | | | | |
| Unsecured, considered good unless otherwise stated | | | | |
| Unsecured considered doubtful | | | | |
| TOTAL | | - | | - |
| Current Loans | | | | |
| Unsecured, considered good unless otherwise stated | | | | |
| Loans to Related Parties | | | | |
| Loans to Directors | | | | |
| Loans to Employees | 161,000 | | 26,700 | |
| Other loans | 15,000 | 176,000 | 5,000 | 31,700 |
| Unsecured considered doubtful | | | | |
| TOTAL | | 176,000 | | 31,700 |

Note 5

FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|---------------|---------------------|---------------|
| Non Current | | | | |
| TOTAL | | - | | - |
| Current | | | | |
| Financial assets carried at amortised cost | | | | |
| Accrued interest on : | | | | |
| - Bank Deposits | | | | |
| - Intercorporate Deposits | | | | |
| - IT Refund | | | | |
| - Others | 54,921 | 54,921 | 51,027 | 51,027 |
| TOTAL | | 54,921 | | 51,027 |

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Note 6

Other Assets

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|------------------|---------------------|------------------|
| Other Non- Current Assets | | | | |
| Advances other than Capital advances | | | | |
| Security Deposit | | 2,077,191 | | 2,842,227 |
| Others | | | | |
| - Payment of Taxes (Net of Provisions) | | | | |
| - MAT Credit entitlement | 512,209 | | 512,209 | |
| - Balances with Statutory, Government Authorities | 6,178,163 | 6,690,372 | 1,325,965 | 1,838,174 |
| TOTAL | | 8,767,563 | | 4,680,401 |
| Other Current Assets | | | | |
| Advances other than Capital advances | | | | |
| Advances from Creditors | | 5,330,813 | | 3,282,913 |
| Others | | | | |
| - Prepaid expenses | | | | 523,178 |
| TOTAL | | 5,330,813 | | 3,806,091 |

Note 7

| Inventories | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|-------------------|---------------------|-------------------|
| a. Raw Materials and components (Valued at Cost or Market Price whichever is less) | 19,588,764 | | 11,546,052 | |
| Goods-in transit | 14,269,812 | | 10,697,750 | |
| | 33,858,576 | 33,858,576 | 22,243,802 | 22,243,802 |
| b. Work-in-progress (Valued at Cost or Market Price whichever is less) | 7,963,913 | | 12,760,582 | |
| Goods-in transit | - | | - | |
| | 7,963,913 | 7,963,913 | 12,760,582 | 12,760,582 |
| c. Finished goods (Valued at Cost or Market Price whichever is less) | 47,335,113 | | 34,437,818 | |
| Goods-in transit | - | | - | |
| | 47,335,113 | 47,335,113 | 34,437,818 | 34,437,818 |
| d. Stock-in-trade (Valued at Cost or Market Price whichever is less) | | | - | |
| Goods-in transit | | | - | |
| | - | - | - | - |
| e. Stores and spares (Valued at Cost or Market Price whichever is less) | 396,150 | | 396,150 | |
| Goods-in transit | - | | - | |
| | 396,150 | 396,150 | 396,150 | 396,150 |

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| Inventories | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|-------------------|---------------------|-------------------|
| f. Loose Tools (Valued at Cost or Market Price whichever is less) Goods-in transit | - | - | - | - |
| g. Others (Specify nature) | - | - | - | - |
| TOTAL | | 89,553,752 | | 69,838,352 |

Note 7 a (i) Quantitative details in respect of opening, closing stock and sale of finished goods :

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

| Opening Stock: | 2019-20 | | 2018-19 | |
|----------------------|------------------|-------------------|-------------------|-------------------|
| | Kgs. | Rupees | Kgs. | Rupees |
| N Methyl J Acid | 7,662.66 | 9,011,288 | 2,862.14 | 2,580,505 |
| Phenyl J Acid | 4,013.41 | 3,736,485 | 1,781.98 | 1,466,926 |
| Di J Acid | 2,827.50 | 3,602,235 | 2,451.99 | 2,451,009 |
| Sulpho Tobias Acid | 43,740.77 | 13,997,047 | 48,644.51 | 12,647,572 |
| Tobias Acid | 5,200.19 | 1,456,053 | 56,874.44 | 13,934,238 |
| Purified Tobias Acid | 5,488.98 | 2,634,710 | 1,709.12 | 794,741 |
| | 68,933.51 | 34,437,818 | 114,324.18 | 33,874,992 |

Note 7 a (ii)

| Sales: | 2019-20 | | 2018-19 | |
|------------------------|-------------------|--------------------|---------------------|--------------------|
| | Kgs. | Rupees | Kgs. | Rupees |
| J. Acid | 28,657.30 | 22,483,734 | 31,006.79 | 22,081,521 |
| N Methyl J Acid | 173,789.51 | 193,698,562 | 149,930.03 | 170,781,359 |
| Phenyl J Acid | 136,430.96 | 126,273,612 | 154,781.87 | 137,422,606 |
| Di J Acid | 25,454.02 | 34,496,708 | 27,970.60 | 36,630,576 |
| Tobias Acid | 172,575.00 | 40,029,438 | 161,875.00 | 46,795,900 |
| Purified Tobias Acid | 94,038.26 | 42,494,960 | 60,025.00 | 28,904,735 |
| Sulpho Tobias Acid | 309,305.19 | 85,726,993 | 447,963.50 | 138,860,927 |
| Beta Naphthol (IMPORT) | 48,000.00 | 6,755,000 | - | - |
| | 988,250.24 | 551,959,007 | 1,033,552.79 | 581,477,624 |

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Note 7 a (iii)

| Closing Stock: | 2019-20 | | 2018-19 | |
|----------------------|------------------|-------------------|------------------|-------------------|
| | Kgs. | Rupees | Kgs. | Rupees |
| N Methyl J Acid | 14,366.37 | 18,302,755 | 7,662.66 | 9,011,288 |
| Phenyl J Acid | 16,521.69 | 17,810,382 | 4,013.41 | 3,736,485 |
| Di J Acid | 1,308.08 | 1,858,782 | 2,827.50 | 3,602,235 |
| Sulpho Tobias Acid | 3,951.73 | 1,284,312 | 43,740.77 | 13,997,047 |
| Tobias Acid | 4,997.99 | 1,499,397 | 5,200.19 | 1,456,053 |
| Purified Tobias Acid | 13,707.26 | 6,579,485 | 5,488.98 | 2,634,710 |
| | 54,853.12 | 47,335,113 | 68,933.51 | 34,437,818 |

Note 7 b (i) Quantitative details of principal items of raw materials and packing materials consumed:

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

| Raw materials and packing materials consumed: | 2019-20 | | 2018-19 | |
|---|---------------------|--------------------|---------------------|--------------------|
| | Kgs. | Rupees | Kgs. | Rupees |
| J Acid Import | 286,760.00 | 208,553,200 | 257,560.00 | 180,942,205 |
| J Acid Local | 83,747.98 | 61,343,913 | 83,012.37 | 63,470,409 |
| C.S.Flakes | 16,150.00 | 761,366 | 26,500.00 | 1,233,324 |
| Soda Ash | 145,000.00 | 3,831,348 | 144,150.00 | 3,891,855 |
| Sulphuric Acid | 348,750.00 | 2,528,385 | 267,282.00 | 2,983,223 |
| Mono Methyl Amine | 357,060.00 | 11,258,124 | 302,170.00 | 9,760,044 |
| HCL | 717,090.00 | 816,348 | 834,525.00 | 1,070,863 |
| SBS Powder | 30,050.00 | 865,721 | 22,600.00 | 667,963 |
| Formic Acid | 3,855.00 | 220,460 | 3,480.00 | 279,210 |
| Aniline Oil (LOCAL) | 40,553.00 | 3,289,125 | 65,500.00 | 6,997,699 |
| Aniline Oil (IMPORT) | 23,630.00 | 2,120,180 | 1,170.00 | 100,620 |
| C.S.Lye (ASIS) | 305,095.00 | 5,533,722 | 354,442.00 | 7,403,824 |
| Beta Naphthol | 116,000.00 | 20,451,100 | 312,375.00 | 56,283,750 |
| Ethylene Di Chloride | 45,656.00 | 1,887,109 | 120,935.00 | 4,232,392 |
| Oleum 23% | 375,683.00 | 2,984,500 | 874,593.00 | 9,670,156 |
| Tobias Acid (IMPORT) | 72,025.00 | 20,528,525 | 10,950.00 | 3,076,950 |
| Tobias Acid (local) | 24,165.00 | 6,981,850 | 40,981.25 | 11,523,925 |
| Chloro Sulphonic Acid | 106,562.00 | 1,326,826 | 281,305.00 | 4,148,492 |
| Liquid Ammonia | 66,958.00 | 648,653 | 100,390.00 | 949,051 |
| Anhydrous Ammonia Gas | 72,270.00 | 2,729,990 | 210,830.00 | 7,623,761 |
| SO2 Sulphur Di Oxide Gas | 16,098.00 | 360,960 | 50,680.00 | 1,025,361 |
| Others (Including Packing Material) | 292,453.02 | 13,257,040 | 530,890.63 | 15,280,465 |
| | 3,545,611.00 | 372,278,444 | 4,896,321.25 | 392,615,542 |

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While valuing Principal Raw material under note 14 b (i) Company has valued goods as mentioned below

Imported goods(@CIF Value)= (Foreign Currency * BL rate) + custom duty + Bank Charges + Clearing& Forwarding expenses + Transportation

Local goods = Purchased Price + Transportation

Note 7 b (ii)

| Particulars | 2020 | | 2019 | |
|----------------------------------|------------|-------------|------------|-------------|
| | Kgs. | Rupees | Kgs. | Rupees |
| Purchase of traded goods: | | | | |
| Dyes | 80,126.63 | 28,785,689 | 77,425.00 | 26,998,410 |
| CIF value of Imports: | | | | |
| Raw Material | 745,736.40 | 273,077,676 | 666,757.05 | 231,268,625 |

Note 7 b (iii) Value of imported and indigenous goods consumed :

| Particulars | Rupees | Percentage of total consumption | Rupees | Percentage of total consumption |
|--|-------------|---------------------------------|-------------|---------------------------------|
| | 2019-20 | 2019-20 | 2018-19 | 2018-19 |
| Raw materials & packing materials: | | | | |
| Imported | 273,077,676 | 73.35% | 231,268,625 | 58.90% |
| Indigenous | 99,200,768 | 26.65% | 161,346,917 | 41.10% |
| | 372,278,444 | 100% | 392,615,542 | 100% |
| Add : Freight Inward / Clearing & Forwarding | 8,441,847 | | 5,897,076 | |
| | 380,720,291 | | 398,512,618 | |

Note 7 c Inventory has been provided as security against Bank's Credit Facility availed.

Note 8

CASH AND CASH EQUIVALENTS

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---|---------------------|-------------------|---------------------|-------------------|
| Balances with banks on current accounts | | 17,278,489 | | 10,946,681 |
| - Deposits with original maturity of less than three months | | | | |
| Cheques/draft on hand | | | | |
| Cash on hand | | 584,120 | | 467,161 |
| TOTAL | | 17,862,609 | | 11,413,842 |

Note 9

OTHER BANK BALANCES

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--|---------------------|-------------------|---------------------|-------------------|
| Deposits with banks to the extent held as margin money | | 28,694,114 | | 19,805,449 |
| TOTAL | | 28,694,114 | | 19,805,449 |

Note 10

CURRENT TAX ASSETS

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|---------------------------|---------------------|----------------|---------------------|---|
| Taxes Paid | | 6,685,308 | | |
| Less : Taxes for the Year | | -5,866,233 | | |
| TOTAL | | 819,075 | | - |

Statement of Changes in Equity for the year ended 31 March 2020.

Note 11

A. Equity share capital

Authorised Share Capital

| Particulars | Number of Shares | Amount |
|--|------------------|------------|
| As at 1 April 2018 | 12,000,000 | 60,000,000 |
| Changes in Authorised equity share capital during the year | | |
| As at 31 March 2019 | 12,000,000 | 60,000,000 |
| Changes in Authorised equity share capital during the year | | |
| As at 31 March 2020 | 12,000,000 | 60,000,000 |

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

In the event of liquidation of the company, the shareholders will be entitled in proportion to the number of equity shares held by them to receive remaining assets of the Company, after distribution to those it was secured.

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.

Issued Capital

| Particulars | Number | Amount |
|---|-----------|------------|
| Equity shares of INR 5 each issued, subscribed and fully paid | | |
| At April 1, 2018 | 9,128,870 | 45,644,350 |
| Issued during the period | - | - |
| At March 31, 2019 | 9,128,870 | 45,644,350 |
| Issued during the period | - | - |
| At March 31, 2020 | 9,128,870 | 45,644,350 |

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

| Name of Shareholder | As at 31 March 2020 | | As at 31 March 2019 | |
|-------------------------------|---------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| MITEN S MODY | 520,320 | 5.70 | 520,320 | 5.70 |
| SUMISH S MODY | 986,660 | 10.81 | 986,660 | 10.81 |
| VIVID INTERMEDIATES PVT. LTD. | 568,568 | 6.23 | 568,568 | 6.23 |
| AMISHA MITEN MODY | 531,396 | 5.82 | 531,396 | 5.82 |
| MEENA S MODY | 806,178 | 8.83 | 806,178 | 8.83 |
| SUDHIR MODY | 746,004 | 8.17 | 746,004 | 8.17 |

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - NIL:

None of the above shares are reserved for issue under options/contract/commitments for sale of shares or disinvestments.

The Company does not have any holding company.

Note 12

| Other Equity | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Capital Reserves | | |
| Cash Subsidy | | |
| Opening Balance | 2,500,000 | 2,500,000 |
| (+) Current Year Transfer | | |
| (-) Written Back in Current Year | | |
| Closing Balance | 2,500,000 | 2,500,000 |
| Securities Premium Account | | |
| Opening Balance | 714,655 | 714,655 |
| Add : Securities premium credited on Share issue | | |
| <u>Less : Premium Utilised for various reasons</u> | | |
| Premium on Redemption of Debentures | | |
| For Issuing Bonus Shares | | |
| Closing Balance | 714,655 | 714,655 |
| Revaluation Reserve | | |
| Opening Balance | 9,948,563 | 9,948,563 |
| (+) Current Year Transfer | | |
| (-) Written Back in Current Year | | |
| Closing Balance | 9,948,563 | 9,948,563 |

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| c. Surplus | | |
|---|-------------------|-------------------|
| Opening balance | 54,403,628 | 25,978,939 |
| (+) Net Profit/(Net Loss) For the current year | 8,656,553 | 33,944,731 |
| (+) Reduction in Proposed Dividend F.Y. 18-19 | 2,768,119 | |
| (-) Proposed Dividends (incl. DDT) | - | 5,519,861 |
| (-) Interim Dividends | 2,751,742 | |
| (-) Transfer to Reserves | | |
| (-) Difference in Proposed Dividend and Final Dividend of earlier years | - | 181 |
| Closing Balance | 63,076,558 | 54,403,628 |
| Total | 76,239,776 | 67,566,846 |

ii. Components of Other Comprehensive Income

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|--------------------------------|--------------------------------|
| Revaluation Reserve | | |
| Debt Instruments through OCI | | |
| Equity Instruments through OCI | | |
| Effective portion of Cash Flow Hedges | | |
| Exchange differences on translating the financial statements of a foreign operation | | |
| Discontinued Operations | | |
| Other items of Other Comprehensive Income | | |
| | - | - |

Equity Instruments through OCI

| | As at 31 March 2020 | As at 31 March 2019 |
|--------------------------------------|--------------------------------|--------------------------------|
| Opening balance | | |
| Add/(Less): | | |
| Fair value changes recognised in OCI | | |
| Closing balance | - | - |

Capital Subsidy of ₹11,00,000/- received in (F.Y.2018-19) from Directorate of Industries, Palghar, Government of Maharashtra has been reduced from the Cost of the Plant & Machinery. Hence the depreciation on addition to Fixed Assets made during the year has been calculated at the cost of new assets less the subsidy received.

Equity Share Capital

(Amount in)

| Particulars | Balance at the beginning of the year | Changes in Equity share capital during the year | Balance at the end of the year |
|-----------------------|--------------------------------------|---|--------------------------------|
| March 31, 2020 | | | |
| Numbers | 9,128,870 | - | 9,128,870 |
| Amount | 45,644,350 | - | 45,644,350 |
| March 31, 2019 | | | |
| Numbers | 9,128,870 | - | 9,128,870 |
| Amount | 45,644,350 | - | 45,644,350 |

Other Equity

| Particulars | Share Application money pending allotment | Equity Component of financial instruments | Reserves and Surplus | | | Equity Instruments through OCI | Total |
|---|---|---|--------------------------------|----------------------------|---------------------|--------------------------------|---------------|
| | | | Capital Reserve - Cash Subsidy | Securities Premium Reserve | Revaluation Reserve | | |
| As at April 1, 2019 | - | - | 2,500,000.00 | 714,655.00 | 9,948,563.00 | 54,403,627.67 | 67,566,845.67 |
| Profit for the period | | | - | - | - | 8,656,553.10 | 8,656,553.10 |
| (+) Reduction in Proposed Dividend F.Y. 18-19 | | | - | - | - | 2,768,119.00 | 2,768,119.00 |
| Other comprehensive income | | | - | - | - | - | - |
| Total comprehensive income for the year | - | - | 2,500,000.00 | 714,655.00 | 9,948,563.00 | 65,828,299.77 | 78,991,517.77 |
| Depreciation transfer for Property, plant and equipment | | | | | | | - |
| Transfer to debenture redemption reserve | | | | | | | - |
| Issue of equity shares | | | | | | | - |
| Transaction costs | | | | | | | - |
| Issue of optionally convertible bonds (net of deferred tax) | | | | | | | - |
| Exercise of share options | | | | | | | - |
| Share based payments | | | | | | | - |
| Cash dividends - Interim Dividend (incl DDT) | | | | | | -2,751,742.00 | -2,751,742.00 |
| Non cash distribution of owners | | | | | | | - |
| As at March 31, 2020 | - | - | 2,500,000.00 | 714,655.00 | 9,948,563.00 | 63,076,557.77 | 76,239,775.77 |

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Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented

| Particulars | March 31, 2020 | March 31, 2019 |
|------------------------|-------------------|-------------------|
| Current Borrowings | 15,238,913 | 16,611,851 |
| Non-current Borrowings | 1,110,814 | 1,984,613 |
| Net Debt | 16,349,727 | 18,596,464 |

| Liabilities from financing activities | Non Current Borrowings (incl- Current Maturity of Non Current Borrowings) | Current Borrowings | Total |
|--|---|--------------------|-------------------|
| Net Debt as at April 1, 2018 | 4,239,667 | 15,870,033 | 20,109,700 |
| Cash Inflow | | | |
| Bank- Packing Credit Loan | | 129,878,852 | 129,878,852 |
| Bank- Vehical Loan | 2,400,000 | | 2,400,000 |
| Acquisitions - Finance Leases | | | |
| Equity Components of convertible bonds | | | |
| Foreign Exchange Adjustments | | | |
| Cash Outflow | | - | |
| Principal Component repaid | -3,856,113 | -129,935,975 | -133,792,088 |
| Interest Expense | 376,861 | 984,569 | 1,361,430 |
| Interest Paid | -376,861 | -984,569 | -1,361,430 |
| Net Debt as at April 1, 2019 | 2,783,554 | 15,812,910 | 18,596,464 |
| Cash Inflow | | | |
| Bank- Packing Credit Loan | | 127,169,000 | 127,169,000 |
| Bank- Vehical Loan | | | - |
| Acquisitions - Finance Leases | | | - |
| Equity Components of convertible bonds | | | - |
| Foreign Exchange Adjustments | | | - |
| Cash Outflow | | | |
| Principal Component repaid | -798,943 | -128,616,794 | -129,415,737 |
| Interest Expense | 216,233 | 618,516 | 834,749 |
| Interest Paid | -216,233 | -618,516 | -834,749 |
| Net Debt as at March 31, 2020 | 1,984,611 | 14,365,116 | 16,349,727 |

Note 14

Trade Payables

| Particulars | March 31, 2020 | March 31, 2019 |
|---|--------------------|--------------------|
| Non Current | | |
| Trade Payables to Micro, Small and Medium Enterprises | - | - |
| Trade Payables to Others | - | - |
| Total | - | - |
| Current | | |
| Trade Payables to Micro, Small and Medium Enterprises | - | - |
| Trade Payables to Others | 140,800,136 | 118,046,327 |
| TOTAL | 140,800,136 | 118,046,327 |

Balances of Trade Payables as on 31/03/2020 are recorded at realisable value as certified by Management. The Management has not been able to produce confirmations of balances due to Balances Payable to the Creditors.

Management has not able to produce list Trade payables of Micro, Small and Medium Enterprises.

Note 15

Other Financial Liability

| Particulars | March 31, 2020 | March 31, 2019 |
|--|----------------|------------------|
| Non Current | | |
| (i) Financial Liabilities at amortised cost | | |
| Deposits Payables (Rent) | 634,920 | 609,920 |
| Accrued compensation to employees | | |
| Payable for acquisition of business - Contingent Consideration | | |
| TOTAL | 634,920 | 609,920 |
| Current | | |
| Financial Liabilities at amortised cost | | |
| Current maturities of long term Loan from bank | | |
| Security Deposits From Customers | | |
| Unpaid dividends | - | 5,519,861 |
| TOTAL | - | 5,519,861 |

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Note 16

Provisions

| Particulars | March 31, 2020 | March 31, 2019 |
|---------------------------------|----------------|------------------|
| Non Current | | |
| Provision for employee benefits | | |
| Gratuity | 493,421 | 709,460 |
| Leave encashment | | |
| Service/Maintenance warranties | | |
| Restructuring costs | | |
| Decommissioning Liability | | |
| Onerous Operating lease | | |
| Contingent Liability | | |
| Volume discounts and returns | | |
| Other provision | | |
| Total | 493,421 | 709,460 |
| Current | | |
| Provision for employee benefits | | |
| Gratuity | | |
| Leave encashment | | |
| Service/Maintenance warranties | | |
| Restructuring costs | | |
| Decommissioning Liability | | |
| Onerous Operating lease | | |
| Contingent Liability | | |
| Volume discounts and returns | | |
| Other provision | 336,741 | 1,195,020 |
| Total | 336,741 | 1,195,020 |

Note 17

Deferred Tax

| Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Deferred tax relates to the following: | | |
| Temporary difference in the carrying amount of property, plant and equipment- till date | 5,538,592 | 4,083,721 |
| Revaluation of Land and buildings to fair value | | |
| Revaluation of FVTPL/FVTOCI investments to fair value | | |
| Revaluation of FVTOCI hedge loan to fair value | | |
| Post employment medical benefits | | |
| Provision for employee benefits | -135,950 | -195,474 |

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| Particulars | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Provision for doubtful debt | | 168,030 |
| Provision for loss on financial assets | | |
| MAT Credit Entitlement | | |
| Losses available for offsetting against future taxable income | | |
| Impairment on FVTOCI debt instruments | | |
| Convertible Preference shares | | |
| Losses available for offsetting against future taxable income | | |
| Others (Specify) | | |
| | 5,402,642 | 4,056,277 |
| Deferred Tax Assets / (Liabilities) recognised at the beginning of the year | 4,056,277 | 3,402,992 |
| Deferred Tax Assets / (Liabilities) to be recognised for the year | 1,346,365 | 653,285 |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of unabsorbed depreciation, business losses and long term capital losses carried forward by the Company

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2020 and March 31, 2019

| Particulars | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Accounting profit before income tax | 15,869,151 | 46,967,807 |
| Enacted tax rate in India | 27.82 | 27.82 |
| Income tax on accounting profits | 4,414,798 | 13,066,444 |
| Tax effect on | | |
| Depreciation | -1,205,045 | -3,210,202 |
| Expenditure allowable on payment basis and other disallowances | -216,039 | 709,460 |
| Provision for Doubtful Debt | | -609,854 |
| Donation | 325,001 | 234,201 |
| Income considered separately | | |
| Dividend income | | |
| Carried forward losses adjusted | | |
| Others | 6,313,320 | 372,250 |
| Taxable Income | 21,086,388 | 44,463,662 |
| Effective Tax | 5,866,233 | 12,369,791 |

Changes in tax rate

Where the applicable tax rate changed during the year, the adjustments to the deferred tax balances appear as another reconciling item in the reconciliation of accounting profit multiplied by tax rate to income tax expense. The associated explanations could be along the following lines:

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The reduction of the Indian corporate tax rate from 30.90% to 26.00% was substantively enacted on Finance Act, 2018 and will be effective from April 2018. As a result, the relevant deferred tax balance have been remeasured. Deferred tax expected to reverse in the year to March 31, 2019 has been measured using the effective rate that will apply in India for the period(26%).

The impact of the change in tax rate has been recognised in tax expense in profit or loss, except to the extent that it relates to items previously recognised outside profit or loss.

Note 18

Other Non Current Liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|--------------|----------------|----------------|
| | | |
| Total | | |

Note 19

Other Current Liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|--------------------------------------|----------------|------------------|
| Revenue Received in advances | | |
| Advance received from Customers | | |
| Other Advances | | |
| Government Grants | | |
| Others | | |
| Statutory Liabilities | 620,024 | 1,230,664 |
| Taxes for Earlier Years | 34,586,802 | 22,217,011 |
| Less: Taxes Paid (For Earlier years) | -34,523,642 | -21,670,942 |
| Deferred Rent | | |
| Others | | |
| Total | 683,184 | 1,776,733 |

Note 17

Current Tax Liabilities

| Particulars | March 31, 2020 | March 31, 2019 |
|-------------------|----------------|------------------|
| Tax for the Year | | 12,369,791 |
| Less : Taxes Paid | | -9,704,080 |
| Total | - | 2,665,711 |

VIVID GLOBAL INDUSTRIES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 20

REVENUE FROM OPERATIONS

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|--------------------------------|----------------------------------|--------------------|----------------------------------|--------------------|
| | | | | |
| Sale of products | | | | |
| Export Sales | 201,675,764 | | 218,147,313 | |
| Domestic Sales | 381,027,571 | 582,703,335 | 390,328,721 | 608,476,034 |
| Other Operating Income | | | | |
| Job Work Labour Received | 894,767 | | 1,088,931 | |
| Discount Received | - | | 5,000 | |
| Sale of DEPB License - Tarapur | - | | 1,011,703 | |
| Duty Draw Back Incentive | 510,429 | | 294,585 | |
| Interest Recd on L C Margin | 1,598,326 | 3,003,522 | 1,530,733 | 3,930,952 |
| TOTAL | | 585,706,857 | | 612,406,986 |

Note 21

OTHER INCOME

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|-------------------------------|----------------------------------|------------------|----------------------------------|------------------|
| | | | | |
| Interest Recd.on GSPC Co Ltd | 61,023 | | 56,697 | |
| Interest on Income Tax Refund | - | 61,023 | 67,600 | 124,297 |
| Profit on sale of Asset | | | | 65,000 |
| Rent | | 2,176,165 | | 2,204,899 |
| TOTAL | | 2,237,188 | | 2,394,196 |

Note 22

COST OF MATERIALS CONSUMED

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|------------------------------|----------------------------------|--------------------|----------------------------------|--------------------|
| | | | | |
| As at beginning of the year | | 22,243,802 | | 24,513,086 |
| Add: Purchases | | | | |
| Import Purchase | 273,077,676 | | 231,268,625 | |
| OGS Purchase | 14,027,320 | | | |
| Purchase | 151,707,130 | | 201,793,874 | |
| Vat Reduction | 492,243 | | 454,619 | |
| Purchase - Job Work Labour | 10,528,201 | 449,832,570 | 13,896,369 | 447,413,487 |
| Less : As at end of the year | | -33,858,576 | | -22,243,802 |
| TOTAL | | 438,217,796 | | 449,682,771 |

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Note 23

PURCHASES OF OTHER TRADABLE ITEMS

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|------------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|
| | | | | |
| Purchase Trading Goods | | 28,785,689 | | 25,344,102 |
| TOTAL | | 28,785,689 | | 25,344,102 |

Note 24

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND OTHER TRADEABLE ITEMS

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|--|-------------------------------------|-------------------|-------------------------------------|-------------------|
| | | | | |
| Inventories as at the beginning of the year | | | | |
| Work in Progress | 12,760,582 | | 9,725,679 | |
| Finished Goods | 34,437,818 | | 33,874,992 | |
| Stores & Spares | 396,150 | 47,594,550 | 396,150 | 43,996,821 |
| Less : Inventories as at the end of the year | | | | |
| Work in Progress | 7,963,913 | | 12,760,582 | |
| Finished Goods | 47,335,113 | | 34,437,818 | |
| Stores & Spares | 396,150 | 55,695,176 | 396,150 | 47,594,550 |
| TOTAL | | -8,100,626 | | -3,597,729 |

Note 25

EMPLOYEE BENEFITS EXPENSE

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|--|-------------------------------------|-------------------|-------------------------------------|-------------------|
| | | | | |
| Salary Expnses | 11,565,239 | | 13,778,747 | |
| Contirbution to Provident Fund(Employer) | 988,948 | | 699,428 | |
| Contirbution to ESIC | 167,057 | | 249,956 | |
| Staff welfare | 183,190 | | 178,106 | |
| Other | 1,529,452 | 14,433,886 | 2,237,699 | 17,143,936 |
| Directors Sitting Fees | 145,000 | | 100,000 | |
| Directors Remuneration | 4,740,000 | 4,885,000 | 2,820,000 | 2,920,000 |
| TOTAL | | 19,318,886 | | 20,063,936 |

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Note 26

FINANCE COST

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---|-------------------------------------|------------------|-------------------------------------|------------------|
| Interest expense | | 1,102,798 | | 1,492,306 |
| Other borrowing costs | | 4,612,365 | | 5,826,874 |
| Applicable net gain/loss on foreign currency transactions and translation | | 2,679,792 | | -1,253,194 |
| TOTAL | | 8,394,955 | | 6,065,985 |

Note 27

DEPRECIATION AND AMORTISATION EXPENSE

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|----------------------|-------------------------------------|------------------|-------------------------------------|------------------|
| Depreciation | | 7,117,742 | | 5,647,245 |
| Amortization expense | | | | |
| TOTAL | | 7,117,742 | | 5,647,245 |

Note 28

OTHER EXPENSES

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---|-------------------------------------|------------|-------------------------------------|------------|
| Direct Expenses | | | | |
| Import Expenses | 10,337,804 | | 6,102,314 | |
| Pollution Board Exp | - | | 82,600 | |
| Electricity Expense | 10,242,251 | | 13,761,666 | |
| Testing & Analysis Charges | 93,788 | | 43,417 | |
| Transportation Charges | 5,197,444 | | 4,795,216 | |
| Water Exps | 609,255 | | 611,694 | |
| Other Exps | 5,468,558 | 31,949,099 | 813,512 | 26,210,419 |
| Indirect Expenses | | | | |
| Repairs & Maintenance- Factory | - | | 6,106,129 | |
| Repairs & Maintenance- Others | 2,182,260 | | 2,773,473 | |
| Advertisement Expenses | 151,392 | | 371,277 | |
| Export Expenses | 2,679,281 | | 3,189,978 | |
| Commission on Sale | 15,326,432 | | 12,321,914 | |
| Insurance Exp | 782,797 | | 511,356 | |
| Payment to Statutory Auditor {Note 27a} | 100,000 | | 261,000 | |
| Bad Debts | - | | - | |
| Rent Paid | 6,077,000 | | 3,901,000 | |

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| | | | | |
|------------------------------|-----------|-------------------|-----------|-------------------|
| Legal & Professional Charges | 1,266,149 | | 916,408 | |
| Travelling Exp | 4,256,256 | | 2,499,579 | |
| Communication Exp | 219,834 | | 169,156 | |
| Other Expenses | 7,242,072 | | 6,003,885 | |
| Provision for Doubtful Debt | - | 40,283,473 | -609,854 | 38,415,301 |
| TOTAL | | 72,232,572 | | 64,625,720 |

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|------------------------------|-------------------------------------|----------------|-------------------------------------|----------------|
| Payment to Statutory Auditor | | | | |
| For Statutory Audit | 100,000 | | 100,000 | |
| For Tax Audit | - | | - | |
| For Other Services | - | 100,000 | 161,000 | 261,000 |
| TOTAL | | 100,000 | | 261,000 |

Note 29

EXCEPTIONAL ITEMS

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|---------------------------------|-------------------------------------|------------------|-------------------------------------|--------------|
| Prior Period Expenses | | 7,880 | | 1,345 |
| Penalty paid to Pollution Board | | 6,100,000 | | |
| TOTAL | | 6,107,880 | | 1,345 |

Exceptional Items: An Expense amount of ₹61 Lakhs under the head of Exceptional Item as appearing in Financials of the year under this Report is pertaining to the Penalties paid to the State and Central Government Pollution Control Board Authorities. The necessary precautions to avoid any further such penal actions from the Pollution Control Board have been undertaken by the Company.

EARNINGS PER SHARE

| Particulars | For the year ended 31 March 2020 | | For the year ended 31 March 2019 | |
|--|-------------------------------------|------|-------------------------------------|------|
| (a) Basic and Diluted earnings per share | | | | |
| From continuing operations attributable to the equity holders of the company | | 0.95 | | 3.72 |
| From discontinuing operations attributable to the equity holders of the company | | | | |
| Total basic earnings per share attributable to the equity holders of the company | | 0.95 | | 3.72 |

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| | | | |
|--|--|-----------|------------|
| (b) Reconciliations of earnings used in calculating earnings per share | | | |
| Profit attributable to the equity holders of the company used in calculating basic and diluted earnings per share | | 8,656,553 | 33,944,731 |
| (c) Weighted average number of shares used as the denominator | | | |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share | | 9,128,870 | 9,128,870 |

30 Significant Accounting Policies:

Basis of Accounting:

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

Inventories

Inventories are valued as under:

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

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

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

Fixed Assets and Depreciation :

Fixed assets are stated at historical cost less accumulated depreciation.

Depreciation has been provided for by the straight line method at the rates specified in revised Schedule II of the Companies Act, 2013.

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

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

Captital Subsidy has been reduced from the Cost of the Plant & Machinery. Hence the depreciation on addition to Fixed Assets made during the year has been calculated at the cost of new assets less the subsidy received.

The management based on their review of assets and operation of the Company has determined that there is no indication of potential impairment and that the recoverable amount of its fixed assets is not lower than its carrying amount. Accordingly, no provision for impairment has been considered necessary as at March 31, 2020.

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Revenue Recognition :

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

Export sales are recognised on the date of Shipping bill.

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

Interest Income has been recognised on the basis of the amount received from the Banks

Foreign currency Transactions

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

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

31 The following are the observations during the course of Audit under review and brought to the notice of the members of the Company :-

- 1) Due to the complexities of business the value of the Inventory has been considered as has been verified, valued and certified by the Management.
- 2) Balances of Sundry Debtors and Sundry Creditors as on 31/03/2020 are recorded at realisable value. The Management has been able to produce some confirmations of balances due from Debtors as well as the Balances Payable to the Creditors. However the value of these Debtors and Creditors for the Balance Sheet purpose has been take as certified by the Management.

DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

| Particulars | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| Principal amount and interest due thereon remaining unpaid | - | - |
| Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day. | - | - |
| Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | - | - |
| Interest paid to suppliers under MSMED Act, (other than Section 16) | - | - |
| Interest paid to suppliers under MSMED Act, (Section 16) | - | - |
| Interest due and payable to suppliers under MSMED Act, for payment already made | - | - |
| Interest accrued and remaining unpaid at the end of each accounting year | - | - |
| Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure | - | - |

The information has been given in respect of such vendors to the extent they could be identified as Micro and Small” enterprises on the basis of information available with the Company.

32 Expenditure in foreign currency

| | Rupees 2019-20 | Rupees 2018-19 |
|----------------------------|-------------------|-------------------|
| a. Travelling expenses | 4,008,965 | 2,273,530 |
| b. Commission paid/payable | 1,933,741 | 1,974,653 |

33 Earnings in foreign exchange :

| | Rupees 2019-20 | Rupees 2018-19 |
|------------------------------|-------------------|-------------------|
| C.I.F. value of exports | 201,675,764 | 218,147,313 |
| Percentage to Total Turnover | 34.61% | 35.85% |

CIF Value of Exports have been reported based on the working submitted by the management and it has been explained that wherever the Insurance and Freight has been recovered from the customers, the same has been included in the value shown above and in absence of the same, the Insurance & Freight has been claimed as expenditure.

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

| | 2019-20 (Kgs) | 2018-19 (Kgs) |
|-------------------------------|---------------|---------------|
| a. Installed Capacity: | | |
| Dye Intermediates equivalent | 1,400,000 | 1,400,000 |

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

35 Ind AS 115 - Revenue from Contracts with Customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is recognised upon transfer of control of products or services to customers in an amount that reflects the consideration, which is net of estimated rebates and other similar allowances when the units of products are delivered.

Dividends are credited to Income statement when the right to receive such dividend is established. Interest income is recognised using effective interest rate method.

Ind AS 115 supersedes Ind AS 11 Construction Contracts, Ind AS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company is eligible to get benefit under the Merchant Export from India Scheme against the Export of Goods. This benefit is in the form of a Licence which can be utilised to pay Custom Duty on Import of Goods for Manufacturing purpose. During the year under consideration, the Company has received this benefit of ₹35,85,088/- out of which the Custom Duty of ₹ 33,17,403/- has been paid by them by way of this Scheme. During the year under review the Company has recorded the Custom Duty Paid amount of ₹60,83,180/- which is

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only to the extent of the actual amount of Custom Duty paid during the year. The balance of the un-utilised value of this Licence as on 31/03/2020 is ₹2,67,685/- (Rupees Two Lakhs Sixty Seven Thousand Six Hundred and Eighty Five Only) which has not been recorded in this reported financials.

36 Related Party transactions :

I Names of Related Parties and nature of relationship.

A. Associates

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

B. Enterprises over which Key Management Persons Have significant influence and Enterprises having Key

Management Person in common.

- 1 Vivid Chemical (FIRM)

C. Key Management Persons and Relatives

- | | | |
|---|----------------------------|---|
| 1 | Mr. Sudhir Mody | CFO of the Company and Father of Directors Mr. Sumish Mody & Mr. Miten Mody |
| 2 | Mr. Sumish Sudhir Mody | Managing Director |
| 3 | Mr. Miten Sudhir Mody | Director |
| 4 | Mrs. Meena Sumish Mody | Director & Wife of Mr. Sumish Mody |
| 5 | Mrs. Amisha Miten Mody | Internal Auditor & Wife of Director -Mr. Miten Mody |
| 6 | Mr. Nainesh S Desai | Director |
| 7 | Mr. Mahesh Shivram Gharat | Director |
| 8 | Mr. Nitin Anant Zujam | Director |
| 9 | Mrs. Nilam Pradeep Bajoria | CS of the Company |

II Transactions with related Parties

| Sr. No. | Particulars | Amount | Percentage of Director Remuneration as per section 197 of the companies Act |
|---------|--|--|---|
| 1 | Sumish Mody Travelling Exp Loan received from Director Loan repaid to Director Director remuneration Director Sitting Fees | 249,000 3,300,000 25,000 | 16.01% |
| 2 | Sudhir Mody Salary | 518,400 | |

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| | | | |
|-----------|---------------------------------------|-------------------|---------------|
| 3 | VIVID Chemicals | | |
| | Rent Paid | 1,497,600 | |
| 4 | VIVID Intermediates Pvt. Ltd | | |
| | Rent Paid | 3,780,000 | |
| 5 | Meena S Mody | | |
| | Loan given & received within the year | 219,370 | |
| | Director remuneration | | 0.00% |
| | Director Sitting Fees | 25,000 | |
| 6 | Sumichem Corporation | | |
| | Reimbursement of Expense | 23,917 | |
| 7 | Miten Mody | | |
| | Director remuneration | 1,440,000 | 6.99% |
| | Director Sitting Fees | 25,000 | |
| 8 | Nainesh S Desai | | |
| | Director Sitting Fees | 20,000 | |
| 9 | Amisha Miten Mody | | |
| | Salary | 100,000 | |
| | Internal Audit Fee | 20,000 | |
| 10 | Mahesh S Gharat | | |
| | Director Sitting Fees | 25,000 | |
| 11 | Nitin A Zujam | | |
| | Director Sitting Fees | 25,000 | |
| | | 11,293,287 | 23.00% |

37 Details of payments to Key Management Personnel:

| Particulars | 2020 Amount (₹) | 2019 Amount (₹) |
|-----------------------|--------------------|--------------------|
| Director Remuneration | 4,740,000 | 2,820,000 |
| Total | 4,740,000 | 2,820,000 |

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38 Computation of Net Profit in accordance with Section 197 and Section 198 of the companies Act, 2013

| | Year Ended 31st March 2020 |
|--|-------------------------------|
| A | |
| Net Profit as per Profit and Loss Account | 8,656,553 |
| Add : Provision for Income tax (Net of MAT Credit) | 5,866,233 |
| Provision for Deferred Tax | 1,346,365 |
| Section 198 of the companies Act, 2013 | 15,869,151 |
| Add : Managerial Remuneration | 4,740,000 |
| Depreciation as per accounts | 7,117,742 |
| Provision for bad and doubtful debts | - |
| Less : Depreciation as per Section 350 of the Companies Act, 1956 | 7,117,742 |
| Section 198 of the companies Act, 2013 | 20,609,151 |
| B | |
| Details of Managerial Remuneration under Section 198 of the Companies Act, 1956 | |
| Salaries, Remuneration and Allowances | 4,740,000 |
| Total | 4,740,000 |
| Total Director Remuneration paid by the Company | 23.00% |

39 Segment Reporting :

1 Primary Segment Information

Geographical Segments

(₹ In lakhs)

| Sr. No | Particulars | Current year (2019-20) | Previous year (2018-19) |
|----------|---|---------------------------|----------------------------|
| 1 | SEGMENT REVENUE | | |
| | Local | 3,810.28 | 3,924.34 |
| | Export | 2,016.76 | 2,184.42 |
| | Other Income | 52.41 | 39.25 |
| | TOTAL | 5,879.44 | 6,148.01 |
| 2 | SEGMENT RESULTS (Profit before Interest & Tax) | | |
| | Local | 3,676.41 | 435.74 |
| | Export | 1,940.24 | 179.92 |
| | Other Income | 52.41 | 39.25 |
| | Profit before Interest & Tax | 5,669.06 | 654.91 |
| | Less: Finance Cost | 83.95 | 60.66 |
| | Less: Depreciation | 71.18 | 56.47 |
| | Less: Unallocable Expense | 5,355.24 | 68.10 |
| | Profit Before Tax | 158.69 | 469.68 |

VIVID GLOBAL INDUSTRIES LIMITED

| | | | |
|----------|---------------------------------|-----------------|-----------------|
| | Less: Prov. For Tax | 72.13 | 130.23 |
| | Profit After Tax | 86.57 | 339.45 |
| 3 | SEGMENT CAPITAL EMPLOYED | | |
| | Local | 789.89 | 730.67 |
| | Export | 418.09 | 301.70 |
| | Others | 10.86 | 65.82 |
| | TOTAL | 1,218.84 | 1,098.19 |

a) In Segment Reporting of the Company the Unallocable Expenses & Capital Employed figure of each segment is calculated on the proportion of Export Sales to Total Sales for the corresponding period.

2 Secondary segment:

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

40 Current Tax :

Provision for Tax has been made on the basis of the Income Tax Act 1961.

41 Earning Per Share :

| Particulars | 2019-20 | 2018-19 |
|--|-------------|-------------|
| a) Profit Before Distribution of Dividend & DDT | 8,656,553 | 33,944,731 |
| No. of Shares | 9,128,870 | 9,128,870 |
| EPS Before Dividend | 0.95 | 3.72 |
| b) Profit After Distribution of Dividend & DDT | 5,904,811 | 28,424,870 |
| No. of Shares | 9,128,870 | 9,128,870 |
| EPS After Dividend | 0.65 | 3.11 |

Note a): The Face Value of Shares of Company has been split to ₹5 from ₹10 (w.e.f 3rd December, 2015).

42 Deferred Tax Adjustment :

For the company, the deferred tax adjustment as required by AS-22 consists only on account of Difference in the Rate of Depreciation under the Income Tax Act and the Companies Act. The DTA/DTL of the earlier years was calculated @ of the Rate of Tax applicable in that particular year and for the current year @ Rate of Tax applicable for the year under consideration. Due to the change in the Rate of Tax in the year under consideration, the Opening balance of DTA/DTL has been revised accordingly.

The Profit & Loss Account has been debited with the Deffered Tax Liability of ₹13,46,365/-.

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

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

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

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45 Statement of policy Account Value Showing Various Components Under The Policy for the period : 01/04/2019 to 31/03/2020

| Particulars | Amount |
|--|-----------|
| A. Opening Balance of PAV(*) at the beginning | 517,865 |
| B. Fund Converted from Old scheme | - |
| C. Premium Received During the Period | 709,460 |
| D. Total Claim Paid For the Period | 57,875 |
| E. Total Equitable / Transfer in For the Period | - |
| F. Total Equitable transfer out For the Period | - |
| G. Total Mortality Charges (MOC) Deducted For the Period | 10,616 |
| H. Total Pol Admin Charges (PAC) Deducted For the Period | 446 |
| I. Total correction add of fund For prev. quarters | - |
| J. Total correction ded of fund For prev. quarters | - |
| K. Total Fund Management Charges(FMC) Ded For the Period | 5,173 |
| L. Service Tax On MOC+PAC+FMC For the Period | 2,922 |
| M. Education Cess + Higher Edu Cess on Service Tax | |
| N. nterest Amount Credited (MFR) For the Period | 5,173 |
| O. Interest Amount Credited (AIR) For the Period | 74,682 |
| P. Residual Interest Credited For the Period | - |
| Closing Balance of PAV (A+B+C-D+E-F-G-H+I-J-K-L-M+N+O+P) | 1,230,148 |

A. Opening Balance Details

| Quarter Ending | Opening Balance | Int on MFR | Int on AIR |
|----------------|-----------------|------------|------------|
| 30/06/2019 | 517,864.67 | 644.35 | 9,605.45 |
| 30/09/2019 | 825,985.48 | 1,039.03 | 15,115.87 |
| 31/12/2019 | 1,194,171.10 | 1,502.18 | 21,568.48 |
| 31/03/2020 | 1,212,224.21 | 1,508.30 | 21,396.49 |

C. Details of Premium Adjusted During The Period

| Receipt Date | Premium | Int on MFR | Int on AIR |
|--------------|------------|------------|------------|
| 22/05/2019 | 150,000.00 | 79.96 | 1,186.13 |
| 03/06/2019 | 150,000.00 | 55.35 | 820.17 |
| 01/07/2019 | 150,000.00 | 186.64 | 2,714.95 |
| 01/08/2019 | 150,000.00 | 123.03 | 1,784.61 |
| 27/08/2019 | 109,460.00 | 50.87 | 736.07 |

D. Details of Claimed booked during the year

| Payment Date | Claim Amount | Int on MFR | Int on AIR |
|--------------|--------------|------------|------------|
| 21/09/2019 | 57,875 | 7.12 | 103 |

For Saumil Kapadia & Co.

Chartered Accountants
(FRN 135970W)

CA.Saumil Kapadia

M. No. 144873

Place: Mumbai

Date: 30/07/2020

VIVID GLOBAL INDUSTRIES LIMITED

Sd/-

Sumish Sudhir Mody
Managing Director
(DIN:00318652)

Sd/-

Miten Sudhir Mody
Whole-time Director
(DIN:02422219)

Sd/-

Meena Sumish Mody
Director
(DIN : 07994050)

Sd/-

Neelam Pradeep Bajoria
Company Secretary

Sd/-

Sudhir Muljibhai Mody
CFO

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 46

COMMITMENTS AND CONTINGENCIES

| Particulars | March 31, 2020 | March 31, 2019 |
|---|------------------|------------------|
| (i) Contingent Liability | | |
| The company is facing court cases With Central Excise department in respect of Modvat credit claimed for F.Y. 1994-95 The company has preferred an appeal against the said order and is confident of succeeding in the said appeal. (The liability disclosed above is net of predeposit of ₹ 50,000) | 64,000 | 64,000 |
| Other | 370,506 | 375,478 |
| Guarantee Given | 2,869,675 | 2,869,675 |
| | 3,304,181 | 3,309,153 |
| (ii) Commitments | | |
| Total | 3,304,181 | 3,309,153 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 47

FINANCIAL RISK MANAGEMENT

The Company's activity exposes it to market risk, liquidity risk and credit risk. Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. This note explains the sources of risk which the entity is exposed to and how the company manages the risk.

(A) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

i. Credit risk management

Credit risk has always been managed by the company 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 considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

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ii. Provision for expected credit losses

The company follows 'simplified approach' for recognition of loss allowance on Trade receivables.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

iii. Reconciliation of loss allowance provision - Trade receivables

| Particulars | Amount |
|----------------------------------|--------|
| Loss allowance on April 1, 2019 | - |
| Changes in loss allowance | - |
| Loss allowance on March 31, 2020 | - |

(B) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company consistently generated sufficient cash flows from operations to meet its financial obligations. Also, the Company has unutilized credit limits with banks.

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements.

Maturities of financial liabilities

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. In the table below, borrowings includes both interest and principal cash flows. To the extent that interest rates are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

| Contractual maturities of financial liabilities | Contractual cash flows | | | | |
|---|------------------------|--------------------|--------------------|------------------|-------------------|
| | Carrying Amount | Total | Less than 1 year | 1 to 5 years | More than 5 years |
| March 31, 2020 | | | | | |
| Borrowings | 16,349,727 | 16,349,727 | 15,238,913 | 1,110,814 | |
| Trade payables | 140,800,136 | 140,800,136 | 140,800,136 | - | |
| Other financial liabilities | 634,920 | 634,920 | - | 634,920 | |
| Total financial liabilities | 157,784,783 | 157,784,783 | 156,039,049 | 1,745,734 | - |
| March 31, 2019 | | | | | |
| Borrowings | 18,596,464 | 18,596,464 | 16,611,851 | 1,984,613 | |
| Trade payables | 118,046,327 | 118,046,327 | 118,046,327 | - | |
| Other financial liabilities | 6,129,781 | 6,129,781 | 5,519,861 | 609,920 | |
| Total financial liabilities | 142,772,572 | 142,772,572 | 140,178,040 | 2,594,533 | - |

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as commodity risk.

(i) Foreign currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the import of goods.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies and standard operating procedures to mitigate the risks.

(a) The company exposure to foreign currency risk at the end of the reporting period expressed in INR lakhs, are as follows

| Particulars | Amount | USD |
|--|--------------------|---------------------|
| March 31, 2020 | | |
| Trade Receivable | 17,681,574 | 234,604.8 |
| Trade Payable | -98,161,884 | -1,302,443.1 |
| Net exposure to foreign currency risk | -80,480,310 | -1,067,838.4 |
| March 31, 2019 | | |
| Trade Receivable | 9,104,027 | 131,406.7 |
| Trade Payable | -77,995,335 | -1,125,769.3 |
| Net exposure to foreign currency risk | -68,891,308 | -994,362.6 |

(b) Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

| Particulars | March 31, 2020 | | March 31, 2019 | |
|-------------|----------------|-------------|----------------|-------------|
| | 1% Increase | 1% Decrease | 1% Increase | 1% Decrease |
| USD | -10,678 | 10,678 | -9,944 | 9,944 |
| INR | -804,803 | 804,803 | -688,913 | 688,913 |

(ii) Interest rate risk

The Company primarily borrows funds under fixed interest rate arrangements with banks and financial institutions and therefore the Company is not exposed to interest rate risk.

(iii) Price risk

The Company is not significantly exposed to changes in the prices of commodities/equity instruments.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 48

FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

| Particulars | Carrying Amount | | Fair Value | |
|---|--------------------|--------------------|--------------------|--------------------|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| FINANCIAL ASSETS | | | | |
| Amortised cost | | | | |
| Trade Receivables | 67,531,532 | 86,288,414 | 67,531,532 | 86,288,414 |
| Loans | 176,000 | 31,700 | 176,000 | 31,700 |
| Cash and Cash Equivalents | 17,862,609 | 11,413,842 | 17,862,609 | 11,413,842 |
| Other Bank Balances | 28,694,114 | 19,805,449 | 28,694,114 | 19,805,449 |
| Other Financial Assets | 54,921 | 51,027 | 54,921 | 51,027 |
| FVTOCI | | | | |
| Investment in Unquoted Equity Instruments | 407,800 | 407,800 | 407,800 | 407,800 |
| TOTAL | 114,726,976 | 117,998,232 | 114,726,976 | 117,998,232 |
| FINANCIAL LIABILITIES | | | | |
| Amortised cost | | | | |
| Borrowings | 16,349,727 | 18,596,464 | 16,349,727 | 18,596,464 |
| Trade Payables | 140,800,136 | 118,046,327 | 140,800,136 | 118,046,327 |
| Other financial liabilities | 634,920 | 6,129,781 | 634,920 | 6,129,781 |
| FVTPL | | | | |
| Contingent Consideration | 3,304,181 | 3,309,153 | 3,304,181 | 3,309,153 |
| TOTAL | 161,088,964 | 146,081,726 | 161,088,964 | 146,081,726 |

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values for loans and other non current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

ii. Fair Value Hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

VIVID GLOBAL INDUSTRIES LIMITED

Assets and liabilities measured at fair value - recurring fair value measurement:

| Particulars | March 31, 2020 | | | Total | March 31, 2019 | | | Total |
|--|---|---|---|------------------|---|---|---|-------|
| | Fair value measurement using | | | | Fair value measurement using | | | |
| | Quoted prices in active markets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | | Quoted prices in active markets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | |
| Financial Assets | | | | | | | | |
| Financial Investments at FVTOCI | | | | | | | | |
| Unquoted equity shares | | | 407,800 | 407,800 | | | 407,800 | |
| Total Financial Assets | - | - | 407,800 | 407,800 | - | - | 407,800 | |
| Financial Liabilities | | | | | | | | |
| Contingent consideration | | | 434,506 | 434,506 | | | 439,478 | |
| Financial guarantee | | | 2,869,675 | 2,869,675 | | | 2,869,675 | |
| Total Financial Liabilities | - | - | 3,304,181 | 3,304,181 | - | - | 3,309,153 | |

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the use of Breakup value/net asset value for unquoted equity instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

iv. Valuation inputs and relationships to fair value

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2017 and March 31, 2016 are shown as below:

| Particulars | Valuation technique |
|----------------------------|-----------------------------------|
| Unlisted equity securities | Net Assets / Breakup value method |

v. Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, audit committee and the valuation team regularly.

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vi. Reconciliation of fair value measurement of financial assets classified as FVTOCI (Level 3):

| Particulars | Unquoted equity shares |
|---------------------------------|------------------------|
| As at April 1, 2018 | 407,800.00 |
| Remeasurement recognised in OCI | - |
| As at March 31, 2019 | 407,800.00 |
| Remeasurement recognised in OCI | |
| As at March 31, 2020 | 407,800.00 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

Note 49

CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

| Particulars | March 31, 2020 | March 31, 2019 |
|-------------------------------|--------------------|--------------------|
| Borrowings | 16,349,727 | 18,596,464 |
| Trade payables | 140,800,136 | 118,046,327 |
| Other financial liabilities | 634,920 | 6,129,781 |
| Less: Other Bank Balances | -28,694,114 | -19,805,449 |
| Net Debt | 129,090,670 | 122,967,123 |
| Convertible preference shares | | |
| Equity share capital | 45,644,350 | 45,644,350 |
| Other Equity | 76,239,776 | 67,566,846 |
| Total Capital | 121,884,126 | 113,211,196 |
| Capital and net debt | 250,974,795 | 236,178,319 |
| Gearing ratio(%) | 51.44 | 52.07 |

No financial covenants for capital structure have been stipulated in the contracts for borrowings.

For Saumil Kapadia & Co.

Chartered Accountants
(FRN 135970W)

CA.Saumil Kapadia

M. No. 144873

Place: Mumbai
Date:30/07/2020

VIVID GLOBAL INDUSTRIES LIMITED

Sd/-
Sumish Sudhir Mody
Managing Director
(DIN:00318652)

Sd/-
Miten Sudhir Mody
Whole-time Director
(DIN:02422219)

Sd/-
Meena Sumish Mody
Director
(DIN : 07994050)

Sd/-
Neelam Pradeep Bajoria
Company Secretary

Sd/-
Sudhir Muljibhai Mody
CFO

BOOK - POST

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If Undelivered please return to
Regd. Office:
VIVID GLOBAL INDUSTRIES LIMITED
D-21/1, M.I.D.C., TARAPUR,
VIA BOISAR, DIST PALGHAR,
MAHARASHTRA-401506.