



NOTICE

Notice is hereby given that the TWENTY SEVENTH ANNUAL GENERAL MEETING of the members of the Company will be held on Friday, the 26th July, 2013 at 11.00 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai 400 001 to transact the following business:

Ordinary Business:

1. To receive and adopt the Statement of Profit and Loss for the year ended on 31st March, 2013 and the Balance Sheet as at that date together with the Directors' Report and Auditors' Report.
2. To declare Dividend on Equity Shares.
3. To appoint Director in place of Smt. Y.J. Mogrelia who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors for the current year to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

BY ORDER OF THE BOARD OF DIRECTORS

P.C. PATEL
PRESIDENT & SECRETARY

Registered Office:

Regent Chambers, 7th Floor,
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai 400 021.

Date: 24th May, 2013



Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies, to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 12th July, 2013 to Friday, 26th July, 2013 (both days inclusive).
3. The dividend on equity shares as recommended by the Board of Directors when declared at the Annual General Meeting will be paid to those Shareholders whose names appear on the Register of Members of the Company on 26th July, 2013. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
4. Members may note that vide circular dated 21.3.2013, SEBI has mandated all listed Companies to use electronic mode of payments such as LECS/RECS/NECS/NEFT etc. for making payment of dividends and other cash payments to investors, wherever possible. In other cases, the Company shall dispatch dividend warrants for making payment of dividends.
5. Members are requested to inform the Registrar and Transfer (R & T) Agents (*in case of shares held in Physical Form*) or Depository Participants (*in case of shares held in Demat Form*) any change in their addresses immediately.
6. Non-resident Indian (NRI) Shareholders are requested to inform the Company /R & T Agents regarding :
 - a. Change in the Residential status on return to India for permanent settlement.
 - b. Indian address and the particulars of Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
7. The members can avail facility of nomination in terms of extant legal provisions in this regard. The necessary form can be obtained from the R & T Agents.
8. For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by an Attendance Slip, which is annexed to the Proxy Form. Members are requested to append their signatures at the place provided on the Attendance Slip and hand it over at the entrance.
9. Members are requested to bring the Annual Report with them as additional copies of the same will not be provided at the meeting.



10. Members are requested to send their queries, if any, atleast ten days in advance to the Registered Office address of the Company, so that the information can be made available at the meeting, subject to permission of the Chairman.
11. A. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in prescribed Form No. II to the Registrar of Companies, Maharashtra, C.G.O. Bldg., A-Wing, 2nd Floor, C.B.D. Belapur, Opp. Police Commissioner's Office, Belapur 400 614.

B. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999, now the amount of dividends remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (Fund).

C. Accordingly, the Company has transferred all unclaimed/unpaid dividends upto Financial Year ended 31st March, 2001 to the Fund.

D. In March 2008, some of the Members of the Company were allotted 6% Secured Redeemable Preference Shares of ₹ 10 each (Preference Shares) by Pidilite Industries Ltd. (PIL) pursuant to the Scheme of Demerger of VAM Manufacturing Unit of the Company into PIL. The said Preference Shares were redeemed on 5th September, 2008 and PIL had despatched Preference Dividend-cum-Redemption Warrants to all Preference Shareholders without surrender of the Preference Share Certificates.

Preference Shareholders who have not yet encashed the above Preference Dividend-cum-Redemption Warrants issued by PIL are requested to contact the R & T Agents for claiming the unclaimed amount.

E. Members who have not yet encashed their Dividend Warrants for the Financial Years ended 31st March, 2010 to 31st March, 2012 are requested to contact the R & T Agents for claiming the unclaimed amount. It may be noted that once the unclaimed dividends are transferred to the Fund, no claim shall lie in respect thereof against the Company or the Fund.

F. Members may note that pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on the date of the last Annual General Meeting i.e. 26th July, 2012 on the websites of the Company and the Ministry of Corporate Affairs.



ADDITIONAL INFORMATION ON THE DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (under Clause 49 (IV)(G)(i) of the Listing Agreement):

Smt. Y. J. Mogrelia has served as a Nominee Director on behalf of ICICI Ltd. during the period 1990 to 1998 and thereafter is serving as an Independent Director of the Company. She is M.Com. and a Member of The Institute of Cost and Works Accountants of India. She holds Diploma in Business Administration and Diploma in Managerial Accounting. She has worked for 23 years with ICICI Ltd. in various positions and lastly as Deputy General Manager. She has experience in Project Finance, Rehabilitation, Management Audit etc. She is a Member of Audit Committee and Remuneration Committee of the Company. She holds 300 Equity Shares in the Company as on 31st March, 2013.



Vinyl Chemicals (India) Ltd.

BOARD OF DIRECTORS

Shri N.K. Parekh

Shri M.B. Parekh - Managing Director

Shri R.M. Gandhi

Smt. Y.J. Mogrelia

Shri A.D. Mavinkurve

PRESIDENT & SECRETARY

Shri P.C. Patel

AUDITORS

D.A. Kothari & Co.

SOLICITORS

Wadia Ghandy & Co.

REGISTERED OFFICE

Regent Chambers, 7th Floor
Jamnalal Bajaj Marg
208, Nariman Point
Mumbai 400 021

CORPORATE OFFICE

Ramkrishna Mandir Road
Off. Mathuradas Vasanji Road
Andheri (East)
Mumbai 400 059

BANKERS

Indian Overseas Bank
Corporation Bank

REGISTRAR AND TRANSFER AGENTS

TSR Darashaw Pvt. Ltd.
6-10, Haji Moosa Patrawala Indl. Estate
20, Dr. E. Moses Road, Mahalaxmi
Mumbai 400 011

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**DIRECTORS' REPORT**

Your Directors present the Twenty Seventh Annual Report and the Audited Statements of Accounts for the year ended 31st March, 2013.

Financial Results:

The Financial performance of the Company is summarised as under:

(₹ in lac)

	Current Year	Previous Year
Profit before Interest, Depreciation and Tax	903	746
Less: Interest & Other Finance Costs	22	3
Depreciation	*	*
Profit before Taxation	881	743
Less: Provision for Current Taxation	287	242
Provision for Deferred Tax	*	*
Profit for the year	594	501
Add: Profit Brought Forward from Previous Year	594	276
Profit available for appropriation	1188	777
Appropriations		
Proposed Dividend on Equity Shares	147	110
Tax on Dividend	25	18
Transfer to General Reserve	70	55
Total	242	183
Balance carried to Balance Sheet	946	594

* less than ₹ 1 lac

Dividend:

The Directors recommend the payment of dividend of ₹ 0.80 per equity share of ₹ 1 each (previous year ₹ 0.60 per share) amounting to ₹ 1,46,69,689 (previous year ₹ 1,10,02,267) out of the current year's profit on 1,83,37,111 equity shares of ₹ 1 each. The dividend for the current year will be free of tax in the hands of shareholders.

Performance:

- The company's current business is in Chemicals – which is trading mainly in Vinyl Acetate Monomer.
- During the year, the sales turnover from Trading activity was ₹ 23,497 lacs.
- During the year, the Company earned Net Profit of ₹ 594 lacs as against ₹ 501 lacs in the previous year.

Outlook:

The Company expects to perform reasonably well subject to prevailing market conditions and fluctuations in exchange rate.

Directors:

In accordance with the Articles of Association of the Company, Smt. Y.J. Mogrelia, a Director of the Company, retires by rotation and being eligible, offer herself for re-appointment.

Shri B.K. Parekh, Founder Chairman of the Company, passed away on 25th January, 2013. Shri B.K. Parekh was a visionary of unassuming quality and a warm, loving and caring leader with a strong business acumen.

Directors' Responsibility Statement:

Your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2013 and of the profit of the Company for that year;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors have prepared the annual accounts on a going concern basis.

Corporate Governance:

Reports on Corporate Governance and Management Discussion and Analysis in accordance with Clause 49 of the Listing Agreement with Stock Exchanges along with a certificate from the Auditors of the Company are given separately in this Annual Report.

Auditors:

M/s. D. A. Kothari & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Information pursuant to Section 217 of the Companies Act, 1956:

There is no employee in respect of whom information under Section 217(2A) of the Companies Act, 1956 is required to be given.

Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988:

The information to the extent applicable to the Company is given in Annexure I.

Appreciation:

The Directors wish to place on record their appreciation of the contribution made by the employees at all levels to the working of the Company. The Directors also wish to place on record their appreciation for the shareholders, dealers, consumers and banks for their continued support.

FOR AND ON BEHALF OF THE BOARD

Mumbai
Date: 24th May, 2013

M.B.PAREKH
MANAGING DIRECTOR

R.M.GANDHI
DIRECTOR

**ANNEXURE I TO THE DIRECTORS' REPORT**

During the financial year 2012–2013, the Company did not have manufacturing activity. The company's current business activity is Trading in Chemicals. Hence, information as applicable to Trading Activity is only given.

- A. CONSERVATION OF ENERGY** - Not Applicable
 Total energy consumption and energy consumption per unit of production - As per Form A

Form A

Disclosure of particulars with respect of Conservation of Energy

- (a) POWER AND FUEL CONSUMPTION** - Not Applicable

- (b) CONSUMPTION PER UNIT OF PRODUCTION** - Not Applicable

- B. TECHNOLOGY ABSORPTION** - Not Applicable

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

Total Foreign Exchange used and earned:

	2012-2013	2011-2012
	₹	₹
1. Foreign Exchange used:		
i. Expenditure	-	-
ii. Imports (CIF basis)	2,03,89,94,796	1,76,32,05,365
2. Earnings on account of Export of Goods (FOB basis)		
i. In Foreign Exchange	-	81,64,742
ii. Deemed Export	-	-

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company's current business activity is Trading in Chemicals.

Industry Structure and Developments:

Large number of companies are active in trading of chemicals. 6 - 8 importers are regularly importing Vinyl Acetate Monomer for trading.

Opportunities, Threats, Outlook, Risks and Concerns:

The Company is currently engaged mainly in trading of Vinyl Acetate Monomer. The Company will weigh the opportunities and decide at an appropriate time whether to expand trading activity by trading in other chemicals.

The price and demand of various chemicals undergo fluctuations. Similarly, there are fluctuations in foreign currency rates. Hence, there is an inherent risk in trading activities.

Segment-wise Performance:

The Company's current business activity has only one primary reportable segment, namely trading in chemicals.

Internal Control Systems and Adequacy:

The Company has adequate internal control procedures commensurate with size and nature of its business. The internal control systems provide for policies, guidelines, authorisations and approval procedures.

The Audit Committee of the Board of Directors periodically reviews the internal audit reports, significant risk area assessment and adequacy of internal controls for ensuring checks and balances. The Company has appointed Internal Auditors who regularly check the adequacy and effectiveness of all internal controls and suggest improvements.

Financial Performance:

Financial results and performance for the year are elaborated in the Directors' Report.

Human Resources:

Harmonious relations continued to prevail with employees. The total number of employees as on 31st March, 2013 were 14.