



Vinyl Chemicals (India) Ltd.

## BOARD OF DIRECTORS

Shri M.B. Parekh - Chairman & Managing Director

Shri N.K. Parekh

Shri R.M. Gandhi

Smt. Y.J. Mogrelia

Shri A.D. Mavinkurve

## PRESIDENT & SECRETARY

Shri P.C. Patel

## AUDITORS

Khanna & Panchmia

## 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  
ICICI Bank

## REGISTRAR AND TRANSFER AGENTS

TSR Darashaw 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 Thirtieth Annual Report and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016.

**Financial Results:**

(₹ in lacs)

Particulars	Current Year	Previous Year
<b>Profit before Interest, Depreciation and Tax</b>	1118	1879
Less: Interest & Other Finance Costs	7	7
Depreciation	*	*
<b>Profit before Taxation</b>	1111	1872
Less: Provision for Current Taxation	390	638
Provision for Deferred Tax	-	*
<b>Profit for the year</b>	721	1234
Add: Profit brought forward from previous year	2178	1400
<b>Profit available for appropriation</b>	<b>2899</b>	<b>2634</b>
<b>Appropriations:</b>		
Proposed Dividend on Equity Shares	275	275
Tax on Dividend	56	56
Transfer to General Reserve	36	125
<b>Total</b>	<b>367</b>	<b>456</b>
<b>Balance carried to Balance Sheet</b>	<b>2532</b>	<b>2178</b>

\* less than ₹1 lac

**Dividend:**

Out of Current Year's profit, the Directors recommend payment of dividend of ₹1.50 per equity share of ₹1 each (previous year ₹1.50 per equity share) amounting to ₹2,75,05,666 (previous year ₹2,75,05,666) on 1,83,37,111 equity shares of ₹1 each.

**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 ₹32,531 lacs.
- During the year, the Company earned Net Profit of ₹721 lacs as against ₹1,234 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, Shri N.K. Parekh, a Director of the Company, retires by rotation and being eligible, offer himself for re-appointment.

It is proposed to continue the appointment of Shri M.B. Parekh as Managing Director on his attaining the age of 70 years on 28<sup>th</sup> August, 2016 for the remaining period of his tenure, i.e. 31<sup>st</sup> March, 2017 and also to re-appoint him as Managing Director for a further period of 5 years from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March, 2022, subject to approval of members at the ensuing Annual General Meeting.

The Company has received declarations from Shri R.M. Gandhi, Smt. Y.J. Mogrelia and Shri A.D. Mavinkurve, Independent Directors, that they meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

**Extract of Annual Return:**

Extract of Annual Return for the Financial Year ended on 31<sup>st</sup> March, 2016, as required by Section 92(3) of the Companies Act, 2013 is annexed as Annexure 1.

**No. of Board Meetings:**

During the year the Board of Directors met 4 times. The details of Board Meetings are provided in the Corporate Governance Report section of this Annual Report.

**Particulars of Loans, Guarantees or Investments:**

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013 are given in the Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2016.

**Related Party Transactions:**

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business.

All Related Party Transactions were placed before the Audit Committee for approval.

Particulars of arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 for the Financial Year 2015-2016 are given in prescribed Form AOC - 2 which is annexed as Annexure 2.

The policy on Related Party Transactions as recommended by Audit Committee and as approved by the Board is uploaded on the Company's Website [www.vinylchemicals.com](http://www.vinylchemicals.com).

**Risk Management Policy:**

The Company has a structured Risk Management Policy. The Risk Management process is designed to safeguard the organization from various risks through adequate and timely actions.

**Corporate Social Responsibility:**

In terms of the provisions of Section 135 of the Companies Act, 2013 and the Rules framed thereunder, the company has formulated a policy on Corporate Social Responsibility (CSR) and has also constituted a CSR Committee to recommend and monitor expenditure on CSR. The CSR Committee comprises of Shri M.B.Parekh, Shri N.K.Parekh and Shri R.M.Gandhi, Directors, as the members. Shri N.K.Parekh is the Chairman of the Committee. The details of CSR Expenditure are given in the prescribed format as Annexure 3.

**Remuneration Policy:**

The Board on recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy. The salient features of the policy are given in the Corporate Governance Report section of this Annual Report.

**Statutory Auditors:**

There are no qualifications, reservations, adverse remarks or disclaimers made in the Auditors' Report on the Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2016.

During the year under review, the Auditors have not reported any matter u/s 143 (12) of the Companies Act, 2013.



At the 28<sup>th</sup> Annual General Meeting of the Company, the Members have appointed M/s. Khanna & Panchmia, Chartered Accountants, Mumbai as the Statutory Auditors of the Company for a period of five years upto the conclusion of 33<sup>rd</sup> Annual General Meeting subject to ratification by shareholders at every Annual General Meeting.

The Board recommends ratification of the appointment of M/s. Khanna & Panchmia, Chartered Accountants, Mumbai as the Statutory Auditors of the Company at the ensuing Annual General Meeting.

**Subsidiaries and Joint Ventures:**

The Company has no Subsidiaries and Joint Venture Companies.

**Vigil Mechanism/Whistle Blower Policy:**

The Company has established a Vigil Mechanism for Directors & employees. The details of the policy are posted on the Company's Website [www.vinylchemicals.com](http://www.vinylchemicals.com).

**Secretarial Audit Report:**

Pursuant to Section 204 of the Companies Act, 2013, the Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2016 given by M/s. M.M.Sheth & Co., Practising Company Secretaries, is annexed as Annexure 4. The report is unqualified.

**Deposits:**

The Company has not accepted any public deposit.

**Internal Financial Controls:**

Adequate internal financial control system and checks are in place commensurate with the size of the Company and nature of its business.

**Directors' Responsibility Statement:**

As required under the provisions of Section 134 of the Companies Act, 2013, your Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures, if any;
- 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 as at 31<sup>st</sup> March, 2016 and of the profits of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**Corporate Governance:**

Reports on Corporate Governance and Management Discussion and Analysis in accordance with Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 alongwith a certificate from the Auditors of the Company are given separately in this Annual Report.

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**Disclosure under Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

The information pursuant to Section 197 of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel and employees of the Company are annexed to this Report as Annexure 5.

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

The particulars under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, to the extent applicable to the Company, is given in the prescribed format as Annexure 6.

**Annual Evaluation by the Board:**

The Board of Directors of the Company has put in place evaluation of its own performance, its committees and individual Directors. The result of the evaluation is satisfactory and adequate and meets with the requirements of the Company.

**Composition of Audit Committee:**

Details of Composition of Audit Committee, its terms of reference and meetings held during the year are given in the Corporate Governance Report section of this Annual Report.

**General:****a) Sweat Equity shares and Equity shares with Differential Rights:**

None issued during the Financial Year 2015-2016.

**b) Employees Stock Option Scheme:**

The Company does not have Employees Stock Option Scheme.

**c) Significant and Material Orders passed by the Regulators:**

None passed during the Financial Year 2015-2016.

**d) Sexual Harassment Laws:**

No complaints under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 were received during the Financial Year 2015-2016.

**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, customers and banks for their continued support.

FOR AND ON BEHALF OF THE BOARD

Mumbai  
Date: 18<sup>th</sup> May, 2016

**M.B. PAREKH**  
CHAIRMAN & MANAGING DIRECTOR

**ANNEXURE 1****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31<sup>st</sup> March, 2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i	CIN	L24100MH1986PLC039837
ii	Registration Date	15.05.1986
iii	Name of the Company	Vinyl Chemicals (India) Limited
iv	Category / Sub-Category of the Company	Public Company/ Limited by Shares
v	Address of the Registered office and contact details	Regent Chambers, 7 <sup>th</sup> Floor, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021  Mr. P.C.Patel Company Secretary Tel: 2282 2708
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	TSR Darashaw Limited 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011 Tel : 6656 8484

**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

Sr. No.	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the Company
1	Wholesale trade in Chemicals	46102	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

NIL

IV	SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i)	Category-wise Share Holding									
	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2015				No. of Shares held at the end of the year i.e 31.03.2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	712127	0	712127	3.88	649926	0	649926	3.54	-0.34
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	8598335	0	8598335	46.89	8598335	0	8598335	46.89	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (1)	9310462	0	9310462	50.77	9248261	0	9248261	50.43	-0.34
(2)	Foreign									0.00
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)	9310462	0	9310462	50.77	9248261	0	9248261	50.43	-0.34
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	2100	600	2700	0.01	0	600	600	0.00	-0.01
(b)	Financial Institutions / Banks	300	460	760	0.00	300	460	760	0.00	0.00
(c)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	43674	0	43674	0.24	43674	0	43674	0.24	0.00
(f)	Foreign Institutional Investors	65017	0	65017	0.35	0	0	0	0.00	-0.35
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Foreign Portfolio Investors (Corporate)	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B) (1)	111091	1060	112151	0.61	43974	1060	45034	0.25	-0.37
(2)	Non-Institutions									
(a)	Bodies Corporate	826496	83082	909578	4.96	736313	83082	819395	4.47	-0.49
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹1 lakh	6643431	1361489	8004920	43.66	6676196	1312653	7988849	43.66	0.00
ii	Individual shareholders holding nominal share capital in excess of ₹1 lakh	0	0	0	0.00	235572	0	235572	1.28	1.28
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
i	Trusts	0	0	0	0.00	0	0	0	0.00	0.00
ii	OCB	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-total (B) (2)	7469927	1444571	8914498	48.62	7648081	1395735	9043816	49.41	0.79
	Total Public Shareholding (B) = (B)(1)+(B)(2)	7581018	1445631	9026649	49.23	7692055	1396795	9088850	49.66	0.43
	TOTAL (A)+(B)	16891480	1445631	18337111	100.00	16940316	1396795	18337111	100.00	
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	16891480	1445631	18337111	100.00	16940316	1396795	18337111	100.00	





ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2015			Shareholding at the end of the year 31.03.2016			% change in shareholding 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	Pidilite Industries Limited	7451540	40.64	0.00	7451540	40.64	0.00	0.00
2	Parekh Marketing Limited	430200	2.35	0.00	430200	2.35	0.00	0.00
3	Kalva Marketing and Services Ltd	393770	2.15	0.00	393770	2.15	0.00	0.00
4	Pidichem Pvt Ltd	133175	0.73	0.00	133175	0.73	0.00	0.00
5	Madhukar Balvantray Parekh	124763	0.68	0.00	124763	0.68	0.00	0.00
6	Ajay Balvantray Parekh	94583	0.52	0.00	94583	0.52	0.00	0.00
7	Mala Madhukar Parekh	125500	0.68	0.00	125500	0.68	0.00	0.00
8	Narendrakumar Kalyanji Parekh	75951	0.41	0.00	75951	0.41	0.00	0.00
9	Ishijas Chemicals Private Limited	64550	0.35	0.00	64550	0.35	0.00	0.00
10	Kalpana Apurva Parekh	63688	0.35	0.00	3688	0.02	0.00	-0.33
11	Harton Private Limited	47000	0.26	0.00	47000	0.26	0.00	0.00
12	Bharati Narendrakumar Parekh	42750	0.23	0.00	42750	0.23	0.00	0.00
13	Jasna Raoul Thackersey	42750	0.23	0.00	42750	0.23	0.00	0.00
14	The Vacuum Forming Company Pvt Ltd	40000	0.22	0.00	40000	0.22	0.00	0.00
15	Parkem Dyes & Chemicals Pvt Ltd	38100	0.21	0.00	38100	0.21	0.00	0.00
16	Ami Ajay Parekh	35650	0.19	0.00	35650	0.19	0.00	0.00
17	Apurva Narendrakumar Parekh	28500	0.16	0.00	28500	0.16	0.00	0.00
18	Darshana Bimal Mody	21575	0.12	0.00	21575	0.12	0.00	0.00
19	Kanta Balvantray Parekh	17814	0.10	0.00	17814	0.10	0.00	0.00
20	Sushil Kumar Kalyanji Parekh	14401	0.08	0.00	14401	0.08	0.00	0.00
21	Himatlal Kalyanji Parekh	14101	0.08	0.00	14101	0.08	0.00	0.00
22	Gulabben Himatlal Parekh	7900	0.04	0.00	7900	0.04	0.00	0.00
23	Indumati Chimanlal Parekh	2201	0.01	0.00	0	0.00	0.00	-0.01

iii) Change in Promoters' Shareholding:

Sr. No.	Date	Reason	Shareholding as at 01.04.2015		Cumulative Shareholding during F.Y. 2015-2016	
			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
	At the Beginning of the year		63688	0.35	63688	0.35
1	26-Jun-2015	Gift	-60000	-0.33	3688	0.02
			801	0	801	0
2	14-Aug-2015	Gift	-801	0.00	0	0.00
			1400	0.01	1400	0.01
3	14-Aug-2015	Gift	-1400	0.01	0	0.00
	At the end of the year		3688	0.02	3688	0.02

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

Sr. No.	Name	No of shares as on 31.03.2015	No of shares as on 31.03.2016	Net Changes	% to Capital
1	S Murugesan	22482	235572	213090	1.16
2	Madan Doulatram Bahal	94875	94583	-292	0.00
3	Neerav A Parekh	0	60000	60000	0.33
4	Jitendrakumar Saraiya	70000	57000	-13000	-0.07
5	Cyrus Shavak Patel	50000	50000	0	0.00
6	Ambalal Shankerlal Patel	50000	50000	0	0.00
7	Parul Patel	41918	48873	6955	0.04
8	The Oriental Insurance Company Limited	43674	43674	0	0.00
9	Aryavrat Financial Services Ltd	55000	33000	-22000	-0.12
10	Juguna Gopalakrishnan Panikamparambil	32695	32695	0	0.00

**v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	No of shares as on 31.03.2015	No of shares as on 31.03.2016	Net Changes	% to Capital
1	Madhukar Balvantray Parekh	124763	124763	0	0.68
2	Narendrakumar Kalyanji Parekh	75951	75951	0	0.41
3	Ramdas Maneklal Gandhi	2700	2700	0	0.00
4	Yasmin Jehangir Mogrelia	300	300	0	0.00
5	A.D.Mavinkurve	0	0	0	0.00
6	Priykanth Chhotalal Patel	102	102	0	0.00
7	Mahendra Gayatonde	0	0	0	0.00

**V. INDEBTEDNESS**

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	49.47	-	49.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>49.47</b>		<b>49.47</b>
<b>Change in indebtedness at the end of the financial year</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	49.47	-	49.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>49.47</b>	-	<b>49.47</b>