



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

CONTENTS

Directors' Report	2-5
Annexures to the Directors' Report	6-18
Management Discussion and Analysis Report.....	19
Independent Auditors' Report	20-25
Balance Sheet.....	26
Statement of Profit & Loss.....	27
Statement of Changes in Equity.....	28
Cash Flow Statement.....	29-30
Notes to the Financial Statements.....	31-55
Corporate Governance Report.....	56-60
Auditors' Certificate on Corporate Governance.....	61
Information for Shareholders	62-65
Proxy Form.....	67

**DIRECTORS' REPORT**

Your Directors present the Thirty First Annual Report and the Audited Financial Statements for the year ended 31st March, 2017.

Financial Results:

(₹ in Lacs)

Particulars	Current Year#	Previous Year#
Profit before Interest, Depreciation and Tax	1346	1236
Less: Interest & Other Finance Costs	3	7
Depreciation	*	*
Profit before Taxation	1343	1229
Less: Provision for Current Taxation	534	392
(Add)/Less: Provisions for Deferred Tax	(63)	38
Profit for the year	872	799
Less: Other Comprehensive Income (loss)	3	5
Total Comprehensive Income	869	794
Add: Profit Brought Forward from Previous Year	2920	2493
Opening balance of Retained Earnings	3789	3287
Appropriations:		
Dividend on Equity Shares	@ 275	275
Tax on Dividend	@56	56
Transfer to General Reserve	40	36
Total	371	367
Closing balance of Retained Earnings	3418	2920

Figures are as per Indian Accounting Standards (Ind AS)

* Less than ₹ 1 lac

@ Relates to Dividend for F.Y. 2015-2016 paid in September 2016

Dividend:

Out of Current Year's profit, the Directors recommend payment of dividend of ₹ 1.80 per equity share of ₹ 1 each (previous year ₹ 1.50 per equity share) amounting to ₹ 3,30,06,800 (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 ₹ 28,268 lacs.
- During the year, the Company earned Net Profit of ₹ 872 lacs as against ₹ 799 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.

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 31st March, 2017, 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 given 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 31st March, 2017.

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 2016-2017 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.

Risk Management:

The Company has a structured Risk Management Plan. 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 Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 in the prescribed format is annexed 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 and is available on Company's Website www.vinylchemicals.com.

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 31st March, 2017.

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



At the 28th 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 33rd 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 and employees. The details of the policy are posted on the Company's Website www.vinylchemicals.com.

Secretarial Audit Report:

Pursuant to Section 204 of the Companies Act, 2013, the Secretarial Audit Report for the year ended 31st March, 2017 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 31st March, 2017 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.

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 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 which is annexed as Annexure 6.

Annual Evaluation by the Board:

The Board of Directors of the Company have carried out evaluation of its own performance, its committees and individual Directors. The result of the evaluation is satisfactory, adequate and meets with the requirements of the Company.

Familiarisation Programme:

The Company has put in place a familiarization programme for all its Directors including Independent Directors.

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 2016-2017.

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 2016-2017.

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 2016-2017.

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: 17th May, 2017

M.B. PAREKH
CHAIRMAN & MANAGING DIRECTOR

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2017**

[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 th Floor, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai 400 021. Mr. P.C. Patel Company Secretary Tel: (022) 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 Indl. Estate, 20, Dr. E. Mose s Road, Mahalaxmi, Mumbai 400 011 Tel: (022) 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 Shareholding:

	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2016				No. of Shares held at the end of the year i.e 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1) (a)	Individuals / Hindu Undivided Family	6,49,926	0	6,49,926	3.54	6,49,926	0	6,49,926	3.54	0.00
(b)	Central Government / State Governments(s)	-	0	0	0.00	-	0	0	0.00	0.00
(c)	Bodies Corporate	85,98,335	0	85,98,335	46.89	85,98,335	0	85,98,335	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)	92,48,261	0	92,48,261	50.43	92,48,261	0	92,48,261	50.43	0.00
(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 (A)	92,48,261	0	92,48,261	50.43	92,48,261	0	92,48,261	50.43	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	0	600	600	0.00	0	600	600	0.00	0.00
(b)	Financial Institutions / Banks	300	460	760	0.01	13214	460	13,674	0.08	0.07
(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	43,674	0	43,674	0.24	43,674	0	43,674	0.24	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(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)	43,974	1,060	45,034	0.25	56,888	1,060	57,948	0.32	0.07
(2)	Non-Institutions									
(a)	Bodies Corporate	7,36,313	83,082	8,19,395	4.47	7,08,286	83,082	7,91,368	4.32	-0.15
(b)	Individuals									
i	Individual shareholders holding nominal share capital upto Rs. 1 lakh	66,76,196	13,12,653	79,88,849	43.57	69,53,873	12,85,661	82,39,534	44.93	1.36
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2,35,572	0	2,35,572	1.28	0	0	0	0.00	-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	O C B	-	0	0	0.00	-	0	0	0.00	0.00
	Sub-total (B) (2)	76,48,081	13,95,735	90,43,816	49.32	76,62,159	13,68,743	90,30,902	49.25	-0.07
	Total Public Shareholding (B)	76,92,055	13,96,795	90,88,850	49.57	77,19,047	13,69,803	90,88,850	49.57	0.00
	TOTAL (A)+(B)	1,69,40,316	13,96,795	1,83,37,111	100.00	1,69,67,308	13,69,803	1,83,37,111	100.00	0.00
(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)	1,69,40,316	13,96,795	1,83,37,111	100.00	1,69,67,308	13,69,803	1,83,37,111	100.00	0.00


ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% 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	74,51,540	40.64	0.00	74,51,540	40.64	0.00	0.00
2	Parekh Marketing Limited	4,30,200	2.35	0.00	4,30,200	2.35	0.00	0.00
3	Kalva Marketing And Services Ltd	3,93,770	2.15	0.00	3,93,770	2.15	0.00	0.00
4	Pidichem Pvt Ltd	1,33,175	0.73	0.00	1,33,175	0.73	0.00	0.00
5	Madhukar Balvantray Parekh	1,24,763	0.68	0.00	1,24,763	0.68	0.00	0.00
6	Ajay Balvantray Parekh	94,583	0.52	0.00	94,583	0.52	0.00	0.00
7	Mala Madhukar Parekh	1,25,500	0.68	0.00	1,25,500	0.68	0.00	0.00
8	Narendrakumar Kalyanji Parekh	75,951	0.41	0.00	75,951	0.41	0.00	0.00
9	Ishijas Chemicals Private Limited	64,550	0.35	0.00	64,550	0.35	0.00	0.00
10	Kalpana Apurva Parekh	3,688	0.02	0.00	3,688	0.02	0.00	0.00
11	Harton Private Limited	47,000	0.26	0.00	47,000	0.26	0.00	0.00
12	Bharati Narendrakumar Parekh	42,750	0.23	0.00	42,750	0.23	0.00	0.00
13	Jasna Raoul Thackersey	42,750	0.23	0.00	42,750	0.23	0.00	0.00
14	The Vacuum Forming Company Pvt Ltd	40,000	0.22	0.00	40,000	0.22	0.00	0.00
15	Parkem Dyes & Chemicals Pvt Ltd	38,100	0.21	0.00	38,100	0.21	0.00	0.00
16	Ami Ajay Parekh	35,650	0.19	0.00	35,650	0.19	0.00	0.00
17	Apurva Narendrakumar Parekh	28,500	0.16	0.00	28,500	0.16	0.00	0.00
18	Darshana Bimal Mody	21,575	0.12	0.00	21,575	0.12	0.00	0.00
19	Kanta Balvantray Parekh	17,814	0.10	0.00	17,814	0.10	0.00	0.00
20	Sushilkumar Kalyanji Parekh	14,401	0.08	0.00	14,401	0.08	0.00	0.00
21	Himatlal Kalyanji Parekh	14,101	0.08	0.00	14,101	0.08	0.00	0.00
22	Gulabben Himatlal Parekh	7,900	0.04	0.00	7,900	0.04	0.00	0.00

iii) Change in Promoters Shareholding (please specify, if there is no change)

There is no change in the Promoters Shareholding during the year.

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 31.03.2016	No of shares as on 31.03.2017	Net Changes	% to Capital
1	Jitendrakumar Saraiya	57,000	62,000	5,000	0.34
2	Neerav A Parekh	60,000	60,000	–	0.33
3	Ambalal Shankerlal Patel	50,000	50,000	–	0.27
4	Cyrus Shavak Patel	50,000	49,400	(600)	0.27
5	Parul Patel	48,873	48,873	–	0.27
6	The Oriental Insurance Company Limited	43,674	43,674	–	0.24
7	Ajay Agarwal	–	40,000	40,000	0.22
8	Ushaben Saraiya	20,000	33,000	13,000	0.18
9	Juguna Gopalakrishnan Panikamparambil	32,695	32,695	–	0.18
10	Rajnikant Maganbhai Patel	30,774	30,774	–	0.17

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	No of shares as on 31.03.2016	No of shares as on 31.03.2017	Net Changes	% to Capital
1	Madhukar Balvantray Parekh	1,24,763	1,24,763	–	0.68
2	Narendrakumar Kalyanji Parekh	75,951	75,951	–	0.41
3	Ramdas Maneklal Gandhi	2,700	2,700	–	0.01
4	Yasmin Jehangir Mogrelia	300	300	–	0.00
5	Arun Dattatrey Mavinkurve	–	–	–	–
6	Priykanth Chhotalal Patel	102	102	–	0.00
7	Mahendra Gayatonde	–	–	–	–

V. INDEBTEDNESS:

(₹ in lacs)

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