

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 31st March, 2016.

Financial Results:

(₹ in lacs)

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

* 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 28th August, 2016 for the remaining period of his tenure, i.e. 31st March, 2017 and also to re-appoint him as Managing Director for a further period of 5 years from 1st April 2017 to 31st 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 31st 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 31st 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.

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 31st 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 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 & 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, 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 31st 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.

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: 18th May, 2016

M.B. PAREKH
CHAIRMAN & MANAGING DIRECTOR



Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st 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 th 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	Priyank 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
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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director**

(₹ in lacs)

Sr. No.	Particulars	Name of Managing Director - Shri M.B. Parekh	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961		-
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		
	- as % of profit		48.50
	- others		-
5	Others		-
	Total (A)		48.50

Ceiling as per Section 198 of the Companies Act, 2013

B. Remuneration to other Directors

(₹ in lacs)

Sr. No.	Particulars	Name of Directors				Total Amount
		Shri N.K. Parekh	Shri R.M. Gandhi	Smt. Y.J. Mogrelia	Shri A.D. Mavinkurve	
1	Independent Directors					
	Fee for attending Board/Committee Meetings	-	1.06	0.70	0.52	2.28
	Commission	-	2.00	2.00	2.00	6.00
	Others	-	-	-	-	-
	Total (1)	-	3.06	2.70	2.52	8.28
2	Non-Executive Director					
	Fee for attending Board/Committee Meetings	0.60	-	-	-	0.60
	Commission	2.00	-	-	-	2.00
	Others	-	-	-	-	-
	Total (2)	2.60	-	-	-	2.60
	Total B=(1)+(2)	2.60	3.06	2.70	2.52	10.88
	Total Managerial Remuneration					59.38

Ceiling as per Section 198 of the Companies Act, 2013

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(₹ in lacs)

Sr. No.	Particulars	Name of Key Managerial Personnel - Shri Mahendra Gayatonde, CFO	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		20.88
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961		-
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission		
	- as % of profit		-
	- others		-
5	Others		-
	Total		20.88

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences against the Company, Directors and Officers in Default during the Financial Year ended 31st March, 2016.



FORM 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 Act including certain arm's length transaction under third proviso thereto.

1. Details of material contracts or arrangements or transactions not at arm's length basis:

All contracts/arrangements/transactions entered into during the year ended 31st March, 2016 were at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

a. Name(s) of the related party and nature of relationship:

Pidilite Industries Ltd. (Promoter Company).

b. Nature of contracts/arrangements/transactions:

Sale and supply of goods, products & materials viz. Chemicals

c. Duration of the contracts/arrangements/transactions:

On ongoing basis

d. Salient terms of the contracts or arrangements or transactions including the value, if any:

Sale of Chemicals viz. VAM on commercial terms as per prevailing market price as applicable to bulk industrial consumers with firm commitment for off-take of materials from time to time. For the Financial Year 2015-2016, the value of goods sold was ₹309.82 crores.

e. Date(s) of approval by the Board, if any:

Not Applicable

f. Amount paid as advances, if any:

Not Applicable

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Mumbai

Date: 18th May, 2016

M.B. PAREKH

CHAIRMAN & MANAGING DIRECTOR

ANNEXURE 3

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

- 1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web link to the CSR Policy and projects or programmes:**

The key focus areas of the Company's CSR Policy are to support various bodies in carrying CSR activities in the areas of rural development, education, health care, general semantics etc. The full CSR Policy is displayed on the Company's Website www.vinylchemicals.com.

- 2. The composition of CSR Committee:**

Shri N.K. Parekh is the Chairman of the CSR Committee. The other Members of the Committee are Shri M.B. Parekh and Shri R.M. Gandhi.

- 3. Average Net Profits of the Company for the last three financial years:**

₹1,295.16 lacs

- 4. Prescribed CSR expenditure for Financial Year 2015-2016:**

₹25.90 lacs

- 5. Details of CSR spent for the Financial Year:**

- (a) Total amount to be spent for the Financial year 2015-2016:

₹25.90 lacs

- (b) Amount unspent, if any:

Nil

- (c) Manner in which the amount was spent during the financial year:

A contribution of ₹26 lacs was made to Trivenikalyan Foundation, a registered Public Charitable Trust carrying on activities in line with the CSR Policy of the Company in rural areas for over 3 decades.

The amount will be spent on rural development activities as outlined in the CSR Policy of the Company.

- 6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:**

Not Applicable

- 7. A responsibility statement of the CSR Committee:**

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

M.B. PAREKH
(CHAIRMAN & MANAGING DIRECTOR)

N.K. PAREKH
(CHAIRMAN OF THE CSR COMMITTEE)

Place: Mumbai
Date : 18th May, 2016



**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016**

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

To
The Members of
Vinyl Chemicals (India) Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vinyl Chemicals (India) Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March 2016 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**);

(vi) There are no specific laws applicable to the Company, as confirmed by the Company.

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

(i) Secretarial Standards (SS) issued by The Institute of Company Secretaries of India. (**effective from 1st July, 2015**)

(ii) The Listing Agreements entered into by the Company with Stock Exchanges and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st December, 2015)

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

I 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings were carried out unanimously as recorded in the minutes of meetings of the Board of Directors or Committee of the Board, as the case may be.

I 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.

I further report that during the audit period the company has no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

FOR M. M. SHETH & CO.
(Company Secretaries)

M. M. SHETH
(Prop.)

FCS No. 1455 CP No. 729

Place: Mumbai

Date : 18th May, 2016

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



To

The Members of
Vinyl Chemicals (India) Limited

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

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

**FOR M. M. SHETH & CO.
(Company Secretaries)**

**M. M. SHETH
(Prop)**

FCS No. 1455 CP No. 729

Place: Mumbai

Date : 18th May, 2016

ANNEXURE 5

DISCLOSURE U/S 197(12) AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. Ratio of remuneration of each Director to the median remuneration of the employees of the company for the Financial Year ended 31st March, 2016:

Sr. No.	Name of Director	Total Remuneration (₹ in lacs)	Ratio of Remuneration of Director to the Median Remuneration
1	Shri M.B. Parekh	48.50	5.08
2	Shri N.K. Parekh	2.60	0.27
3	Shri R.M. Gandhi	3.06	0.32
4	Smt. Y.J. Mogrelia	2.70	0.28
5	Shri A.D. Mavinkurve	2.52	0.26

2. The Percentage increase in remuneration of each Director and Key Managerial Personnel in the Financial Year:

Sr. No.	Name of Director/KMP	Remuneration (₹ in lacs)		Increase/Decrease (%)
		2015-2016	2014-2015	
1	Shri M.B. Parekh	48.50	92.41	-48%
2	Shri N.K. Parekh	2.60	1.94	34%
3	Shri R.M. Gandhi	3.06	2.74	12%
4	Smt. Y.J. Mogrelia	2.70	2.29	18%
5	Shri A.D. Mavinkurve	2.52	2.16	17%
6	Shri Mahendra Gayatonde (CFO)*	20.88	11.24	NA

*Appointed w.e.f. 1st August, 2014. Hence, the figures are not comparable

3. Percentage increase in the median remuneration of employees in the Financial Year:

Particulars	Median Remuneration (₹ in lacs)		Increase (%)
	2015-2016	2014-2015	
Median remuneration of all employees (per annum)	9.55	9.16	4%

4. The number of permanent employees on the rolls of the company as on 31 March, 2016 was 12.

5. Explanation on the relationship between average increase in remuneration and company performance:

The increase in the average remuneration of all employees in the Financial Year 2015-2016 as compared to Financial Year 2014-2015 was 23%.



The key indices of the Company's performance are:

Particulars	Amount (₹ in lacs)		Growth (%)
	2015-2016	2014-2015	
Revenue from operations	33,536	44,156	-24%
Profit before tax	1,111	1,872	-41%
Profit after tax	721	1,234	-42%

The average increase in the remuneration of employees is in line with the market dynamics and as a measure to motivate the employees for a better future performance to achieve organisation's growth expectations.

6. Comparison of remuneration of Key Managerial Personnel against the performance of the Company:

The remuneration of Key Managerial Personnel decreased by 33% whereas the Profit Before Tax decreased by 41% in the Financial Year 2015-2016 as compared to Financial Year 2014-2015.

7. Details of share price and market capitalisation as at the closing date of the current Financial Year and the previous Financial Year:

The market capitalisation as on 31st March, 2016 and 31st March, 2015 were ₹91.96 crores and ₹120.02 crores respectively.

The Price Earnings Ratio as on 31st March, 2016 and 31st March, 2015 were 12.76 and 9.71 respectively.

The percentage increase in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer is 2508% (after adjusting the face value of share at the time of the last public offer to the current face value).

8. Comparison of average percentage increase in the salary of employees other than the Key Managerial Personnel (KMP) and the percentage increase in the KMP remuneration:

Particulars	Amount (₹ in lacs)		Increase/Decrease (%)
	2015-2016	2014-2015	
Average salary of all employees (other than KMP)	13.39	10.88	23%
KMP remuneration	69.38	103.65	-33%

9. Key parameters for the variable component of remuneration paid to the Directors:

Commission is paid to Non-Executive Directors within the ceiling of 1% of the net profit of the company and to Managing Director within the ceiling of 5% of the net profit of the company, as approved by the shareholders of the Company.

10. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Directors during the year:

Not Applicable

11. Affirmation:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the remuneration policy of the Company.

DISCLOSURE UNDER RULES 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

There were no employees who were in receipt of remuneration at a rate not less than ₹60 lacs per annum or ₹5 lacs per month (if employed for part of the year).

ANNEXURE 6

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the Financial Year 2015–2016, 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

B. Technology Absorption - Not Applicable

C. Foreign Exchange Earnings & Outgo:

Total Foreign Exchange earned and used:

	(₹ in lacs)	
	2015-2016	2014-2015
1. Foreign Exchange earned	1,070.67	1,768.68
2. Foreign Exchange used	27,535.55	37,844.31



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. About 8-9 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 has so far not deemed appropriate to add other chemicals to its trading activity.

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 their 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 the employees. The total number of employees as on 31st March, 2016 were 12.

INDEPENDENT AUDITORS' REPORT

To

**The Members of
Vinyl Chemicals (India) Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Vinyl Chemicals (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accounting records, relevant to the preparation and presentation of the 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 financial statements based on our audit.

While conducting the 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 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 B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
 - (g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **Khanna & Panchmia**
Chartered Accountants
Firm Reg. No. 136041W

Ketan Panchmia
Partner
Membership No. 038985

Place: Mumbai
Date : 18th May, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" 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) As explained to us, the fixed assets have been physically verified by the Management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the Management, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such 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 Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, Clause 3 (iii) (a), (b) and (c) of the Order are not applicable and hence not commented upon.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investment or provided guarantee, which are covered by the provisions of Section 185 and 186 of the Companies Act, 2013. Hence, reporting under Clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public. Accordingly, Clause 3(v) of the Order is not applicable.
- (vi) The Cost records prescribed under Section 148(1) of the Act are not applicable to the Company and hence Clause 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally 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 statutory dues, as applicable with the appropriate authorities. 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, 2016 for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, there were no dues which have not been deposited in respect of Income tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax on account of any dispute except as mentioned below-

Name of Statute	Nature of Dues	Amount in ₹	Period to which the amount relates	Forum where dispute is pending
Income Tax Act	Penalty U/s 271(1)(c)	9,77,148	A Y 2006-07	ITAT Mumbai
Income Tax Act	Assessment U/s 143(3)	5,80,010	A Y 2011-12	CIT(Appeals), Mumbai
Income Tax Act	Assessment U/s 143(3)	2,75,260	A Y 2012-13	CIT(Appeals), Mumbai
Income Tax Act	Assessment U/s 143(3)	3,80,800	A Y 2013-14	CIT(Appeals), Mumbai
Maharashtra Value Added Tax Act	Assessment Dues	81,77,742	A Y 2006-07	JC (Appeal V), Sales Tax Office, Mumbai
Central Sales Tax Act	Assessment Dues	42,78,179	A Y 2006-07	JC (Appeal V), Sales Tax Office, Mumbai
Maharashtra Value Added Tax Act	Assessment Dues	62,67,349	A Y 2009-10	JC (Appeal V), Mumbai
Maharashtra Value Added Tax Act	Assessment Dues	1,02,90,811	A Y 2005-06	JC (Appeal), RAI-F-001, Sales Tax Office, Navi Mumbai
Central Sales Tax Act	Assessment Dues	6,82,692	A Y 2005-06	JC (Appeal), RAI-F-001, Sales Tax Office, Navi Mumbai
Maharashtra Value Added Tax Act	Assessment Dues	3,78,84,795	A Y 2010-11	JC (Appeal I), Mumbai



- (viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of its loans and borrowings to financial institutions, banks, government or dues to debentures holders.
- (ix) In our opinion and according to information and explanations given to us, the Company has not raised any money by way of initial Public Offer or further public offer and term loans during the year. Accordingly, Clause 3(ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers/employees has been noticed or reported during the year nor have we been informed about any such case by the Management.
- (xi) In our opinion and according to information and explanations given to us, the Company has paid/provided remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) As the Company is not Nidhi Company, the reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. 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 3(xiv) of the order 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 persons connected with him 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 **Khanna & Panchmia**
Chartered Accountants
Firm Reg. No. 136041W

Ketan Panchmia
Partner
Membership No. 038985

Place: Mumbai
Date : 18th May, 2016

Annexure “B” to the Independent Auditor's Report

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

Report on the Internal Financial Controls 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 **Vinyl Chemicals (India) Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the 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 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") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control 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 control 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, to the best of information and explanations given to us, the Company has, in all materials respects, an adequate internal financial control system over financial reporting and such financial controls over financial reporting are operating effectively as at March 31, 2016 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 **Khanna & Panchmia**
Chartered Accountants
Firm Reg. No. 136041W

Ketan Panchmia
Partner

Membership No. 038985

Place: Mumbai
Date : 18th May, 2016

**BALANCE SHEET AS AT 31ST MARCH, 2016**

	Notes		31st March, 2016	31st March, 2015
		₹	₹	₹
I Equity & liabilities				
1. Shareholders' funds				
Share capital	3	1,83,43,984		1,83,43,984
Reserves and surplus	4	36,69,79,633		32,80,15,088
			38,53,23,617	34,63,59,072
2. Non-current liabilities				
Long-term borrowings	5	49,47,308		49,47,308
Deferred tax liability	30	67,316		71,857
Long-term provisions	6	4,33,624		4,70,901
			54,48,248	54,90,066
3. Current liabilities				
Trade payables	7	75,88,94,939		59,73,97,382
Other current liabilities	8	2,86,46,621		4,61,34,886
Short-term provisions	9	4,09,98,585		4,11,63,577
			82,85,40,145	68,46,95,845
Total			1,21,93,12,010	1,03,65,44,983
II Assets				
1. Non-current assets				
Fixed assets				
Tangible assets (Net)	10	22,87,530		23,21,328
Long-term loans and advances	11	89,00,594		88,84,147
			1,11,88,124	1,12,05,475
2. Current assets				
Current investments	12	44,27,27,873		8,91,41,854
Inventories	13	24,84,38,516		37,74,30,388
Trade receivables	14	49,42,01,455		48,04,01,663
Cash and bank balances	15	86,90,325		2,68,68,167
Short-term loans and advances	16	1,40,65,717		5,14,97,436
			1,20,81,23,886	1,02,53,39,508
Total			1,21,93,12,010	1,03,65,44,983

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For Khanna & Panchmia

Chartered Accountants
Firm Reg. No. 136041W

Ketan Panchmia
Partner

Mem.No. 038985

Place : Mumbai

Dated: 18th May, 2016

P.C. Patel

President & Secretary

M.S. Gayatonde

Chief Financial Officer

M.B. Parekh

Chairman & Managing Director

N. K. Parekh

Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Notes	31st March, 2016 ₹	31st March, 2015 ₹
Income			
Revenue from operations	17	3,35,35,86,772	4,41,55,95,415
Other income	18	1,93,98,718	1,28,52,606
Total Revenue		3,37,29,85,490	4,42,84,48,021
Expenses			
Purchase of traded goods	19	3,02,58,07,772	4,15,84,49,993
(Increase)/decrease in inventories of traded goods	20	12,89,91,871	(1,74,46,894)
Cost of traded goods sold		3,15,47,99,643	4,14,10,03,099
Employee benefits expenses	21	2,39,75,117	2,43,56,535
Finance costs	22	6,60,441	7,39,452
Depreciation expense	10	50,848	57,572
Other Expenses	23	8,24,34,167	7,50,67,937
Total Expenses		3,26,19,20,216	4,24,12,24,595
Profit before tax		11,10,65,274	18,72,23,426
Tax expense			
Current tax		3,90,00,000	6,38,00,000
Deferred tax	30	(4,541)	(1,845)
Total tax expenses		3,89,95,459	6,37,98,155
Profit for the year		7,20,69,815	12,34,25,271
Earnings per share			
Basic		3.93	6.73
Diluted		3.93	6.73

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

For Khanna & Panchmia

Chartered Accountants
Firm Reg. No. 136041W

P.C. Patel
President & Secretary

M.B. Parekh
Chairman & Managing Director

Ketan Panchmia

Partner
Mem.No. 038985

M.S. Gayatonde
Chief Financial Officer

N. K. Parekh
Director

Place : Mumbai
Dated: 18th May, 2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	31st March, 2016	31st March, 2015
	₹	₹
Cash flows from operating activities		
Profit/(loss) before tax	11,10,65,274	18,72,23,426
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation	50,848	57,572
Interest and other finance expenses	6,60,441	7,39,452
Interest income	(1,76,624)	(1,20,000)
Net (gain)/loss on sale of current investments	(1,90,90,459)	(1,25,49,943)
Operating profit/(loss) before working capital changes	9,25,09,480	17,53,50,507
Movements in working capital:		
Decrease/(increase) in fixed assets	(17,050)	-
Increase/(decrease) in trade payables	16,14,97,557	(13,98,93,879)
Increase/(decrease) in long-term provisions	(37,277)	1,07,568
Increase/(decrease) in other current liabilities	(1,74,88,266)	2,08,88,130
Increase/(decrease) in short-term provisions	(1,64,992)	(26,68,080)
Decrease/(increase) in inventories	12,89,91,872	(1,74,46,894)
Decrease/(increase) in long-term loans and advances	(16,447)	99,786
Decrease/(increase) in trade receivables	(1,37,99,792)	4,50,95,560
Decrease/(increase) in short-term loans and advances	3,74,31,719	(1,21,86,061)
Cash generated from Operations	38,89,06,804	6,93,46,637
Interest and other finance expenses	(6,60,440)	(7,39,452)
Direct taxes paid	(3,90,00,000)	(6,38,00,000)
Net Cash from Operating Activities (A)	34,92,46,364	48,07,185
Cash flows from investing activities		
Sale/(Purchase) of current investments	(35,35,86,019)	(3,81,54,113)
Net gain from sale of current investments	1,90,90,459	1,25,49,943
Interest income	1,76,624	1,20,000
Net cash flows from/(used in) investing activities (B)	(33,43,18,936)	(2,54,84,170)
Cash flows from financing activities		
Dividend paid (including dividend tax, where applicable)	(3,31,05,270)	(2,14,53,503)
Net cash flows from/(used in) financing activities (C)	(3,31,05,270)	(2,14,53,503)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,81,77,842)	(4,21,30,488)
Cash and cash equivalents at the beginning of the year	2,68,68,167	6,89,98,655
Cash and cash equivalents at the end of the year	86,90,325	2,68,68,167

	Notes	31st March, 2016 ₹	31st March, 2015 ₹
Components of cash and cash equivalents			
Cash on hand		62,997	58,801
Balances with banks - in current accounts		50,63,535	2,42,41,510
- in unpaid dividend accounts *		35,63,793	25,67,856
Total cash and cash equivalents (Note 15)		86,90,325	2,68,68,167
* The Company can utilize these balances only towards settlement of the respective unpaid dividend liabilities			
Summary of significant accounting policies	2		
As per our report of even date		For and on behalf of the Board	
For Khanna & Panchmia Chartered Accountants Firm Reg. No. 136041W	P.C. Patel President & Secretary	M.B. Parekh Chairman & Managing Director	
Ketan Panchmia Partner Mem.No. 038985	M.S. Gayatonde Chief Financial Officer	N. K. Parekh Director	
Place : Mumbai Dated: 18th May, 2016			



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Note 1

Corporate Information

The Company was incorporated in 1986 and is dealing in chemicals, mainly Vinyl Acetate Monomer (VAM). The equity shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

Note 2

Significant Accounting Policies

- 2.1 The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention on a going concern basis. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year.
- 2.2 The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the Management's best knowledge of current events and actions, future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialised.
- 2.3
- i. Tangible assets are stated at cost.
 - ii. Depreciation has been provided on straight line method on fixed assets, as per the rates specified in Schedule II of the Companies Act, 2013.
- 2.4 Long-term investments are carried individually, at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.
- 2.5 Inventory of Traded Goods is valued at actual cost or net realisable value, whichever is lower.
- 2.6 Accounting for Taxes on Income:
- i. Provision for current tax is made on the basis of taxable income for the current year in accordance with the provisions of the Income Tax Act, 1961.
 - ii. Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method at the current rate of tax to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized and carried forward only if there is a virtual /reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.
- 2.7 Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction. Foreign currency designated assets and liabilities are restated at year end rates or at contract rates and the resultant gain or loss is taken to the Statement of Profit and Loss.
- 2.8 Employees' Benefits:
- i. Contribution to Provident and Family Pension Fund are funded as a percentage of salary.
 - ii. Gratuity liability is funded as per group gratuity scheme of Life Insurance Corporation of India.
 - iii. Leave encashment liability is provided for on the basis of actuarial valuation as at the year end.
- 2.9 Revenue Recognition:
- i. Income from sale of goods is recognised upon transfer of significant risk and rewards of ownership of the goods to the customer which generally coincides with delivery and acceptance of the goods sold. Sales are net of Sales tax/VAT, returns, rebates and discounts.
 - ii. Claims which are not of material nature/insurance claims etc. are accounted for when no significant uncertainties are attached to their eventual receipt.
 - iii. Negotiated price reduction obtained from supplier is accounted for as a part of 'Other operating revenue'.
- 2.10 Provisions, Contingent Liabilities and Contingent Assets:
- i. Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources.
 - ii. Disclosure for a contingent liability is made without a provision in books when there is an obligation that may but probably will not require outflow of resources.
 - iii. Contingent Assets are neither recognised nor disclosed in the financial statements.
- 2.11 Earnings Per Share:
- In determining the earnings per share, the Company considers the net profit after tax and post tax effect of any extra-ordinary/exceptional item is shown separately. The number of shares considered in computing basic earnings per share is the number of shares outstanding at the end of the year.

	₹	31st March, 2016 ₹	31st March, 2015 ₹
Note 3			
Share capital			
Authorised			
3,49,66,001 equity shares of ₹1 each (Previous year 3,49,66,001 equity shares of ₹1 each)		3,49,66,001	3,49,66,001
Issued			
1,83,43,984 equity shares of ₹1 each (Previous year 1,83,43,984 equity shares of ₹1 each)		1,83,43,984	1,83,43,984
Subscribed and paid-up			
1,83,37,111 equity shares of ₹1 each (Previous year 1,83,37,111 equity shares of ₹1 each)	1,83,37,111		1,83,37,111
Add: Amount received on 6,873 (Previous year 6,873) forfeited equity shares	6,873		6,873
		1,83,43,984	1,83,43,984
		1,83,43,984	1,83,43,984
a. There was no change in number of shares at the beginning and at the end of the reporting period.			
b. Details of shareholders holding more than 5% shares in the Company			
Pidilite Industries Ltd.			
74,51,540 (previous year 74,51,540) shares of ₹1 each fully paid		74,51,540	74,51,540
Percentage of shareholding		40.64%	40.64%
Note 4			
Reserves & surplus			
Capital reserves			
General reserve			
Balance as per last financial statements	10,47,40,204		9,22,40,204
Add: Amount transferred from surplus balance in the statement of profit and loss	36,00,000		1,25,00,000
Closing balance		10,83,40,204	10,47,40,204
Surplus/(deficit) in the statement of profit & loss			
Balance as per last financial statements	21,78,28,132		14,00,08,131
Add: Profit for the year	7,20,69,815		12,34,25,271
	28,98,97,947		26,34,33,402
Less: Appropriations:			
Proposed equity dividend (₹1.50 per share) (previous year ₹1.50 per share)	2,75,05,666		2,75,05,666
Tax on proposed equity dividend	55,99,604		55,99,604
Transfer to General Reserve	36,00,000		1,25,00,000
	3,67,05,270		4,56,05,270
Net surplus/(deficit) in the statement of profit and loss		25,31,92,677	21,78,28,132
		36,69,79,633	32,80,15,088
Note 5			
Long-term borrowings			
Unsecured borrowings			
Deferred sales tax loan (Repayment due on 30th April, 2017)		49,47,308	49,47,308
		49,47,308	49,47,308



	31st March, 2016 ₹	31st March, 2015 ₹							
Note 6									
Long-term provisions									
Provision for employee benefits									
Provision for leave benefits (long term)	4,33,624	4,70,901							
	4,33,624	4,70,901							
Note 7									
Trade Payables									
Micro, Small and Medium Enterprises (Refer Note 25)	-	-							
Others	75,88,94,939	59,73,97,382							
	75,88,94,939	59,73,97,382							
Note 8									
Other current liabilities									
(Investor Education and Protection Fund will be credited by following amount as and when due)									
Unpaid dividend	35,63,794	25,67,857							
Others									
(A) Statutory remittances									
VAT/CST payable	44,17,306	86,34,824							
TDS payable	7,69,208	3,86,078							
(B) Other Liabilities	1,98,96,313	3,45,46,127							
	2,86,46,621	4,61,34,886							
Note 9									
Short-term provisions									
Others									
Provision for taxation (net of advance income-tax)	78,04,188	80,15,570							
Provision for leave benefits (short term)	89,127	42,737							
Proposed dividend on equity share capital	2,75,05,666	2,75,05,666							
Tax on proposed equity dividend	55,99,604	55,99,604							
	4,09,98,585	4,11,63,577							
Note 10									
Tangible assets									
	Gross block (At cost)			Accumulated depreciation			Net block		
	Balance as at 01.04.2015 ₹	Additions/ (disposal) ₹	Balance as at 31.03.2016 ₹	Balance as at 01.04.2015 ₹	Charge for the year ₹	On disposal ₹	Balance as at 31.03.2016 ₹	Balance as at 31.03.2016 ₹	Balance as at 31.03.2015 ₹
Land	18,57,310	-	18,57,310	-	-	-	-	18,57,310	18,57,310
Equipments	6,56,361	-	6,56,361	2,35,407	46,073	-	2,81,480	3,74,881	4,20,954
Furniture & fixtures	57,951	17,050	75,001	14,887	4,775	-	19,662	55,339	43,064
Total	25,71,622	17,050	25,88,672	2,50,294	50,848	-	3,01,142	22,87,530	23,21,328
Previous Year	25,71,622	-	25,71,622	1,92,722	57,572	-	2,50,294	23,21,328	

	31st March, 2016	31st March, 2015
₹	₹	₹
Note 11		
Long-term loans and advances		
Other loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	4,13,259	11,79,402
Balances with statutory/government authorities		
VAT refund receivable (Net)	57,61,766	57,61,766
Advance income-tax (net of provision for taxation)	17,20,569	9,37,979
Deposits (Unsecured, considered good)	10,05,000	10,05,000
	<u>89,00,594</u>	<u>88,84,147</u>
Note 12		
Current Investments (valued at cost)		
Unquoted mutual fund		
Birla Sun Life Savings Fund Growth Option	44,17,27,873	7,86,41,854
ICICI Prudential Liquid Plan (Growth)	10,00,000	1,05,00,000
	<u>44,27,27,873</u>	<u>8,91,41,854</u>
Note 13		
Inventories (valued at cost or market value whichever is lower)		
Traded goods (including stock-in-transit ₹17,97,29,028) (previous year ₹12,37,80,954)	24,84,38,516	37,74,30,388
	<u>24,84,38,516</u>	<u>37,74,30,388</u>
Note 14		
Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	33,21,081	54,02,648
Other receivables		
Unsecured, considered good	49,08,80,374	47,49,99,015
	<u>49,42,01,455</u>	<u>48,04,01,663</u>
Note 15		
Cash and bank balances		
Cash & cash equivalents		
Balances with banks		
In current accounts	50,63,535	2,42,41,510
In unpaid dividend accounts	35,63,793	25,67,856
	86,27,328	2,68,09,366
Cash on hand	62,997	58,801
	<u>86,90,325</u>	<u>2,68,68,167</u>
Note 16		
Short-term loans and advances Other loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	7,94,346	24,91,598
Balances with statutory/government authorities		
SAD refund receivable	1,29,15,800	4,76,86,508
Prepaid expenses	3,40,571	2,90,030
Loans to employees	-	9,300
Deposits (Unsecured, considered good)	15,000	10,20,000
	<u>1,40,65,717</u>	<u>5,14,97,436</u>



	31st March, 2016 ₹	31st March, 2015 ₹
Note 17		
Revenue from operations		
Sale of products (traded goods)		
Vinyl Acetate Monomer	3,25,31,24,614	4,25,74,11,867
Other operating revenue		
Discount received	9,55,27,881	15,61,42,888
Insurance claims received	49,34,277	20,40,660
	3,35,35,86,772	4,41,55,95,415
Note 18		
Other income		
Interest income on Deposit	1,76,624	1,20,000
Net gain on sale of current investments	1,90,90,459	1,25,49,943
Miscellaneous income		
Miscellaneous receipts	1,31,635	1,82,663
	1,93,98,718	1,28,52,606
Note 19		
Purchase of traded goods		
Vinyl Acetate Monomer	3,02,58,07,772	4,15,84,49,993
	3,02,58,07,772	4,15,84,49,993
Note 20		
(Increase)/Decrease in inventories of traded goods		
Inventories at the beginning of the year	37,74,30,388	35,99,83,494
Less: Inventories at the end of the year	24,84,38,517	37,74,30,388
	12,89,91,871	(1,74,46,894)
Note 21		
Employee benefits expenses		
Salary,wages,allowances, bonus etc.	2,22,38,100	2,35,02,913
Contribution to provident and other funds	14,97,908	5,73,000
Staff welfare expenses	2,39,109	2,80,622
	2,39,75,117	2,43,56,535
Note 22		
Finance costs		
Interest expense	6,026	81,318
Bank charges	6,54,415	6,58,134
	6,60,441	7,39,452
Note 23		
Other expenses		
Insurance	7,87,911	8,87,882
Rent	52,800	52,800
Rates & Taxes	4,845	9,165
Repairs to others	41,100	56,650
Printing and stationery	38,074	46,646
Postage and telephone	1,56,505	1,60,041
Travelling and conveyance	5,11,843	6,14,392
Motor car expenses	5,53,867	3,85,932
Selling expenses	46,25,424	24,47,116
Directors' sitting fees	2,88,000	3,13,000
Commission to non-executive directors	8,00,000	6,00,000
Payments to auditor (refer details below)	5,42,401	3,71,198
Exchange loss on foreign currency transaction and translation (net)	5,08,30,655	4,94,12,170
Contribution towards corporate social responsibility	26,00,000	20,00,000
Miscellaneous expenses	2,06,00,742	1,77,10,945
	8,24,34,167	7,50,67,937

	31st March, 2016 ₹	31st March, 2015 ₹
Payments to auditor		
As auditor		
Audit fee	2,29,000	2,24,720
Tax audit fee	51,500	28,500
VAT audit fee	57,250	56,180
In other capacity		
For other services (certification fees)	2,04,651	61,798
	5,42,401	3,71,198
24. Contingent liabilities not provided for		
1) Claims against the Company not acknowledged as debts comprise of:		
i) Income Tax demands against the Company not provided for & relating to issues of deductions in respect of which the Company is in appeal	22,13,218	12,82,690
ii) Sales Tax claims disputed by the Company relating to issue of declaration forms, set-off & classification of sales	6,75,81,568	6,75,81,568
2) Guarantees	-	1,10,85,000
25. Details of dues to micro and small enterprises		
The Company did not have any time during the year, amount due to small and medium enterprises (SME) which is outstanding for more than 45 days. Further, no interest is paid/payable to such SME creditors. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.		
26. Related party disclosure		
Names of related parties and relationship		
i. Pidilite Industries Ltd.	- Holds 40.64% of equity shares of the Company	
ii. Key Managerial Personnel	- Shri M.B. Parekh, Chairman & Managing Director Shri P.C. Patel, President & Company Secretary Shri M.S. Gayatonde, Chief Financial Officer	
iii. Other Directors	- Sarva Shri N.K. Parekh, R.M. Gandhi, A.D. Mavinkurve & Smt.Y.J. Mogrelia	
iv. Transactions with related party are as follows:		
a. Sales and related income	3,09,81,50,305	3,75,63,80,013
b. Sitting fees to Directors	2,88,000	3,13,000
c. Commission to Directors	8,00,000	6,00,000
d. Commission to Managing Director	48,50,000	92,41,000
e. Payment to Chief Financial Officer	20,57,207	11,23,640
f. Outstanding balance:		
Debtors	39,96,93,359	35,47,99,038
Except 26(iv)(b),(c),(d) & (e), the rest of the above transactions are with Pidilite Industries Ltd.		
No amounts have been written off or written back during the year in respect of debts due from or to related parties.		



	31st March, 2016 ₹	31st March, 2015 ₹
27. Earnings per share (EPS)		
Computation for both basic and diluted earning per share of ₹1 each (previous year ₹1/- each)		
a. Profit as per statement of profit & loss available for equity shareholders	7,20,69,815	12,34,25,271
b. Number of equity shares for basic and diluted earnings per share computation	1,83,37,111	1,83,37,111
c. Basic and diluted earnings per share (₹)	3.93	6.73
28. Segment information		
The Company's current business activity has only one primary reportable segment, namely trading in chemicals		
29. Gratuity		
The following table sets out the status of the Gratuity Plan as required under AS 15 (Revised):		
Statement showing changes in present value of obligations		
Present value of obligations as at the beginning of the year	20,08,426	16,35,082
Interest cost	1,59,670	1,52,880
Current service cost	1,51,549	98,059
Benefits paid	(1,95,577)	-
Actuarial (gain)/loss on obligations	7,28,657	1,22,405
Present value of obligations as at the end of the year	28,52,725	20,08,426
Statement showing changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	31,87,829	29,24,138
Expected return on plan assets	2,53,432	2,54,400
Contribution	17,010	475
Benefits paid	(1,95,577)	-
Actuarial gain/(loss) on plan assets	3,291	8,816
Fair value of plan assets at the end of the year	32,65,985	31,87,829
Percentage of each category of Plan Assets to total fair value of plan assets		
Administered by Life Insurance Corporation of India	32,65,985	31,87,829
Actuarial gain/(loss) recognized		
Actuarial gain/(loss) for the year - obligation	(7,28,657)	(1,22,405)
Actuarial gain/(loss) for the year - plan assets	3,291	8,816
Total gain/(loss) for the year	(7,25,366)	(1,13,589)
Actuarial gain/(loss) recognized in the year	(7,25,366)	(1,13,589)
The amounts to be recognized in the balance sheet		
Present value of obligations as at the end of the year	28,52,725	20,08,426
Fair value of plan assets as at the end of the year	32,65,985	31,87,829
Funded status	4,13,260	11,79,403
Net Asset/(Liability) recognized in balance sheet	4,13,260	11,79,403
Expenses recognised in statement of profit & loss		
Current service cost	1,51,549	98,059
Interest cost	1,59,670	1,52,880
Expected return on plan assets	2,53,432	2,54,400
Net Actuarial (gain)/loss recognised in the year	7,25,366	1,13,589
Expenses/(income) recognised in statement of profit & loss	7,83,153	1,10,128

	31st March, 2016 ₹	31st March, 2015 ₹
30. Deferred taxation		
Deferred tax liability		
Fixed assets		
Impact of difference between tax depreciation and depreciation charged for the financial reporting		
Balance as per last financial statement	71,857	73,702
Charged during the year	(4,541)	(1,845)
Closing balance	67,316	71,857
The above working of deferred tax is based on assessment orders where assessments are completed and on return of income in other cases.		
31. Details of Forward Contracts and Unhedged foreign currency exposure		
a. Details of forward contracts outstanding as at the balance sheet date		
Particulars	Purpose	
US\$1,03,36,576.69 (previous year US\$83,09,698)	Import of trading goods	69,83,68,623 51,79,22,296
b. Details of unhedged foreign currency exposure as at the balance sheet date		
Particulars	Purpose	
US\$12,34,632.30 (previous year US\$ 19,76,718)	Import trade payables	8,24,48,745 12,37,80,954
32. Expenditure in foreign currency		
C.I.F. value of traded goods	2,75,35,54,593	3,78,44,31,361
33. Earnings in foreign exchange		
Export of goods on FOB basis	66,04,712	1,86,84,748
Insurance claims received	49,34,277	20,40,660
Rebate/price adjustment received	9,55,27,881	15,61,42,888
	10,70,66,870	17,68,68,296

34. Previous year's figures have been regrouped wherever necessary.

As per our report of even date

For and on behalf of the Board

For Khanna & Panchmia

Chartered Accountants
Firm Reg. No. 136041W

Ketan Panchmia

Partner
Mem.No. 038985

Place : Mumbai
Dated: 18th May, 2016

P.C. Patel
President & Secretary

M.S. Gayatonde
Chief Financial Officer

M.B. Parekh
Chairman & Managing Director

N. K. Parekh
Director

**CORPORATE GOVERNANCE REPORT**

In compliance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the company submits the following report:

1. Company's Philosophy on Code of Governance:

The Company is committed to good Corporate Governance and has complied in all material respects with the requirements specified in the Listing Regulations. The Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organisation.

2. Board of Directors:

During the financial year 2015-2016, 4 Board Meetings were held on 18th May, 2015, 27th July, 2015, 30th October, 2015, and 28th January, 2016.

The details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting (AGM), number of other Directorships and other Committee positions as on 31st March, 2016 are given below:

Sr. No.	Name	Category	No. of Board Meetings attended	Attendance at last AGM	No. of Directorships held in other companies *	No. of committee positions held in other companies @	
						Memberships	Chairmanships
1	Shri M.B. Parekh (Chairman & Managing Director)	ED (P)	4	Yes	9	1	-
2	Shri N.K. Parekh	NED (P)	3	Yes	10	1	-
3	Shri R.M. Gandhi	NED (I)	4	No	3	1	3
4	Smt. Y.J. Mogrelia	NED (I)	4	Yes	-	-	-
5	Shri A.D. Mavinkurve	NED (I)	4	Yes	-	-	-

* Includes Directorships in Private Limited Companies and Section 8 Companies (as per Companies Act, 2013)

@ Includes position in Audit Committee and Stakeholders Relationship Committee only

ED(P) – Executive Director, Promoter; NED(P) – Non-Executive Director, Promoter; NED (I) – Non-Executive Director, Independent.

The number of equity shares of face value of ₹1 each of the Company held by Non-Executive Directors as on 31st March, 2016 are as follows:

Shri N.K. Parekh - 75,951; Shri R.M. Gandhi - 2,700; Smt. Y.J. Mogrelia - 300 and Shri A.D.Mavinkurve - Nil.

The familiarisation programme for Independent Directors in terms of provisions of the Listing Regulations is uploaded on the Website of the Company www.vinylchemicals.com.

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, a meeting of the Independent Directors of the Company was held on 19th January, 2016.

3. Audit Committee:

During the financial year 2015-2016, 4 meetings of the Committee were held on 18th May, 2015; 27th July, 2015; 30th October, 2015 and 28th January, 2016.

The details of composition of the Committee and attendance of the members at the meetings are given below:

Sr. No.	Name	Designation	Category	No. of Meetings attended
1	Shri R.M. Gandhi	Chairman	NED (I)	4
2	Smt. Y.J. Mogrelia	Member	NED (I)	4
3	Shri M.B. Parekh	Member	ED (P)	4

The Company Secretary is the Secretary of the Committee. Chief Financial Officer, Internal Auditors and Statutory Auditors are also invited to attend the Meetings.

The powers and terms of reference of the Committee are as mentioned in Regulation 18 and Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013.

4. Nomination & Remuneration Committee:

The Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. During the Financial Year 2015-2016, the Committee did not meet as there was no matter to be dealt with by the Committee.

The Remuneration policy of the Company is directed towards time commitment and responsibilities of the Directors, desirability of performance-based remuneration and salaries paid by comparable companies.

The details of composition of the Committee are given below:

Sr. No.	Name	Designation	Category
1	Shri R.M. Gandhi	Chairman	NED (I)
2	Smt. Y.J. Mogrelia	Member	NED (I)
3	Shri A.D. Mavinkurve	Member	NED (I)
4	Shri N.K. Parekh	Member	NED (P)

Shri M.B. Parekh is the Managing Director having tenure of 5 years w.e.f. 1st April, 2012. The Commission payable to Shri M.B. Parekh for the Financial Year 2015-2016 is ₹48,50,000.

Notice period for the Managing Director is as applicable to the senior employees of the Company. No severance fee is payable to the Directors on termination of employment. The Company does not have a scheme for stock options for the Directors or the employees.

The details of sitting fees paid for attending the Board/Committee meetings and commission payable to the Non-Executive Directors for the Financial Year ended 31st March, 2016 are as follows:

Sr. No.	Name	Sitting Fees (₹)	Commission (₹)	Total (₹)
1	Shri N.K. Parekh	60,000	2,00,000	2,60,000
2	Shri R.M. Gandhi	1,06,000	2,00,000	3,06,000
3	Smt. Y.J. Mogrelia	70,000	2,00,000	2,70,000
4	Shri A.D. Mavinkurve	52,000	2,00,000	2,52,000

The Non-Executive Directors did not have pecuniary relationships or transactions vis-a-vis the Company. The Company has not granted any stock options to any of its Non-Executive Directors.

In terms of the Special Resolution passed by the Members at the Annual General Meeting held on 28th July, 2011, the Company has paid commission to Non-Executive Directors at a rate not exceeding 1% per annum of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013 as determined by the Board of Directors based on consideration of time spent in attending Board Meetings, Committee Meetings and advice given to the Company, whenever approached.

5. Stakeholders Relationship Committee:

During the Financial Year 2015-2016, 12 meetings of the Share Transfer Committee were held and 1 meeting of the Stakeholders Relationship Committee was held on 19th January, 2016, which was attended by Shri A.D. Mavinkurve and Shri R.M. Gandhi.

The details of composition of the Stakeholders Relationship Committee are given below:

Sr. No.	Name	Designation	Category
1	Shri A.D. Mavinkurve	Chairman	NED (I)
2	Shri R.M. Gandhi	Member	NED (I)
3	Shri N.K. Parekh	Member	NED (P)

The Committee has the power to look into redressal of shareholders/investors complaints such as non-receipt of shares sent for transfer, non-receipt of dividends/Annual Reports etc.

The Secretarial Department of the Company, under the supervision of Shri P.C. Patel, President & Secretary, who is nominated as the "Compliance Officer" as required by Securities & Exchange Board of India (SEBI)/ Listing Regulations and M/s. TSR Darashaw Ltd., Registrar & Transfer Agents, attend to all Shareholders/ Investors Grievances received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs and Registrar of Companies.



Barring certain cases pending with Courts, the Company/TSR Darashaw Ltd. have attended to all the Shareholders/Investors grievances/correspondences generally within a period of 15 days from the date of receipt.

The total number of letters received from the shareholders were 1,105 of which 42 were in the nature of complaints. All the letters have been replied to and all the complaints have been solved to the satisfaction of shareholders. 1 request for transfer of shares and 3 requests for dematerialisation of shares were pending for approval as on 31st March, 2016, which were dealt with by 7th April, 2016 and 6th April, 2016 respectively.

As per SEBI Prohibition of Insider Trading Regulations, 2015, the Company has framed a Code of Conduct for Prevention of insider trading. All the Directors, Employees and other persons specified therein are governed by this Code. Shri P.C. Patel, President & Secretary is the Compliance Officer for the purpose of the said Code.

6. Corporate Social Responsibility (CSR) Committee:

The composition of the Committee is in compliance with the provisions of Section 135 of the Companies Act, 2013. During the Financial Year 2015-2016, the Committee met once on 18th May, 2015, which was attended by all the members of the Committee.

The details of composition of the Committee are given below:

Sr. No.	Name	Designation	Category
1	Shri N. K. Parekh	Chairman	NED (P)
2	Shri R.M. Gandhi	Member	NED (I)
3	Shri M.B. Parekh	Member	ED (P)

The Company Secretary is the Secretary of the Committee.

Pursuant to its terms of reference, the Committee is empowered, inter alia, to:

- (a) Formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company.
- (b) Recommend the amount of expenditure to be incurred.
- (c) Monitor CSR Policy.

The CSR Policy of the Company is uploaded on the Website of the Company www.vinylchemicals.com.

7. General Body Meetings:

The details of Location, Date and Time of the AGM held during the last three years are given below:

Financial Year	Venue	Date & Time	Details of Special Resolution passed with requisite majority
2014-2015	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001.	2 nd September, 2015 at 11.00 a.m.	Nil
2013-2014	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.	24 th September, 2014 at 11.00 a.m.	a) Authority to the Board of Directors for borrowing money upto ₹200 crores u/s 180(1)(c) of the Companies Act, 2013 b) Authority to the Board of Directors for creation of charges, mortgages and hypothecation u/s 180(1)(a) of the Companies Act, 2013
2012-2013	M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Mumbai 400 001.	26 th July, 2013 at 11.00 a.m.	Nil

No Special Resolution was put through postal ballot during the last three years. At the ensuing AGM, no resolution is proposed to be passed through postal ballot.

8. Disclosures:

- There were no materially significant related party transactions which had potential conflict with the interest of the Company at large. The details of related party transactions are set out in the Notes to the financial statements forming part of this Annual Report.
- The Company has complied with all requirements of the Listing Regulations as well as the Regulations/guidelines of SEBI. Consequently, no penalties were imposed or strictures were passed against the Company by SEBI, Stock Exchanges or any other statutory authority on any matter related to capital markets during the last 3 years.
- The Company has a Vigil Mechanism and Whistle Blower Policy for employees to report violations of applicable laws and regulations and Code of Conduct. During the year, no employee was denied access to the Audit Committee.
- The Company has complied with all applicable mandatory requirements of the Listing Regulations.
- Company's Policy on Related Party Transactions is uploaded on the Website of the Company www.vinylchemicals.com.
- The Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company hedges imports through appropriate Forward Contracts or Zero Cost Options to manage the currency risk in cross border transactions. The Company does not have any foreign currency debt. The details of foreign currency exposures are disclosed in the notes to the financial statements.

9. Means of Communication:

The quarterly results of the Company are normally published in Business Standard (English) and Tarun Bharat (Marathi). The results are also displayed on the Company's Website www.vinylchemicals.com.

10. Information for Shareholders:

Detailed information in this regard is provided in the "Information for Shareholders" section, appearing in the Annual Report.

11. Compliance of discretionary requirements under Regulation 27 of the Listing Regulations:

- (a) The Chairman of the Company is an Executive Chairman.
- (b) As the financial results are published in the newspapers and also posted on the Company's Website, the same are not being sent to the shareholders.
- (c) The company's financial statements for the Financial Year ended 31st March, 2016 does not contain any modified audit opinion.
- (d) Shri M.B. Parekh is the Chairman and Managing Director of the Company.
- (e) The Internal Auditor reports to the Audit Committee of the Company.

12. Information relating to Directors:

Information relating to Directors seeking re-appointment as required under Regulation 36(3) of the Listing Regulations is given in the Notice of AGM.

13. Declaration by the Managing Director under Schedule V(D):

Declaration by the Managing Director of the Company under Schedule V(D) of the Listing Regulations is given below:

"Pursuant to Schedule V(D) of the Listing Regulations, I hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2016."



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of
Vinyl Chemicals (India) Limited**

We have examined the compliance of the conditions of Corporate Governance by Vinyl Chemicals (India) Limited ("the Company") for the year ended 31st March, 2016 as stipulated in:

- Clause 49 [excluding Clause 49(VII)(E)] of the Listing Agreement of the Company with Stock Exchanges for the period from 1st April, 2015 to 30th November, 2015.
- Clause 49(VII)(E) of the Listing Agreement of the Company with Stock Exchanges for the period from 1st April, 2015 to 1st September, 2015.
- Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from 2nd September, 2015 to 31st March, 2016 and
- Regulations 17 to 27 [excluding Regulation 23(4)] and Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Listing Regulations for the period from 1st December, 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to review of procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations, as applicable.

We further state that such compliance is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which management has conducted the affairs of the Company.

For and on behalf of

KHANNA & PANCHMIA
Chartered Accountants
Firm Regn. No.136041W

KETAN PANCHMIA
PARTNER
Mem. No. 038985

Mumbai
18th May, 2016

INFORMATION FOR SHAREHOLDERS

1. Annual General Meeting:

Day, Date & Time : Thursday, 1st September, 2016 at 11.00 a.m.

Venue : Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg,
Nariman Point, Mumbai 400 021

2. Financial Year : 1st April to 31st March

3. Book Closure Dates : 19th August, 2016 to 1st September, 2016 (both days inclusive) (for shares held in physical form)

4. Dividend Payment:

Dividend will be paid to the eligible shareholders on or after 7th September, 2016, subject to the approval of the shareholders at the Annual General Meeting.

5. Listing of shares on Stock Exchanges:

The equity shares of the Company are listed on BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE). The Annual Listing fee for the Financial Year 2016-2017 has been paid to BSE and NSE.

6. Stock Codes:

Name of the Stock Exchange	Stock Code
BSE	524129
NSE	VINYLINDIA

7. Market Price Data:

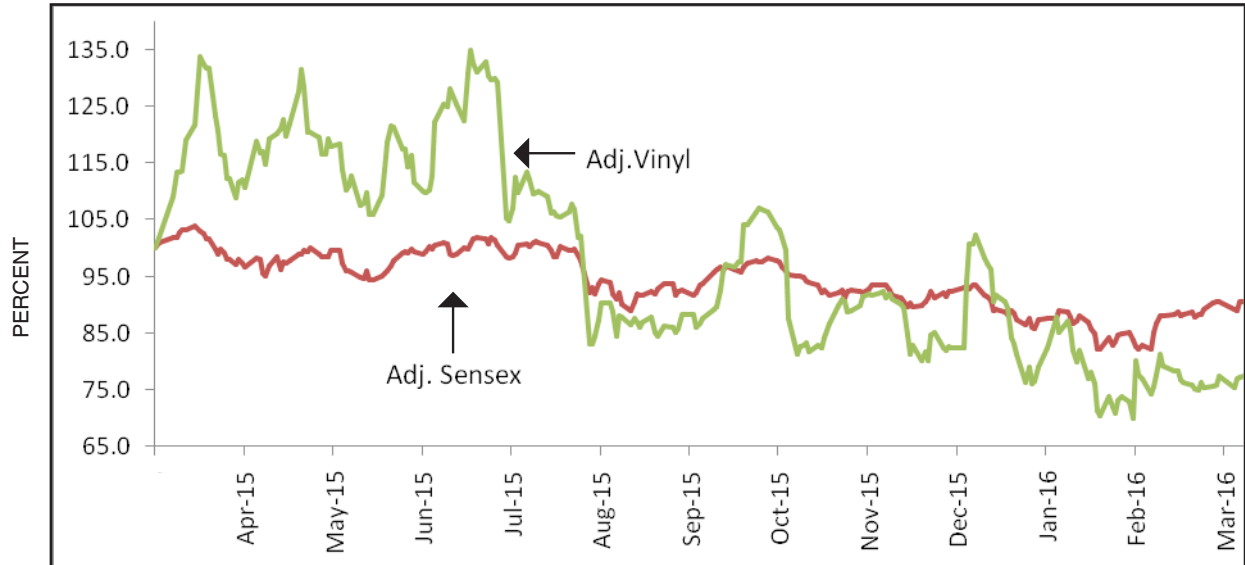
During the financial year 2015-2016, the share prices for one equity share of the face value of ₹1 each of the Company at BSE and NSE were as under:

Month & Year	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2015	94.10	64.85	94.60	64.50
May, 2015	89.50	71.05	98.60	71.50
June, 2015	80.70	65.35	83.80	66.15
July, 2015	92.00	66.00	92.00	65.65
August, 2015	75.20	51.00	74.00	50.55
September, 2015	60.95	50.00	61.00	53.00
October, 2015	71.50	55.90	71.45	55.90
November, 2015	62.20	51.15	62.90	51.00
December, 2015	68.40	51.50	68.45	50.00
January, 2016	68.80	47.85	68.35	48.10
February, 2016	60.10	41.00	59.65	40.00
March, 2016	53.70	47.00	53.50	47.50



8. Stock Performance:

During the financial year 2015-2016, the performance of the equity share of face value of ₹1 each of the Company in comparison to the BSE Sensex is given in the chart below:



9. Registrar and Transfer Agents:

TSR Darashaw Ltd.

Unit: Vinyl Chemicals (India) Ltd.

6-10, Haji Moosa Patrawala Ind. Estate,

20, Dr. E. Moses Road,

Mahalaxmi, Mumbai 400 011

Tel: (022) 6656 8484

Fax: (022) 6656 8494

E-mail: csg-unit@tsrdarashaw.com

Website: www.tsrdarashaw.com

10. Share Transfer System:

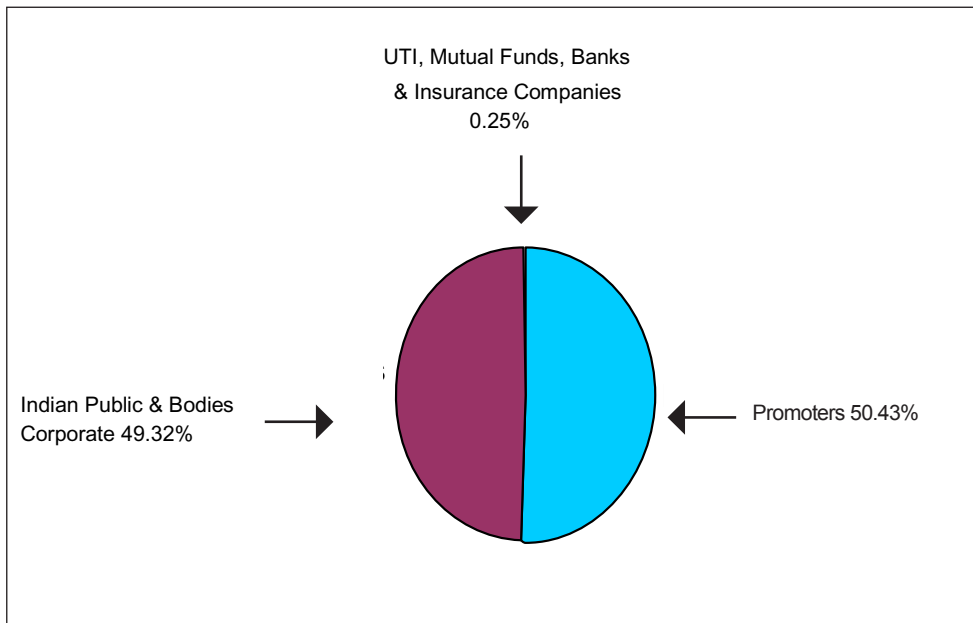
The Company has delegated the authority to approve shares received for transfer in physical form as under:

No. of shares	Authorization given to
Upto 25000	TSR Darashaw Ltd.
Upto 50000	Shri M.B. Parekh, Managing Director or in his absence, the Company Secretary
Above 50000	Share Transfer Committee comprising of the Directors viz. Sarva Shri N.K. Parekh, R.M. Gandhi and M.B. Parekh

Presently the share transfers which are received in physical form are processed and the share certificates, duly transferred, are returned generally within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

11. Distribution of Shareholding as on 31st March, 2016:

No. of Equity Shares held	No. of Folios	%	No. of Shares	%
Upto 5000	20603	99.04	6422857	35.03
5001 – 10000	111	0.54	785979	4.29
10001 – 20000	42	0.20	585856	3.19
20001 – 30000	14	0.07	344588	1.88
30001 – 40000	10	0.05	372733	2.03
40001 – 50000	5	0.02	325047	1.77
50001 – 100000	5	0.02	473310	2.58
100001 and above	5	0.02	9026741	49.23
Total	20795	100.00	18337111	100.00
No. of shareholders and shares in physical mode	7644	36.76	1396795	7.62
No. of beneficial owners and shares in electronic mode	13151	63.24	16940316	92.38
Total	20795	100.00	18337111	100.00

12. Shareholding Pattern as on 31st March, 2016:



13. Dematerialisation of shares & liquidity:

As on 31st March, 2016, 1,69,40,316 (92.38%) equity shares of the Company were held in dematerialised form with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's equity shares are required to be compulsorily traded in the dematerialised form. The shares are available for dematerialisation under ISIN INE 250B01029. Requests for dematerialisation of shares are processed and generally confirmed within 15 days of receipt, subject to the documents being valid and complete in all respects.

14. Outstanding GDRs/ADRs/Warrants/Convertible Instruments:

The Company has no outstanding GDRs/ADRs/Warrants or any Convertible instruments.

15. Plant Locations: Nil

16. Address for Correspondence:

Registered Office:

Regent Chambers, 7th Floor
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai 400 021.
Tel: (022) 2282 2708
Fax: (022) 2204 3969
E-mail: cs.vinylchemicals@pidilite.com
Website: www.vinylchemicals.com

17. Corporate Secretarial/Investors' Assistance Department:

The Company's Secretarial Department headed by Shri P.C. Patel, President & Secretary, is situated at the Registered Office mentioned above. Investors may contact Shri P.C. Patel or Shri K.S. Krishnan, Additional Secretary at the Registered Office for any assistance they may need.

18. Disclosure under Regulation 39 read Schedule VI of the Listing Regulations:

Details of equity shares lying in Unclaimed Suspense Account of the Company as on 31st March, 2016 are as under:

Particulars	No. of shareholders	No. of equity shares
No. of shareholders & outstanding shares at the beginning of the year	1,714	2,59,564
No. of requests received from shareholders for transfer of shares during the year	14	2,580
No. of shareholders & shares transferred to shareholders during the year	14	2,580
No. of shareholders & outstanding shares at the end of the year	1,700	2,56,984



Vinyl Chemicals (India) Ltd.

CIN: L24100MH1986PLC039837

Regd. Office: Regent Chambers, 7th Floor, Jamanal Bajaj Marg, 208, Nariman Point, Mumbai 400 021.

Tel.: 2282 2708; **Fax:** 2204 3969; **E-mail:** cs.vinylchemicals@pidilite.com; **Website:** www.vinylchemicals.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies Management and Administration Rules, 2014)

D.P. Id	
Client Id	

Folio No.	
No. of Shares held	

I/We, _____ of _____ being Member(s) of Vinyl Chemicals (India) Limited, hereby appoint:

1. Name: _____ E-mail Id: _____

Address: _____

Signature: _____, or falling him

2. Name: _____ E-mail Id: _____

Address: _____

Signature: _____, or falling him

3. Name: _____ E-mail Id: _____

Address: _____

Signature: _____

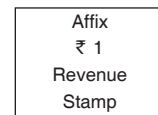
as my/our Proxy to attend and vote for me/us and on my/our behalf at the 30th ANNUAL GENERAL MEETING of the Company on Thursday, the 1st September, 2016 at 11.00 a.m at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamanal Bajaj Marg, Nariman Point, Mumbai 400 021 and at any adjournment thereof in respect of the resolutions indicated below:

Ordinary Business:

1	Adoption of Audited Financial Statements for the year ended 31 st March, 2016
2	Declaration of Dividend on Equity Shares
3	Re-appointment of Shri N.K. Parekh as a Director
4	Ratification of appointment of Auditors

Special Business:

5	Special Resolution for continuation of appointment of Shri M.B. Parekh as Managing Director on attaining the age of 70 years
6	Special Resolution for Re-appointment of Shri M.B. Parekh as Managing Director for a further period of 5 years
7	Special Resolution for payment of Commission to Directors



Signed this _____ day of _____ 2016

(Please sign across the stamp)

- NOTES:**
1. The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than **FORTY EIGHT HOURS** before the time for holding the aforesaid meeting.
 2. The Proxy need not be a member of the Company.

