



BOARD OF DIRECTORS

Shri B.K. Parekh, Chairman

Shri N.K. Parekh

Shri M.B. Parekh, Managing Director

Shri R.M. Gandhi

Smt. Y.J. Mogrelia

Shri A.K. Basu Roy (upto 07.08.2009)

Shri A.D. Mavinkurve

Shri Santosh Kumar

PRESIDENT & SECRETARY

Shri P.C. Patel

AUDITORS

D.A. Kothari & Co.

SOLICITORS

Wadia Ghandy & Co.

REGISTERED OFFICE

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

CORPORATE OFFICE

Ramkrishna Mandir Road
Off Mathuradas VasANJI Road
Andheri (East), Mumbai 400 059

BANKERS

Indian Overseas Bank
Corporation Bank

REGISTRAR AND TRANSFER AGENTS

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

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**DIRECTORS' REPORT**

Your Directors present the Twenty Fourth Annual Report and the Audited Statements of Accounts for the year ended 31st March 2010.

Financial Results:

The Financial Performance of the Company is summarised as under:

| | (Rupees in lac) | |
|---|-----------------|---------------|
| | Current Year | Previous Year |
| Profit before Interest and Depreciation | 873 | 115 |
| Less: Interest | 9 | * |
| Depreciation | * | * |
| Profit Before Taxation | 864 | 115 |
| Less: Provision for Current Taxation | 292 | 26 ** |
| Provision for Deferred Tax | * | - |
| Profit for the year | 572 | 89 |
| Less: (Loss) Brought Forward from Previous Year | (532) | (621) |
| Profit available for appropriation | 40 | (532) |
| Appropriations | | |
| Proposed Dividend on Equity Shares | 20 | - |
| Tax on Dividend | 4 | - |
| Transfer to General Reserve | 14 | - |
| Total | 38 | - |
| Balance carried to Balance Sheet | 2 | (532) |

* less than Rs 1 lac

** including FBT

Dividend:

The Directors recommend the payment of dividend of Re. 0.11 per equity share of Re.1 each (previous year Re. Nil) amounting to Rs. 20,17,082 out of the current year's profit, on 1,83,37,111 equity shares of Re.1 each. The dividend for the current year will be free of tax in the hands of shareholders.

Performance:

- The company's current business is in Chemicals – which is trading mainly in Vinyl Acetate Monomer.
- During the year, the sales turnover from Trading activity was Rs 11,874 lac.
- During the year, the Company earned Net Profit of Rs 572 lac as against Rs 89 lac in the previous year.

Outlook:

The Company is engaged mainly in trading of Vinyl Acetate Monomer. There are opportunities for expanding trading activities to include a few other chemicals. The company will weigh the opportunities and decide at an appropriate time whether to expand trading activity.

The Company expects to perform reasonably well. However, this can get impacted negatively in case of unusual price movements of Vinyl Acetate Monomer and fluctuations in exchange rate.

Directors:

In accordance with the Articles of Association of the Company, Shri N.K. Parekh and Smt. Y.J. Mogrelia, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement:

Your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2010 and of the profit of the Company for that year;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors have prepared the annual accounts on a going concern basis.

Corporate Governance:

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

Auditors:

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

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

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

Appreciation:

The Directors hereby place on record their appreciation of the efficient services rendered by the employees of the Company at all levels.

FOR AND ON BEHALF OF THE BOARD

Mumbai
Date: 25th May 2010

B. K. PAREKH
CHAIRMAN



ANNEXURE I TO THE DIRECTORS' REPORT

During the year 2009 – 2010 the company did not have manufacturing activity. The company's current business activity is Trading in Chemicals. Hence information as applicable to Trading Activity is only given.

A. CONSERVATION OF ENERGY - Not Applicable

Total energy consumption and energy consumption per unit of production:

As per Form A.

Form A

Disclosure of particulars with respect of Conservation of Energy

(A) POWER AND FUEL CONSUMPTION:

Not Applicable

(B) CONSUMPTION PER UNIT OF PRODUCTION:

Not Applicable

B. TECHNOLOGY ABSORPTION:

Not Applicable

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

Total Foreign Exchange used and earned:

| | 2009 - 2010 | 2008 - 2009 |
|---|--------------------|--------------|
| 1. Foreign Exchange Used | | |
| i. Expenditure | Rs. - | - |
| ii. Imports (CIF Basis) | Rs. 1,08,56,28,228 | 70,27,13,628 |
| 2. Earnings on account of Export of Goods (FOB) | | |
| i. In Foreign Exchange | Rs. - | - |
| ii. Deemed Export | Rs. - | - |

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

Industry Structure and Developments:

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

Opportunities, Threats, Outlook, Risks and Concerns:

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

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

Segment-wise Performance:

The company's current business activity has only one primary reportable segment, namely Trading in Chemicals.

Internal Control Systems and Adequacy:

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

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

Financial Performance:

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

Human Resources:

Harmonious relations continued to prevail with employees.



AUDITORS' REPORT

The Shareholders of
VINYL CHEMICALS (INDIA) LIMITED

We have audited the attached Balance Sheet of Vinyl Chemicals (India) Ltd. as at 31st March 2010 and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement of the matters specified in paragraphs 4 and 5 of the said Order.
- II. Further to our comments in Annexure referred to above, we report that :
 - a. We have 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, the Company has kept proper books of accounts as required by law so far as appears from our examination of the books.
 - c. The Balance Sheet; Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representation received from the Directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - (b) in case of Profit and Loss Account, of the profit for the year ended on that date and
 - (c) in case of Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
D.A. KOTHARI & CO.
Chartered Accountants

D.A. KOTHARI
Proprietor
Membership No. 6301

PLACE: MUMBAI
DATE: 25th May 2010

**ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR REPORT OF EVEN
DATE TO THE MEMBERS OF VINYL CHEMICALS (INDIA) LIMITED**

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. We are informed that the fixed assets have been physically verified by the Management during the year. There is a regular programme of verification, which, in our opinion, is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
3. During the year, the Company has not disposed off a substantial part of fixed assets.
4. The Management has physically verified the inventories of the Company during the year. In our opinion, the frequency of verification is reasonable.
5. In our opinion, the procedures for physical verification of inventories followed by Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
6. On the basis of our examination of the records of the Company, we are of the opinion that the Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical verification and book records, not being material, were appropriately dealt with.
7. The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act,1956. In view of this, clauses iii (b),(c) and (d) are not applicable to the Company and hence, not reported upon.
8. During the year, the Company has not taken any loans, secured or unsecured, from the companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act,1956. In view of this, clauses iii (f) and (g) are not applicable to the Company and hence, not reported upon.
9. There is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. There is no continuing failure to correct weaknesses in internal control system.
10. On the basis of our examination of relevant records and on the basis of representation received from the Management, particulars of contracts or arrangements that need to be entered in the register in pursuance of Section 301 of the Act have been so entered.
11. On the basis of our examination of the books of account, relevant information and explanations and representations as provided by the Company, the transactions exceeding Rs 5 lacs made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.



12. The Company has not accepted any deposits under the provisions of Section 58A, 58AA or any other relevant provisions of the Act and the rules framed thereunder.
13. The function of internal audit, as explained, is being carried out by outside professionals, which, in our opinion, is commensurate with its size and nature of its business.
14. We are informed that the Central Government has not prescribed the maintenance of cost records by the Company under Section 209(1)(d) of the Act, 1956 for the product dealt with by the Company.
15. According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on Management Representations, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date it became payable.
16. According to the information and explanations given to us and also based on the Management's Representation, there have been no disputed dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess that have not been deposited on account of any dispute as at the balance sheet date.
17. The Company has neither accumulated losses as at 31st March 2010 nor it has incurred any cash losses either in the financial year under audit and in the immediately preceding financial year.
18. According to the records of the Company, it has not defaulted in repayment of dues to financial institutions or banks or to debenture holders.
19. The Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
20. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
21. The Company has not dealt or traded in shares, securities, debentures, or other investments during the year.
22. The Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.

23. We are informed that the Company has not taken any term loans during the year.
24. On the basis of review of utilization of funds which is based on overall examination of the balance sheet of the Company and related information made available to us and as represented to us by the Management, no funds raised on short-term basis have been utilized for long term purpose.
25. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
26. As informed to us, the Company has not issued any debentures during the year.
27. The Company has not raised any money by public issue during the year.
28. As per the information and explanations given to us and on the basis of examination of records, no fraud on or by the Company has been noticed or reported during the year.

PLACE: MUMBAI
DATE: 25th May 2010

For and on behalf of
D.A. KOTHARI & CO.
Chartered Accountants

D.A. KOTHARI
Proprietor
Membership No. 6301

**BALANCE SHEET AS AT 31ST MARCH, 2010**

| | Schedule | Rupees | As at 31st March, 2010 Rupees | As at 31st March, 2009 Rupees |
|---|-----------|--------------|--|--|
| I SOURCES OF FUNDS: | | | | |
| 1. SHAREHOLDERS' FUNDS | | | | |
| Capital | 1 | 1,83,79,211 | | 1,83,79,211 |
| Reserves and Surplus | 2 | 7,23,75,866 | | 1,75,42,582 |
| | | | 9,07,55,077 | 3,59,21,793 |
| 2. LOAN FUNDS | | | | |
| Unsecured Loans | 3 | 1,05,67,577 | | 1,05,67,577 |
| | | | 1,05,67,577 | 1,05,67,577 |
| 3. DEFERRED TAX LIABILITY | | | | |
| | | | 18,122 | - |
| TOTAL | | | 10,13,40,776 | 4,64,89,370 |
| II APPLICATION OF FUNDS: | | | | |
| 1. FIXED ASSETS: 4 | | | | |
| Gross Block | | 25,38,671 | | 25,13,671 |
| Less: Depreciation | | 60,198 | | 28,579 |
| Net Block | | | 24,78,473 | 24,85,092 |
| 2. INVESTMENTS 5 | | | | |
| | | | 10,13,28,169 | 2,54,12,797 |
| 3. CURRENT ASSETS, LOANS AND ADVANCES: 6 | | | | |
| Inventories | | 14,11,28,358 | | 11,96,58,184 |
| Sundry Debtors | | 14,50,56,442 | | 3,37,43,425 |
| Cash and Bank Balances | | 3,31,19,613 | | 97,29,199 |
| Loans and Advances | | 2,09,68,107 | | 1,91,88,197 |
| | | 34,02,72,520 | | 18,23,19,005 |
| Less: CURRENT LIABILITIES AND PROVISIONS: 7 | | | | |
| Liabilities | | 33,92,95,488 | | 16,21,91,902 |
| Provisions | | 34,42,898 | | 15,35,622 |
| | | 34,27,38,386 | | 16,37,27,524 |
| NET CURRENT ASSETS | | | (24,65,866) | 1,85,91,481 |
| 4. MISCELLANEOUS EXPENDITURE AND LOSSES: | | | | |
| Profit and Loss Account-Debit Balance | | - | | 5,31,79,513 |
| Less: General Reserve deducted for contra | | - | | 5,31,79,513 |
| | | | | - |
| TOTAL | | | 10,13,40,776 | 4,64,89,370 |
| NOTES FORMING PART OF THE ACCOUNTS | 11 | | | |

As per our report of even date

For and on behalf of the Board

For **D.A. Kothari & Co.**
Chartered Accountants**B.K. Parekh** Chairman**D.A. Kothari**
Proprietor**P.C. Patel**
President & Secretary**M.B. Parekh** Managing DirectorMumbai
Dated: 25th May 2010Mumbai
Dated: 25th May 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| | Schedule | Rupees | Current Year Rupees | Previous Year Rupees |
|--|----------|--------------------|------------------------|-------------------------|
| I INCOME: | | | | |
| Gross Sales | | | 1,18,74,45,902 | 72,79,85,325 |
| Other Income | 8 | | 7,74,73,432 | 4,89,78,911 |
| | | | <u>1,26,49,19,334</u> | <u>77,69,64,236</u> |
| II EXPENDITURE: | | | | |
| Materials | 9 | 1,16,01,51,319 | | 72,71,32,829 |
| Other Expenses | 10 | <u>1,74,31,323</u> | | <u>3,82,51,908</u> |
| | | | <u>1,17,75,82,642</u> | <u>76,53,84,737</u> |
| Profit before Interest and Depreciation | | | <u>8,73,36,692</u> | <u>1,15,79,499</u> |
| Less: Interest expense | | | <u>9,36,573</u> | <u>3,683</u> |
| Profit before Depreciation | | | <u>8,64,00,119</u> | <u>1,15,75,816</u> |
| Less: Depreciation | | | <u>31,619</u> | <u>43,573</u> |
| Profit before Taxation | | | <u>8,63,68,500</u> | <u>1,15,32,243</u> |
| Less: Provision for Taxation | | | | |
| Current Taxation | | 2,91,65,000 | | 26,53,000 |
| Deferred Income Tax | | <u>18,122</u> | | <u>—</u> |
| | | | <u>2,91,83,122</u> | <u>26,53,000</u> |
| Profit for the year | | | <u>5,71,85,378</u> | <u>88,79,243</u> |
| Add: (Loss) brought forward from the previous year | | | <u>(5,31,79,513)</u> | <u>(6,20,58,756)</u> |
| Profit/(Loss) available for appropriation | | | <u>40,05,865</u> | <u>(5,31,79,513)</u> |
| Less: Proposed Dividend on Equity Share Capital | | | <u>20,17,082</u> | <u>—</u> |
| Corporate Tax on Dividend | | | <u>3,35,012</u> | <u>—</u> |
| | | | <u>23,52,094</u> | <u>—</u> |
| Transfer to General Reserve | | | <u>14,29,634</u> | <u>—</u> |
| Balance carried to Balance Sheet | | | <u>2,24,137</u> | <u>(5,31,79,513)</u> |
| Earning Per Share excluding extraordinary items (Refer Note No.(II) (7) of Schedule 11) | | | <u>3.12</u> | <u>0.48</u> |
| Face value per share | | | <u>1.00</u> | <u>1.00</u> |

NOTES FORMING PART OF THE ACCOUNTS 11

As per our report of even date

For and on behalf of the Board

For **D.A. Kothari & Co.**
Chartered Accountants**B.K. Parekh** Chairman**D.A. Kothari**
Proprietor**P.C. Patel**
President & Secretary**M.B. Parekh** Managing DirectorMumbai
Dated: 25th May 2010Mumbai
Dated: 25th May 2010

**Schedule Nos. 1 to 11 annexed to and forming part of Balance Sheet and Profit and Loss Account for the year ended 31st March, 2010.**

| | Rupees | As at 31st March, 2010 Rupees | As at 31st March, 2009 Rupees |
|---|-------------|-------------------------------------|-------------------------------------|
| SCHEDULE 1 | | | |
| SHARE CAPITAL: | | | |
| Authorised: | | | |
| 3,49,66,001 Equity Shares of Re.1 each | | 3,49,66,001 | 3,49,66,001 |
| (Previous year 3,49,66,001 Equity Shares of Re 1 each) | | | |
| Issued: | | | |
| 1,83,43,984 Equity Shares of Re 1 each | | | |
| (Previous Year 1,83,43,984 Equity Shares of Re.1 each) | | 1,83,43,984 | 1,83,43,984 |
| Subscribed and Paid-up: | | | |
| 1,83,37,111 Equity Shares of Re 1 each | 1,83,37,111 | | 1,83,37,111 |
| (Previous Year 1,83,37,111 Equity Shares of Re.1 each) | | | |
| Add: Amount Received on 6,873 (Previous Year 6,873) | 42,100 | | 42,100 |
| Forfeited Equity Shares | | | |
| | | 1,83,79,211 | 1,83,79,211 |
| TOTAL | | 1,83,79,211 | 1,83,79,211 |
| SCHEDULE 2 | | | |
| RESERVES AND SURPLUS: | | | |
| Capital Reserves | | 54,11,525 | 54,11,525 |
| General Reserve | 6,53,10,570 | | 6,53,10,570 |
| Add: Transferred from Profit & Loss Account | 14,29,634 | | - |
| Less: Debit Balance in Profit and Loss Account deducted for contra | - | | 5,31,79,513 |
| | | 6,67,40,204 | 1,21,31,057 |
| Balance in Profit & Loss Account | | 2,24,137 | - |
| TOTAL | | 7,23,75,866 | 1,75,42,582 |

| | As at 31st March, 2010 Rupees | As at 31st March, 2009 Rupees |
|--|-------------------------------------|-------------------------------------|
| SCHEDULE 3 | | |
| UNSECURED LOANS: | | |
| LONG TERM: | | |
| Sales-Tax Deferment on Plant Expansion | 1,05,67,577 | 1,05,67,577 |
| [Repayable within one year Rs. Nil (Previous Year Rs. Nil)] | | |
| TOTAL | <u>1,05,67,577</u> | <u>1,05,67,577</u> |

**SCHEDULE 4****FIXED ASSETS:**

| PARTICULARS | GROSS BLOCK (AT COST) | | | DEPRECIATION | | | NET BLOCK | | |
|------------------------|-----------------------------|---------------------|----------------------|--------------------------------------|-----------------------------|---------------------|----------------------|------------------------------|------------------------------|
| | AS AT 1.4.2009 Rupees | ADDITIONS Rupees | DEDUCTIONS Rupees | TOTAL UPTO 31.3.2010 Rupees | UPTO 31.3.2009 Rupees | ADDITIONS Rupees | DEDUCTIONS Rupees | AS AT 31.3.2010 Rupees | AS AT 31.3.2009 Rupees |
| Freehold Land | 18,57,310 | - | - | 18,57,310 | - | - | - | 18,57,310 | 18,57,310 |
| Plant and Machinery | 6,56,361 | - | - | 6,56,361 | 28,579 | 31,177 | - | 5,96,605 | 6,27,782 |
| Furniture and Fixtures | - | 25,000 | - | 25,000 | - | 442 | - | 24,558 | - |
| TOTAL | 25,13,671 | 25,000 | - | 25,38,671 | 28,579 | 31,619 | - | 24,78,473 | 24,85,092 |
| Previous Year | 28,53,229 | 6,56,361 | 9,95,919 | 25,13,671 | 3,99,824 | 43,573 | 414,818 | 24,85,092 | 28,579 |

| | Rupees | As at 31st March, 2010 Rupees | As at 31st March, 2009 Rupees |
|---|--------------|-------------------------------------|-------------------------------------|
| SCHEDULE 5 | | | |
| INVESTMENTS (AT COST): | | | |
| LONG TERM: | | | |
| UNQUOTED: | | | |
| Infinity Venture India Fund (Nil Units (Previous Year 200) of Rs. Nil (Previous Year Rs.4,723) per unit) | | – | 9,44,616 |
| SHORT TERM: | | | |
| UNQUOTED: | | | |
| Birla Sun Life Savings Fund [1,01,24,727 Units (Previous Year 24,39,503) of Rs 10.01 (Previous Year Rs 10.03) per unit] | | 10,13,28,169 | 2,44,68,181 |
| TOTAL | | 10,13,28,169 | 2,54,12,797 |
| Note: During the year, the Company has purchased 3,44,13,223 and sold 2,67,27,999 Birla Sun Life Savings Fund-Dividend Reinvested Units of face value of Rs.10 per unit of Birla Mutual Fund. | | | |
| SCHEDULE 6 | | | |
| CURRENT ASSETS, LOANS AND ADVANCES: | | | |
| A. CURRENT ASSETS: | | | |
| Inventories: (As valued and certified by the Management) Traded Goods (At cost or market value whichever is lower) | | | |
| | | 14,11,28,358 | 11,96,58,184 |
| Sundry Debtors: (Unsecured, considered good) | | | |
| Debts outstanding for a period exceeding six months | 3,51,826 | | 30,781 |
| Others | 14,47,04,616 | | 3,37,12,644 |
| | | 14,50,56,442 | 3,37,43,425 |
| Cash and Bank Balances: | | | |
| Cash Balance | 35,034 | | 26,989 |
| Bank Balances with Scheduled Banks: | | | |
| In Current Accounts | 3,30,33,280 | | 96,50,911 |
| In Unclaimed Dividend Accounts | 51,299 | | 51,299 |
| | | 3,31,19,613 | 97,29,199 |
| | | 31,93,04,413 | 16,31,30,808 |
| B. LOANS AND ADVANCES: (Unsecured, considered good) | | | |
| Advances recoverable in cash or in kind or for value to be received | 1,34,32,523 | | 70,91,027 |
| Loans to Staff | 21,005 | | 2,46,285 |
| VAT Refund Receivable | 75,06,579 | | 1,18,50,885 |
| Deposits | 8,000 | | – |
| | | 2,09,68,107 | 1,91,88,197 |
| TOTAL | | 34,02,72,520 | 18,23,19,005 |



| | Rupees | As at 31st March, 2010 Rupees | As at 31st March, 2009 Rupees |
|--|-----------------------|-------------------------------------|-------------------------------------|
| SCHEDULE 7 | | | |
| CURRENT LIABILITIES AND PROVISIONS: | | | |
| A. LIABILITIES: | | | |
| Sundry Creditors: | | | |
| Dues to other than Small or Medium Enterprises | 33,76,17,167 | | 16,05,99,045 |
| Other liabilities | 16,15,336 | | 15,35,729 |
| Investor Education and Protection Fund shall be credited for the following to the extent required as and when necessary: | | | |
| Unclaimed Dividend | <u>62,985</u> | | <u>57,128</u> |
| | | 33,92,95,488 | 16,21,91,902 |
| B. PROVISIONS: | | | |
| For Leave Encashment | | 5,01,950 | 4,11,699 |
| Provision for taxation (Net) | | 5,88,854 | 11,23,923 |
| Dividend: | | | |
| Proposed Dividend | | 20,17,082 | - |
| Corporate Tax on Dividend | | <u>3,35,012</u> | <u>-</u> |
| TOTAL | | <u>34,27,38,386</u> | <u>16,37,27,524</u> |
| | | | |
| | Rupees | Current Year Rupees | Previous Year Rupees |
| SCHEDULE 8 | | | |
| OTHER INCOME: | | | |
| Dividend Received | | 18,86,490 | 22,01,092 |
| Profit on Sale of Investments | | - | 1,29,459 |
| Profit on Sale of Fixed Assets | | - | 6,25,031 |
| Insurance Claims Received | | 5,13,507 | 13,82,834 |
| Difference in Rate of Exchange | | 63,25,821 | - |
| Interest Received | | 1,48,726 | - |
| Miscellaneous Income | | <u>6,85,98,888</u> | <u>4,46,40,495</u> |
| TOTAL | | <u>7,74,73,432</u> | <u>4,89,78,911</u> |
| | | | |
| SCHEDULE 9 | | | |
| MATERIALS: | | | |
| Traded Goods: | | | |
| Opening Stock | 11,96,58,184 | | 12,45,23,901 |
| Add: Purchases | <u>1,18,16,21,493</u> | | <u>72,22,67,112</u> |
| | 1,30,12,79,677 | | 84,67,91,013 |
| Less: Closing Stock | <u>14,11,28,358</u> | | <u>11,96,58,184</u> |
| | | 1,16,01,51,319 | 72,71,32,829 |
| TOTAL | | <u>1,16,01,51,319</u> | <u>72,71,32,829</u> |

| | Rupees | Current Year Rupees | Previous Year Rupees |
|---|-----------|------------------------|-------------------------|
| SCHEDULE 10 | | | |
| OTHER EXPENSES: | | | |
| Clearing and Forwarding | | – | 940 |
| Employees Emoluments: | | | |
| Salary,Wages,Allowances etc. | 64,10,848 | | 62,38,929 |
| Contribution to Provident and Other Funds | 2,91,836 | | 3,03,937 |
| Staff Welfare | 2,94,420 | | 2,52,815 |
| | | 69,97,104 | 67,95,681 |
| Insurance | | 3,82,708 | 6,82,706 |
| Repairs and Maintenance: | | | |
| Others | | 44,948 | 7,770 |
| Printing and Stationery | | 39,949 | 59,428 |
| Postage and Telephone | | 1,01,015 | 1,09,199 |
| Travelling and Conveyance | | 4,13,823 | 4,04,507 |
| Motor Car Expenses | | 1,17,447 | 1,16,703 |
| Cash Discount | | – | 3,00,277 |
| Commission on Sales | | 2,94,326 | – |
| Selling Expenses | | 15,35,876 | 5,51,970 |
| Directors' Fees | | 1,41,000 | 95,000 |
| Auditors' Remuneration | | 1,69,862 | 3,25,568 |
| Bank Charges | | 18,72,532 | 8,87,186 |
| Difference in Rate of Exchange | | – | 2,36,41,742 |
| Loss on Investments | | 9,64,916 | – |
| General Expenses | | 43,55,817 | 42,73,231 |
| TOTAL | | 1,74,31,323 | 3,82,51,908 |



SCHEDULE 11

NOTES FORMING PART OF THE ACCOUNTS:

I. ACCOUNTING POLICIES

1. The Company maintains its accounts on accrual basis following the historical cost convention, in compliance with the Accounting Standards specified to be mandatory by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.
2.
 - a. Tangible assets are stated at cost.
 - b. Depreciation has been provided on straight line method on Assets, as per the Rates specified in Schedule XIV of the Companies Act, 1956.
3. Traded Goods are valued at actual cost or net realisable value, whichever is lower.
4. Long Term Investment is stated at cost, provision where necessary, is made to recognize a decline, other than temporary in the value of investment.
5. Accounting for Taxes on Income:
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.
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.
6. 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 rate and the resultant gain or loss is taken to Profit and Loss Account except in respect of fixed assets where the gain/loss is capitalized.
7. Employees' Benefits:
 - a. Contribution to Provident and Family Pension Fund are funded as a percentage of salary.
 - b. Gratuity liability is funded as per group gratuity scheme of Life Insurance Corporation of India.
 - c. Leave encashment liability is provided for on the basis of actuarial valuation as at the year end.
8. 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.
 - 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 'Miscellaneous Income'.
9. 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) Disclosures 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 statement.
10. 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.

II. OTHERS

1. Contingent Liabilities not provided for:

Guarantees given by the Company's Banker on behalf of the Company, Rs.207.41 Lacs (Previous Year Rs.171.05 Lacs).

2. Auditors' Remuneration (including service tax):

| | 2009-10 Rupees | 2008-09 Rupees |
|--------------------|-------------------|-------------------|
| Audit Fees | 55,150 | 1,10,300 |
| Tax Audit Fees | 27,575 | 27,575 |
| Tax Representation | 55,150 | 1,11,330 |
| Other Services | 31,987 | 76,363 |
| | <u>1,69,862</u> | <u>3,25,568</u> |

3. Value of Imports on CIF basis:

| | | |
|--------------|----------------|--------------|
| Traded Goods | 1,08,56,28,228 | 70,27,13,628 |
|--------------|----------------|--------------|

4. Sundry Debtors include due from:

| | | |
|--|-------------|-------------|
| Company as per Section 370 (1B) : Pidilite Industries Ltd. | 9,66,16,849 | 3,58,24,907 |
|--|-------------|-------------|

5. 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.

6. Related party disclosure :

Related party disclosures, as required by AS - 18, are given below:

i. Relationship:

| | |
|--------------------------|---|
| Pidilite Industries Ltd. | Holds 40.64 % of Equity Shares of the Company |
|--------------------------|---|

ii. Key Management Personnel

| |
|-------------------------------------|
| Shri M.B. Parekh, Managing Director |
|-------------------------------------|

iii. Other Directors

| |
|---|
| Sarva Shri B.K. Parekh, N.K. Parekh, R.M. Gandhi, A.D. Mavinkurve, Smt. Y.J. Mogrelia & Santosh Kumar. |
|---|

iv. Transactions with Related Party are as follows:

| | 2009-10 | 2008-09 |
|---------------------------|-----------|----------|
| Sales and related income | 10,25,434 | 7,10,597 |
| Sitting Fees to Directors | 141 | 95 |
| Sale of fixed assets | - | 529 |
| Reimbursements received | - | 5,878 |
| Reimbursements made | 686 | 489 |
| Outstanding Balance: | | |
| Debtors | 96,617 | 35,825 |

Except sitting fees to Directors, the rest of 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.



7. Profit/(Loss) per Share:

| | 31.3.2010 | 31.3.2009 |
|--|-------------|-------------|
| a. Computation for both Basic and Diluted Profit/(Loss) per Share of Re. 1 each (Previous Year Re. 1each) Profit/(Loss) as per Profit & Loss Account available for Equity Shareholders (Rs. Lacs) | 571.85 | 88.79 |
| b. Number of equity shares for Basic and Diluted Profit/(Loss) per share computation | 1,83,37,111 | 1,83,37,111 |
| c. Basic and Diluted Profit/(Loss) per share (Rs.) | 3.12 | 0.48 |

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

9. Quantitative details in respect of Opening Stock, Production, Purchases, Sales and Closing Stock of:

Traded Goods (Chemicals)

| | 2009-10 | | 2008-09 | |
|---------------|-------------|-----------------|-------------|-----------------|
| | Qty Kgs. | Value Rupees | Qty Kgs. | Value Rupees |
| Opening Stock | 30,49,909 | 11,96,58,184 | 33,61,731 | 12,45,23,901 |
| Purchases | 2,91,54,361 | 1,18,16,21,493 | 1,78,67,374 | 72,22,67,112 |
| Sales | 2,84,14,461 | 1,18,74,45,902 | 1,81,79,196 | 72,79,85,325 |
| Closing Stock | 37,89,809 | 14,11,28,358 | 30,49,909 | 11,96,58,184 |

10. Disclosure as per Accounting Standard 15 (Revised)

The following table sets out the status of the Gratuity Plan as required under AS 15 (Revised):

| | As on 31/03/2010 | As on 31/03/2009 |
|--|------------------|------------------|
| (Rupees) | | |
| Statement showing changes in present value of obligations | | |
| Present value of obligations as at beginning of year | 6,18,718 | 10,04,296 |
| Interest cost | 49,497 | 80,344 |
| Current Service Cost | 53,001 | 47,321 |
| Benefits Paid | 89,250 | 47,054 |
| Actuarial (Gain)/Loss on obligations | 66,427 | (4,66,189) |
| Present value of obligations as at end of year | 6,98,393 | 6,18,718 |
| Statement showing changes in the fair value of plan assets | | |
| Fair value of plan assets at beginning of year | 20,00,843 | 11,36,439 |
| Expected return on plan assets | 1,73,892 | 1,68,013 |
| Contributions | - | 6,08,800 |
| Benefits paid | 89,250 | 47,054 |
| Actuarial Gain/(Loss) on plan assets | - | 1,34,645 |
| Fair value of plan assets at the end of year | 20,85,485 | 20,00,843 |
| Percentage of each category of plan assets to total fair value of plan assets as at 31st March, 2010: | | |
| Administered by Life Insurance Corporation of India | 20,85,485 | 20,00,843 |

| Actuarial Gain/Loss recognized | As on 31/03/2010 | As on 31/03/2009 | | |
|---|--|---|----------------------------------|---|
| Actuarial Gain/(Loss) for the year - Obligation | (66,427) | 4,66,189 | | |
| Actuarial Gain/(Loss) for the year - plan assets | – | 1,34,645 | | |
| Total Gain/(Loss) for the year | (66,427) | 6,00,834 | | |
| Actuarial Gain/(Loss) recognized in the year | (66,427) | 6,00,834 | | |
| The amounts to be recognized in the Balance Sheet | | | | |
| Present value of obligations as at the end of year | 6,98,393 | 6,18,718 | | |
| Fair value of plan assets as at the end of the year | 20,85,485 | 20,00,843 | | |
| Funded status | 13,87,092 | 13,82,125 | | |
| Net Asset/(Liability) recognized in Balance Sheet | 13,87,092 | 13,82,125 | | |
| Expenses Recognised in statement of Profit & Loss | | | | |
| Current Service cost | 53,001 | 47,321 | | |
| Interest Cost | 49,497 | 80,344 | | |
| Expected return on plan assets | 1,73,892 | 1,68,013 | | |
| Net Actuarial (Gain)/Loss recognised in the year | 66,427 | (6,00,834) | | |
| Expenses/(Income) recognised in statement of Profit & Loss | (4,967) | (6,41,182) | | |
| The above information is compiled based on the data given by LIC after making the necessary adjustments consequent to demerger. | | | | |
| 11. Deferred Taxation: (Rs. In lac) | | | | |
| Items of Timing Difference | Accumulated Deferred Tax (Debit)/Credit Upto 31.3.2009 | Charge/(Credit) During the year 2009-10 | Adjustment for earlier period | Accumulated Deferred Tax (Debit)/Credit as on 31.3.2010 |
| Deferred Tax Liability | | | | |
| Difference between accounting and tax depreciation (cumulative) | 0.00 | 0.18 | 0.00 | 0.18 |
| TOTAL | 0.00 | 0.18 | 0.00 | 0.18 |
| The above working of deferred tax is based on assessment orders where assessments are completed and on return of income in other cases. | | | | |
| 12. a) Particulars of unhedged foreign currency exposure as at Balance Sheet date: | | | | |
| Particulars | Amount | | | |
| Creditors | Rs 696.74 lac U S Dollars 15,43,518.12 | | | |
| | (Previous year: Rs 351.19 lac U S Dollars 6,89,007.38) | | | |
| b) Details of forward contracts outstanding as at end of the year: | | | | |
| Currency | No. of contracts | Buy Amount Rs in lac | Purpose | |
| U.S. Dollars | 6 | 2,631.96 | Import of trading goods | |
| 13. Previous year's figures have been regrouped wherever necessary. | | | | |



14. Information pursuant to the provisions of Part IV to the Companies Act.1956:

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.

| | | | | | |
|--|---|---|---|---|---|
| | 3 | 9 | 8 | 3 | 7 |
|--|---|---|---|---|---|

 State Code

| | |
|---|---|
| 1 | 1 |
|---|---|

Balance Sheet Date

| | |
|---|---|
| 3 | 1 |
|---|---|

| | |
|---|---|
| 0 | 3 |
|---|---|

| | | | |
|---|---|---|---|
| 2 | 0 | 1 | 0 |
|---|---|---|---|

Date Month Year

II. Capital Raised during the Year (Amount Rs in Thousands)

| | | | | | | | | | | | | | | | | | | | |
|---|-------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Public Issue | Rights Issue | | | | | | | | | | | | | | | | | | |
| <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> | - | - | - | - | - | - | - | - | - | <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | | | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | | | | | | | | | | | |
| Bonus Issue | Private Placement | | | | | | | | | | | | | | | | | | |
| <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> | - | - | - | - | - | - | - | - | - | <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | | | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | | | | | | | | | | | |

III. Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)

| | | | | | | | | | | | | | | | |
|---|--------------|---|---|---|---|---|---|---|--|---|---|---|---|---|---|
| Total Liabilities | Total Assets | | | | | | | | | | | | | | |
| <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>4</td><td>4</td><td>4</td><td>0</td><td>7</td><td>9</td></tr></table> | | 4 | 4 | 4 | 0 | 7 | 9 | <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>4</td><td>4</td><td>4</td><td>0</td><td>7</td><td>9</td></tr></table> | | 4 | 4 | 4 | 0 | 7 | 9 |
| | 4 | 4 | 4 | 0 | 7 | 9 | | | | | | | | | |
| | 4 | 4 | 4 | 0 | 7 | 9 | | | | | | | | | |

Sources of Funds

| | | | | | | | | | | | | | | | | |
|---|--------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Paid-up Capital | Reserves & Surplus | | | | | | | | | | | | | | | |
| <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>1</td><td>8</td><td>3</td><td>7</td><td>9</td></tr></table> | | 1 | 8 | 3 | 7 | 9 | <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>7</td><td>2</td><td>3</td><td>7</td><td>6</td></tr></table> | | 7 | 2 | 3 | 7 | 6 | | | |
| | 1 | 8 | 3 | 7 | 9 | | | | | | | | | | | |
| | 7 | 2 | 3 | 7 | 6 | | | | | | | | | | | |
| Secured Loans | Unsecured Loans | | | | | | | | | | | | | | | |
| <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> | - | - | - | - | - | - | - | - | - | <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>1</td><td>0</td><td>5</td><td>6</td><td>8</td></tr></table> | | 1 | 0 | 5 | 6 | 8 |
| - | - | - | - | - | - | - | - | - | | | | | | | | |
| | 1 | 0 | 5 | 6 | 8 | | | | | | | | | | | |
| Deferred Tax (Liability) | | | | | | | | | | | | | | | | |
| <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td>1</td><td>8</td></tr></table> | | | | | | 1 | 8 | | | | | | | | | |
| | | | | | 1 | 8 | | | | | | | | | | |

Application of Funds

| | | | | | | | | | | | | | | | | | |
|---|--------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net Fixed Assets | Investment | | | | | | | | | | | | | | | | |
| <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td>2</td><td>4</td><td>7</td><td>8</td></tr></table> | | | | | 2 | 4 | 7 | 8 | <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>1</td><td>0</td><td>1</td><td>3</td><td>2</td><td>8</td></tr></table> | | 1 | 0 | 1 | 3 | 2 | 8 | |
| | | | | 2 | 4 | 7 | 8 | | | | | | | | | | |
| | 1 | 0 | 1 | 3 | 2 | 8 | | | | | | | | | | | |
| Deferred Tax (Asset) | Net Current Assets | | | | | | | | | | | | | | | | |
| <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> | - | - | - | - | - | - | - | - | - | <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td> </td><td>(</td><td>2</td><td>4</td><td>6</td><td>6</td><td>)</td></tr></table> | | (| 2 | 4 | 6 | 6 |) |
| - | - | - | - | - | - | - | - | - | | | | | | | | | |
| | (| 2 | 4 | 6 | 6 |) | | | | | | | | | | | |
| Accumulated Losses | | | | | | | | | | | | | | | | | |
| <table border="1" style="display: inline-table; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table> | - | - | - | - | - | - | - | - | - | | | | | | | | |
| - | - | - | - | - | - | - | - | - | | | | | | | | | |

IV. Performance of Company (Amount Rs in Thousands)

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--------------------------|--|---|-------------------|-----------------|--------------------------|---|---|---|---|--|---|--|--------------------------|--|---|---|---|---|---|---|---|---|---|---|---|---|--|---|--|--|--|--|--|--|---|---|-------------------------|--|--|--|--|--|--|-------------------------------------|--------------------------|--|--|--|---|---|---|---|---|--|--|--|--|--|
| Turnover | | | | Total Expenditure | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> <td style="width: 20px; height: 20px; text-align: center;">4</td> <td style="width: 20px; height: 20px; text-align: center;">9</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">9</td> </tr> </table> | | | | | | 1 | 2 | 6 | 4 | 9 | 1 | 9 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">7</td> <td style="width: 20px; height: 20px; text-align: center;">8</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> </tr> </table> | | | | | | | | | | 1 | 1 | 7 | 8 | 5 | 5 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 1 | 2 | 6 | 4 | 9 | 1 | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 1 | 1 | 7 | 8 | 5 | 5 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">+</td> <td style="text-align: center;">-</td> <td colspan="7" style="text-align: center;">Profit / Loss Before Tax</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">9</td></tr></table></td> <td colspan="5"></td> </tr> </table> | | | | + | - | Profit / Loss Before Tax | | | | | | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">6</td><td style="width: 20px; height: 20px; text-align: center;">9</td></tr></table> | | | 8 | 6 | 3 | 6 | 9 | | | | | | <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">+</td> <td style="text-align: center;">-</td> <td colspan="7" style="text-align: center;">Profit / Loss After Tax</td> </tr> <tr> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">5</td></tr></table></td> <td colspan="5"></td> </tr> </table> | | | | | | | | + | - | Profit / Loss After Tax | | | | | | | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">5</td></tr></table> | | | 5 | 7 | 1 | 8 | 5 | | | | | |
| + | - | Profit / Loss Before Tax | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | | 8 | 6 | 3 | 6 | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| + | - | Profit / Loss After Tax | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | | 5 | 7 | 1 | 8 | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Please tick appropriate box + for Profit, - for Loss) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Earning Per Share in Rs | | | | | Dividend Rate % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">.</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> </tr> </table> | | | | | | | 3 | . | 1 | 2 | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> </tr> </table> | | | | | 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 3 | . | 1 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

| | | | | | | | | | | | | | | | | | | | | |
|-----------------------------|--|---|---|---|---|---|---|---|---|---|---|----------------|---|---|---|---|---|---|---|---|
| Item Code No. (ITC Code) | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">9</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">3</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> </tr> </table> | 2 | 9 | 1 | 5 | 3 | 2 | 0 | 0 | | | | | | | | | | | |
| 2 | 9 | 1 | 5 | 3 | 2 | 0 | 0 | | | | | | | | | | | | | |
| Product Description | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px; text-align: center;">V</td> <td style="width: 20px; height: 20px; text-align: center;">I</td> <td style="width: 20px; height: 20px; text-align: center;">N</td> <td style="width: 20px; height: 20px; text-align: center;">Y</td> <td style="width: 20px; height: 20px; text-align: center;">L</td> <td style="width: 20px; height: 20px; text-align: center;">A</td> <td style="width: 20px; height: 20px; text-align: center;">C</td> <td style="width: 20px; height: 20px; text-align: center;">E</td> <td style="width: 20px; height: 20px; text-align: center;">T</td> <td style="width: 20px; height: 20px; text-align: center;">A</td> <td style="width: 20px; height: 20px; text-align: center;">T</td> <td style="width: 20px; height: 20px; text-align: center;">E</td> <td style="width: 20px; height: 20px; text-align: center;">M</td> <td style="width: 20px; height: 20px; text-align: center;">O</td> <td style="width: 20px; height: 20px; text-align: center;">N</td> <td style="width: 20px; height: 20px; text-align: center;">O</td> <td style="width: 20px; height: 20px; text-align: center;">M</td> <td style="width: 20px; height: 20px; text-align: center;">E</td> <td style="width: 20px; height: 20px; text-align: center;">R</td> </tr> </table> | V | I | N | Y | L | A | C | E | T | A | T | E | M | O | N | O | M | E | R |
| V | I | N | Y | L | A | C | E | T | A | T | E | M | O | N | O | M | E | R | | |
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| | | | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | | | |

As per our report of even date

For and on behalf of the Board

For **D.A. Kothari & Co.**
Chartered Accountants

B.K. Parekh Chairman

D.A. Kothari
Proprietor

P.C. Patel
President & Secretary

M.B. Parekh Managing Director

Mumbai
Dated: 25th May 2010

Mumbai
Dated: 25th May 2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

| | Current Year | | Previous Year |
|--|----------------|-----------------|-----------------|
| | Rupees in '000 | Rupees in '000 | Rupees in '000 |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | | |
| Net Profit/(Loss) before Tax and extraordinary items | | 86,369 | 11,532 |
| Adjustments for: | | | |
| Depreciation | 32 | | 44 |
| Profit on sale of Fixed Assets (Net) | – | | (626) |
| Interest | (937) | | 4 |
| (Profit)/Loss on Investments | 965 | | (129) |
| Dividend Received | (1,886) | | (2,201) |
| | | <u>(1,826)</u> | <u>(2,908)</u> |
| Operating Profit/(Loss) before Working Capital Changes | | 84,543 | 8,624 |
| Adjustments for: | | | |
| Trade and Other Receivables | (1,11,313) | | 30,349 |
| Inventories | (21,470) | | 4,866 |
| Trade Payables and Other Liabilities | 1,76,658 | | (74,913) |
| Other Current Assets | (1,780) | | 16,816 |
| | | <u>42,095</u> | <u>(22,882)</u> |
| Cash generated from Operations | | 1,26,638 | (14,258) |
| Interest Received/(Paid) | 937 | | (4) |
| Direct Taxes Paid (Net) | (29,165) | | (2,653) |
| | | <u>(28,228)</u> | <u>(2,657)</u> |
| Net Cash from Operating Activities | | <u>98,410</u> | <u>(16,915)</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | | |
| Purchase of Fixed Assets | | (25) | (112) |
| Sale of Fixed Assets | | – | 1,206 |
| Purchase of Investments (Net) | | (76,880) | (24,339) |
| Dividend Received | | 1,886 | 2,201 |
| Net Cash used in Investing Activities | | <u>(75,019)</u> | <u>(21,044)</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | | |
| Proceeds from/(Repayment of) Loan Funds | | – | 10,568 |
| Net Cash from Financing Activities | | – | 10,568 |
| Net (Decrease)/Increase in Cash and Cash Equivalents | | 23,391 | (27,391) |
| Cash and Cash Equivalents at the beginning of the year | | 9,729 | 37,120 |
| Cash and Cash Equivalents at the close of the year | | 33,120 | 9,729 |

As per our report of even date

For and on behalf of the Board

For **D.A. Kothari & Co.**
Chartered Accountants**B.K. Parekh** Chairman**D.A. Kothari**
Proprietor**P.C. Patel**
President & Secretary**M.B. Parekh** Managing DirectorMumbai
Dated: 25th May 2010Mumbai
Dated: 25th May 2010

CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, 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 Agreement with the Stock Exchanges.

2. Board of Directors:

During the financial year 2009-2010, 4 Board Meetings were held on 26th May, 2009, 28th July, 2009, 27th October, 2009 and 19th January, 2010.

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 memberships are given below:

| Sr.No. | Name | Category | No.of Board Meetings attended | Attendance at last AGM | No. of Directorships as on 31 st March, 2010 in other companies * | No. of committee positions held in other companies @ | |
|--------|-------------------------------------|----------|-------------------------------|------------------------|--|--|----------------|
| | | | | | | Member-ships | Chairman-ships |
| 1 | Shri B.K.Parekh (Chairman) | NED (P) | 3 | No | 15 | 2 | – |
| 2 | Shri M.B.Parekh (Managing Director) | ED (P) | 4 | Yes | 9 | – | – |
| 3 | Shri N.K.Parekh | NED (P) | – | Yes | 8 | – | – |
| 4 | Shri R.M.Gandhi | NED (I) | 4 | Yes | 4 | 1 | 4 |
| 5 | Smt Y.J.Mogrelia | NED (I) | 4 | Yes | – | – | – |
| 6 | Shri A.K. Basu Roy ** | NED | – | Yes | NA | NA | NA |
| 7 | Shri A.D. Mavinkurve | NED (I) | 4 | Yes | 1 | – | – |
| 8 | Shri Santosh Kumar *** | NED (I) | 2 | Yes | 6 | – | – |

* Includes Directorships in Private Limited Companies and Section 25 Companies

@ Includes position in Audit Committee and Shareholders/Investors Grievance Committee only

** Ceased to be Director at the Annual General Meeting held on 7th August, 2009, as he did not seek re-appointment

*** Appointed as an Additional Director w.e.f. 26th May, 2009

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

Shri B.K.Parekh and Shri N.K.Parekh are related to each other. Shri M.B.Parekh is related to Shri B.K.Parekh

3. Audit Committee:

During the financial year 2009-2010, 4 meetings of the Committee were held on 26th May, 2009, 28th July, 2009, 27th October, 2009 and 19th January, 2010.

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 | Shri B.K. Parekh* | Member | NED(P) | 2 |
| 3 | Smt Y.J. Mogrelia | Member | NED(I) | 4 |

* Appointed as a member of the Committee w.e.f. 19 May, 2009

The Managing Director is a permanent invitee to the Meetings. The Company Secretary is the Secretary of the Committee. Head of Accounts and Internal Auditors are also invited to attend the Meetings. Statutory Auditors are invited when required.

The powers and terms of reference of the Committee are as mentioned in Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.



4. Remuneration Committee:

The terms of reference of the Committee are as specified in Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges. The Committee did not meet during the year, as there was no matter to be dealt with by the Committee.

Details of composition of the Committee are given below:

| Sr. No. | Name | Designation | Category |
|---------|-------------------|-------------|----------|
| 1 | Shri R.M. Gandhi | Member | NED(I) |
| 2 | Smt Y.J. Mogrelia | Member | NED(I) |
| 3 | Shri B.K. Parekh | Member | NED(P) |

Shri M.B. Parekh is the Managing Director having tenure of 5 years. Shri M.B.Parekh has waived all remuneration to which he is entitled to as Company's Managing Director from 1st September, 2006 until further notice.

Notice period for the Executive Directors 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 sitting fees paid for the financial year ended 31st March, 2010 to the Non Executive Directors for attending the Board/ Committee meetings are as follows:

Shri B.K. Parekh – Rs.33,000; Shri N.K. Parekh - Rs.11,000 Shri R.M. Gandhi – Rs.32,500; Smt Y.J. Mogrelia - Rs.26,000; Shri A.D. Mavinkurve – Rs.19,000 and Shri Santosh Kumar – Rs.10,000.

The number of equity shares of face value of Re.1 each of the Company held by Non Executive Directors as on 31st March, 2010 are as follows:

Shri B.K. Parekh - 45,876; Shri N.K.Parekh - 75,951; Shri R.M.Gandhi - 2,700; Smt. Y.J. Mogrelia – 300; Shri A.D. Mavinkurve – Nil and Shri Santosh Kumar - 2000

5. Shareholders/Investors Grievance Committee:

During the year 12 meetings of the Share Transfer Committee and 1 meeting of the Shareholders/Investors Grievance Committee was held on 8th January, 2010 which was attended by all the Members of the Committee.

Details of composition of the 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 B.K. Parekh | Member | NED(P) |

* Appointed as a member w.e.f. 27th October, 2009.

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 and Shri K.S. Krishnan, Additional Secretary, who is nominated as the "Compliance Officer" as required by SEBI/ Listing Agreement and M/s. TSR Darashaw Ltd., Registrar & Share 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 was 433 of which 14 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. 2 requests for transfer of shares and 4 requests for dematerialisation were pending for approval as on 31st March, 2010 which were dealt with by 9th April, 2010 and 7th April, 2010 respectively.

The Company has framed a Code of Internal Procedure and Conduct for Prevention of Insider Trading on the lines of the model code specified by SEBI. Shri P.C.Patel, President & Secretary is the Compliance Officer for the purpose.

6. General Body Meetings:

Details of Location, Date and Time of the Annual General Meetings held during the last three years are given below:

| Financial Year | Venue | Date & Time | Details of Special Resolution passed with requisite majority |
|----------------|--|------------------------------------|--|
| 2008 – 2009 | Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 | 7th August 2009 at 11.00 a.m. | Nil |
| 2007 – 2008 | Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 | 2nd September, 2008 at 11.00 a.m. | Nil |
| 2006 – 2007 | Padmabhooshan Vasantdada Sabhagraha of Maharashtra Rajya Sahakari Sakhar Kharkana Sangh Ltd., Sakhar Bhavan, 12th Floor, Nariman Point, Mumbai 400 021 | 26th September, 2007 at 11.00 a.m. | Nil |

No Special Resolution was put through postal ballot during the last year. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

7. Disclosures:

- There were no materially significant related party transactions, which had potential conflict with the interest of the Company at large.
- The Company has complied with all requirements of the Listing Agreement with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures 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 complied with all applicable mandatory requirements of Clause 49 and it has also constituted a Remuneration Committee.

8. Means of Communication:

The quarterly results of the Company are normally published in Free Press Journal (English) and Navshakti (Marathi).

9. Information on Directors:

Information relating to Directors seeking appointment and re-appointment as required under clause 49(IV)(G)(i) of the Listing Agreement is given in the notice of Annual General Meeting.

10. Information for Shareholders:

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

11. Declaration by the Managing Director under Clause 49(1)(D)(ii):

Declaration by the Managing Director of the Company under Clause 49(1)(D)(ii) of the Listing Agreement with Stock Exchanges is given below :

"Pursuant to Clause 49(1)(D)(ii) of the Listing Agreement with Stock Exchanges, 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, 2010."

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

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

We have examined the compliance of conditions of Corporate Governance by Vinyl Chemicals (India) Limited for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

For and on behalf of
D.A. KOTHARI & CO.

D.A. KOTHARI
Proprietor
Membership No. 6301
Mumbai
Dated: 25th May 2010



INFORMATION FOR SHAREHOLDERS

1. Annual General Meeting:

Day, Date & Time : Tuesday, 10th August, 2010 at 11.00 a.m.

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

2. Financial Year:

1st April, 2010 to 31st March, 2011

3. Book Closure Dates:

27th July, 2010 to 10th August, 2010 (both days inclusive)

4. Dividend Payment:

Dividend will be paid after 10th August, 2010, subject to 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 Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE). The Annual Listing fee for the financial year 2010-2011 has been paid to BSE & NSE.

6. Stock Codes:

| Name of the Stock Exchange | Stock Code |
|----------------------------|------------|
| BSE | 524129 |
| NSE | VINYLINDIA |

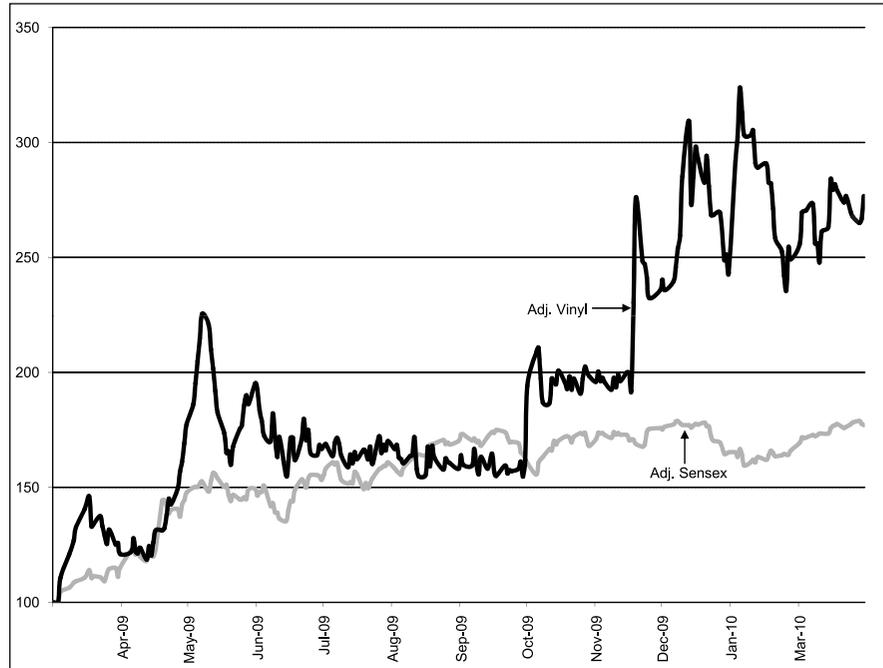
7. Market Price Data:

Share prices during the financial year 2009-2010 at BSE and NSE for one equity share of Re.1 each were as under:

| Month & Year | BSE | | NSE | |
|-----------------|-----------|----------|-----------|----------|
| | High (Rs) | Low (Rs) | High (Rs) | Low (Rs) |
| April, 2009 | 4.35 | 2.85 | 4.50 | 2.75 |
| May, 2009 | 5.16 | 3.35 | 5.00 | 3.45 |
| June, 2009 | 6.88 | 4.50 | 6.85 | 4.40 |
| July, 2009 | 5.70 | 4.50 | 5.70 | 4.30 |
| August, 2009 | 5.35 | 4.36 | 5.25 | 4.50 |
| September, 2009 | 5.10 | 4.11 | 5.05 | 4.20 |
| October, 2009 | 5.65 | 4.26 | 5.55 | 4.30 |
| November, 2009 | 6.74 | 4.85 | 6.70 | 4.60 |
| December, 2009 | 8.34 | 5.02 | 8.10 | 5.00 |
| January, 2010 | 9.28 | 6.90 | 9.45 | 6.90 |
| February, 2010 | 10.93 | 6.75 | 9.90 | 6.70 |
| March, 2010 | 8.89 | 7.05 | 8.60 | 7.00 |

8. Stock Performance:

The performance of the Company's share in comparison to the BSE Sensex is given in the chart below:

**9. Registrar and Transfer Agent:**

M/s TSR Darashaw Limited
 Unit: Vinyl Chemicals (India) Limited
 6-10, Haji Musa Patrawala Ind. Estate,
 20, Dr. E. Moses Road,
 Mahalaxmi, Mumbai 400 011
 Tel: (022) 66568484
 Fax: (022) 66568494
 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 | Authorisation given to |
|--------------|---|
| Upto 25000 | M/s. TSR Darashaw Limited |
| Upto 50000 | Any one of the Directors viz., Sarva Shri B.K. Parekh, and M.B. Parekh or in their absence, the Company Secretary |
| Above 50000 | Share Transfer Committee comprising of the Directors viz. Sarva Shri B.K. Parekh, N.K. Parekh and R.M. Gandhi |

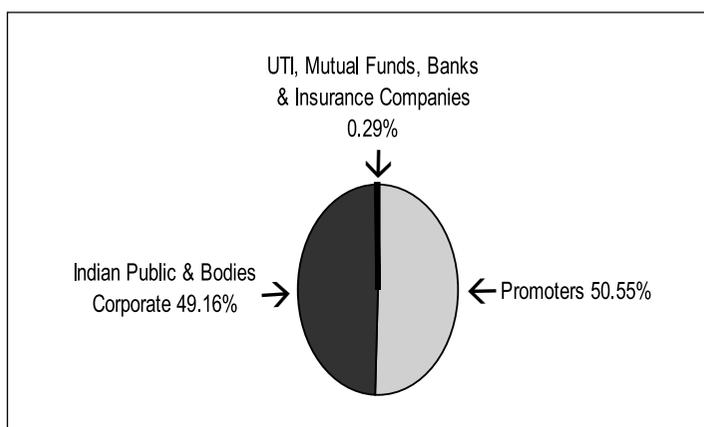
Presently the share transfers which are received in physical form are processed and the share certificates, duly transferred, are returned generally within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.



11. Distribution of Shareholding as on 31st March 2010:

| No. of Equity Shares held | No. of Folios | % | No. of Shares | % |
|--|---------------|---------------|-----------------|---------------|
| Upto 5000 | 23076 | 99.19 | 7014181 | 38.25 |
| 5001 – 10000 | 98 | 0.42 | 762492 | 4.16 |
| 10001 – 20000 | 46 | 0.20 | 635845 | 3.47 |
| 20001 – 30000 | 13 | 0.06 | 326153 | 1.78 |
| 30001 – 40000 | 11 | 0.05 | 381197 | 2.08 |
| 40001 – 50000 | 9 | 0.04 | 410429 | 2.24 |
| 50001 – 100000 | 6 | 0.02 | 398129 | 2.17 |
| 100001 and above | 4 | 0.02 | 8408685 | 45.85 |
| Total | 23263 | 100.00 | 18337111 | 100.00 |
| No. of shareholders and shares in physical mode | 10593 | 45.54 | 2206289 | 12.03 |
| No. of beneficial owners and shares in electronic mode | 12670 | 54.46 | 16130822 | 87.97 |
| Total | 23263 | 100.00 | 18337111 | 100.00 |

12. Shareholding Pattern as on 31st March, 2010:



13. Dematerialisation of shares & liquidity:

As on 31st March, 2010, 1,61,30,822 (87.97%) 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) 22822708
Fax: (022) 22043969
E-mail: cs.pcpatel@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 at the Registered Office in Mumbai for any assistance they may need.