

VINYL CHEMICALS (INDIA) LTD.

Transcript of 38th Annual General Meeting held on 8th August, 2024 at at 12.00 noon through Video Conferencing/Other Audio Visual Means

- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**

- Good morning, the Chairman, the Board of Directors and Honorable Members. I welcome you at this 38th Annual General Meeting, which is being held through Video Conferencing and Other Audio Visual Means (OAVM) facility. I now request Chairman Shri M. B. Parekh to take charge of the meeting.

- **Mr. Madhukar B. Parekh – Chairman and Managing Director, Vinyl Chemicals (India) Ltd.:**

- Welcome all of you at this 38th Annual General Meeting of our Company, which is held for the 5th consecutive year through Video Conferencing and Other Audio Visual Means facility. I am attending the meeting from Andheri at our office. I now ask Company Secretary, Shri P.C. Patel to elaborate on the applicable legal provisions for holding this AGM.

- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**

- Once again Good Afternoon. This meeting is being conducted through Video Conferencing/Other Audio Visual Means (OVAM) without the physical presence of the members at a common venue. As permitted under the relevant Circulars issued by the Ministry of Corporate Affairs and SEBI the deemed venue of this meeting shall be the registered office of the Company. In terms of the provisions of Section 108 of Companies Act, 2013, Rules issued thereunder and Regulation 44 of the SEBI LODR, the Company has provided e-voting facility to the members to exercise their right to vote on all the resolutions, as mentioned in the Notice dated 3rd May 2024. Convening this AGM through Electronic Voting system prior to the AGM that is also by remote e-voting, members who have not voted earlier, only such members can also vote during this AGM by e-voting. Chairman Sir will announce the opening of the e-voting platform, and it will remain open until 15 minutes after the closing of this meeting. All efforts have been made by the Company under the circumstances and have indeed been made by the Company to enable the members to participate and vote on the items being considered at this meeting. The detailed instructions for the speakers and the participants have been provided in the AGM Notice. To facilitate the smooth proceedings of the AGM member's audio and video have been muted. We will unmute the respective speaker member at the time of their speaking. Members are requested to have proper internet connectivity as well as earphones for their effective participation and also not to have other mobile or other applications in the room using, so that there are no echo or

disturbances. The facility for the appointment of proxy is not available at this meeting as per the MCA and SEBI Circulars. Company has received certified copies of the resolutions from the body's corporate, who are members under Section 113 of the Companies Act, authorizing the representatives to attend and vote at this meeting. Company has tied up with the NSDL to provide for facility for e-voting through remote e-voting, e-voting at this AGM and for participation of the members at the AGM. I now request once again Shri M. B. Parekh, Chairman of the company, to take charge of the further proceedings of this AGM.

– **Mr. Madhukar B. Parekh – Chairman and Managing Director, Vinyl Chemicals (India) Ltd.:**

– So, ladies and gentlemen, since the requisite quorum is present, the meeting can start. I will now introduce our board members.

❖ Shri N.K. Parekh, a Non-Executive Director, Member of the Nomination and Remuneration Committee and Chairman of the Corporate Social Responsibility Committee, and he is attending the meeting from Mumbai.

❖ Shri A.B. Parekh is also a Non-Executive Director and Member of the Stakeholders Relationship Committee, and he is attending the meeting from Mumbai.

❖ Shri P.D. Shah is an Independent Director, Member of the Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee and is attending the meeting from Mumbai.

❖ Shri L. Viswanathan is an Independent Director, Chairman of Audit Committee and Nomination and Remuneration Committee and Member of Stakeholders Relationship Committee. He is attending the meeting from Mumbai.

❖ Srimati Shailashri Bhaskar is an Independent Director, Chairperson of the Stakeholders Relationship Committee and Member of the Nomination and Remuneration Committee and Audit Committee. She is attending the meeting from Mumbai.

❖ Apart from the Directors and CFO, we also have our Statutory Auditors and Secretarial Auditors participating in this AGM through video conferencing.

– I now announce the commencement of e-voting at this AGM. With your permission, I take the Notice convening the meeting, which contains 4 resolutions from Serial Numbers 1 to 4 and the Director's report as read. They have already been electronically circulated to all members. There are no qualifications in the auditor's report and the secretarial auditor's report, with your permission, I take them as read. Registers and

documents as required under the provisions of Companies Act, 2013, have been made available for inspection on request from shareholders.

- Now I once again welcome you to the 38th Annual General Meeting of our Company. The performance for the financial year 2023–24. You would have noted from the annual report that the company's current business activity is trading in chemicals, mainly Vinyl Acetate Monomer. During the year, the sales turnover from trading activity was ₹ 570 crore against ₹ 962 crores in the previous year. During the year, the Company earned a net profit of ₹ 21.84 crores as against ₹ 35.65 crores in the previous year. The company expects to perform reasonably well, subject to prevailing market conditions and fluctuations in the exchange rate. The Directors have recommended payment of dividend of ₹ 6.75 per equity share of ₹ 1 each, previous year ₹ 10 per equity share comprising of normal dividend of ₹ 5 per equity share and special dividend of ₹ 5 per equity share aggregating to ₹ 12.38 crores, previous year ₹ 18.34 crores out of the current year's profit on ₹ 1,83,37,111 equity shares of ₹ 1 each.
- Srimati Mogrelia and Shri Mavinkurve both of these Directors have ceased to be Independent Directors of the Company with effect from 1st April, 2024 on completion of their respective tenures. I have to place on record our sincere appreciation for the services rendered by them during their tenure. The Board of Directors appointed Shri L Viswanathan and Srimati Shailashri Bhaskar as Additional Directors (Independent) with effect from 6th March, 2024. Subsequently, members of the Company have approved their appointment as Independent Directors by passing special resolutions by means of postal ballot on 25th April 2024. I welcome both of them as Directors of the Company.
- The results of the first quarter ended 30th June, 2024. The sales turnover of the trading activity is ₹ 155.63 crores as compared to ₹ 115.31 crores for the corresponding period of 2023. Profit before tax is ₹ 6.73 crores as compared to ₹ 4.66 crores and profit after tax is ₹ 4.92 crores as compared to ₹ 3.50 crores for the corresponding period of 2023.
- In conclusion, I express my sincere thanks to our shareholders for their trust in the Company, our valued customers and suppliers and I also express my gratitude to each one of my colleagues on the Board for their valuable advice and support. I sincerely thank all employees of the company as well as our group companies for their valuable cooperation, dedication and devoted work. Lastly, I sincerely thank all of you for participating in this meeting.
- The requirement of proposer and seconder for the resolution is not applicable since the meeting is held through Video Conferencing and Other Audio Visual Means. Now I place before the meeting the 4 resolutions that are mentioned in the notice dated 3rd May 2024, convening this Annual General Meeting. I request our Company Secretary to invite the members who have registered themselves as speakers. I request each speaker to be brief and to restrict themselves to a maximum of 3 minutes.

- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**
- Thank you, sir. I will call out the names of the members who have enlisted themselves as speakers at this 38th AGM. First and foremost is Mrs. Lekha Shah, Lekha ji, you kindly unmute yourself. (Not connecting) Okay. Same way Satish Shah. (Not Connecting) Then Prakashini Shenoy. (Not connecting)
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**
- Naresh Ratilal Kachalia (Not connecting). Okay then our Gautam Tiwari. Gautam...
- **Mr. Gautam Tiwari – Shareholder:**
- Can you hear me, Sir?
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**
- Yes.
- **Mr. Gautam Tiwari – Shareholder:**
- And you can see me also, now Sir?
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**
- We want to see you too. Yeah. Go ahead.
- **Mr. Gautam Tiwari – Shareholder:**
- So, nice to see you, sir, very hale and hearty. I'm very happy to see you although virtually, I am able to see you. But I am very happy to see you and meet you this way also. And our whole team of Directors and the Board. Dear Sir, in fact very, very good afternoon already it is past 12 o'clock, very honorable and popular our CMD Shri Madhubhai Parekh ji, very eminent and distinguished Directors, A.B. Parekh ji, N.K. Parekh ji, our CS very popular, learned and very much honorable and respectable and very much dear and near to us, P.C. Patel Sir and all highly dignified Directors and dignitaries on Board, team Vinyl Chemicals Industries Limited and my fellow shareholders. Sir, I am Gautam Tiwari, and I am participating at this AGM from Mumbai. Dear sir, it is very heartening and pleasurable to note that ours is the only Company which has implemented vigilance mechanism and whistle blower policy for its Directors and employees simultaneously, thus ranking our investment company into top class and world class safety level. Sir, it's very good that our Company doesn't have any subsidiaries or JVs at all. It's really good.

- Dear sir, dear Chairman sir, ours is only a trading Company and our biggest customers are our promoter viz. Pidilite Industries Limited, to which our company sells since inception, almost 90% of its product goods viz. VAM that is Vinyl Acetate Monomer and Vinyl Acetate Monomer and Pidilite is holding our almost 40% of shareholding at present. Sir, are we going to increase this holding? We would like to know. Dear sir, this year our sales turnover in trading was ₹ 57,026 lakhs, therefore, our Company's net profit earning is ₹ 2,185 lakhs, whereas previous year it was ₹ 3,564 lakhs. But still in these challenging conditions also, the company has paid to the shareholders a dividend of 675%, which is quite appreciable, and we are very happy about that, and we are very thankful also about this to the management.
- Dear Sir, P.C. Patel ji, please listen Sir, and all your subordinates, especially Aparna ji's investor care and investor service is so good and indeed marvelous. The entire team has been very affectionate, smiling, very cordial, harmonious, pleasant and punctual, right from day one in delivering their services and we would like to thank them for the same. They deserve to be appreciated for their world-class service and we all are very happy about the service rendered. Sir, the investor service providers who are tied up with our company like NSDL or Webex, their technical team or even moderator are providing excellent services. So, we really first of all, thank the management for this tie-up and for providing such noble, dedicated and committed service providers for the benefit of shareholders always and all the time. Sir, there are no questions to ask the company but still, in order to understand and appreciate the company in a better way, sir, I would like to know two, three things.
- Sir, what is the roadmap for this year and the next that management has got?
- Secondly, Sir, how much did the company spend on CSR activities during the 1st Quarter of FY25 till date? And what is our target to spend on CSR activities by the year end?
- Sir, last year our shareholders' strength was 34,000. How much is it at present and what is the market share at present, sir?
- And (17.38 – 17.40 – overlapping) at present is 50%. Any indication of increasing, sir?
- Sir, since.... Sir Patel, Sir.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**
- Yes.

- **Mr. Gautam Tiwari – Shareholder:**
- Sir, because our working and our performance depend upon the performance of our parent company, Pidilite Industries, who is our major shareholder and whom we supply majorly, since their performance is very good. So, we are also going to get better and better results in the days to come. Sir, conclusively, I would like to say that Sarva Shri Parekh sir and Patel sir, I along with all my family members and associates, are in your company right from day one and therefore our total trust, confidence and support is always with you. Unstinted and continuous and dynamic support we will always have for total lifetime for all this. Sir, the promoter Pidilite has been since inception and therefore both companies (18.50 – 18.59 – Overlapping) I would like to say that I have supported all the 4 resolutions and I have already voted in favor of each of them. I also support the appointments/reappointments of our Directors on Board and wish them all the success. Sir, I wish and pray for each member of the Board and for all those who are involved with us, all our employees, staff, executive officers and all shareholders, vendors a very long, happy, healthy, wealthy life along with the best compliments for all upcoming festivals.
- Sir, along with this, I would like to say some two things *phulon ki khushbu kaliyon ki bahar....sir, listen. Phulon ki khushbu kaliyon ki bahar, Ishwar aap sab mein se har ek ko dhe khushiyan (19.37). Mubarak ho aap mein se har ek ko aanewale sabhi tyohar.* The second thing is, *day by day aapki khushiyaan hojaye double, triple, multiple. Aap sabhi se koson rahe door har trouble. Ishwar rakhe aap mein se har ek ko sadha sarvadha fit aur aap mein se har ek member ke aanewale sabhi din ho super hit.* Along with this, my best wishes to you, wish you best of the compliments and thank you very much for patient listening. Jai Hind Jai Bharat Jai Maharashtra, sir. Thank you very much, sir.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**
- Thank you Gautam for your kind words. The next speaker is Anil Babubhai Mehta.
- The next speaker is Mr. Kishore Ratilal Kachalia.
- The next speaker is Yusuf Rangwala.
- **Mr. Yusuf Yunus Rangwala – Shareholder:**
- Chairman Sir, there are no words to describe P C Patel sir, who heads the share department. Our Vinyl Chemicals is a part of the Pidilite Group Company. (21.08) and sir, he has always been with you. It is like how Fevicol works like an adhesive, similarly may our Company Secretary always stick with you. He is the oldest and hardworking company secretary. I salute him. He also sent me the balance sheet. It is a beautiful and colourful balance sheet, around 200 pages. You have given us really good dividend also.

- Sir, there is nothing to ask the Company part of the Pidilite Group. Sir, I would request for a factory visit. And I would also like to share a couplet *phulon ki khushbu, kaliyon ki bahar aur Allah ke paas aap ki tabiyath keliye dua karu Chairman Sir*. I would also pray for our Secretary Sir so that he remains healthy always and that he welcomes us every year with his smiling face. Your smiling face is more than enough for us. Nothing more to add.
- Sir, I will pray for you so that you stay in good health. You work hard for the Company and the position at which the Company is in now, it must stay under your guidance. Next year Sir, keep video conference meet and keep a small get together for all. A small get together after Diwali, so that we can meet our Chairman. It has been five years since we met. If possible after Diwali think about a small get together, sir. Jai Hind Jai Maharashtra Vande Mataram. One minute, let me turn on the video so that the Chairman can see me.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**
- Sure.
- **Mr. Yusuf Yunus Rangwala – Shareholder:**
- Namaste, sir. Vande Mataram, Bharat matha ki Jai. Namaste sir. Namaste Sir! Chairman Sir, namaskar to you too. Remember me in your prayers Sir. I will pray that you stay healthy. I want you to stay healthy Sir. Thank you very much, sir. Jai Hind Vande Mataram.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**
- Thank you Yusuf for your very good and kind words. Shailesh Mahadevia, the next speaker.
- **Mr. Shailesh Mahadevia – Shareholder:**
- Respected Chairman, members of Parekh family the promoters of the Company, Independent Directors and the members of management team including our very popular and always useful Sri P C Patel who has always been a link between the management and the shareholders at large. Ours is a very simple Company and we are actually dictated by the market conditions. And all of you are experts to take advantage of this situation. So, the only question I would like to ask is that in the current situation the value of Rupee has fallen down considerably and it is likely to remain in that condition for a long time to come. May I know what your reading of this revised situation is as far as our foreign exchange is concerned?
- And secondly, whether we have any difficulty in transportation of our chemicals from Europe to India because the Middle East areas are now restricted and many ships have to go round the Cape of Good Hope via South Africa which has increased the distance to

travel and therefore it has also increased the cost. Your viewpoints on this will be of great help and I wish you all the best as usual. And I'm sure you will not only be happy but you will also make all of us happy. All the best. Thank you and Namaste to all.

- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**

- Thank you. Shaileshbhai. I'm being told that Lekha Shah also has joined. Lekha ji, are you there? Please unmute yourself.

- **Ms. Lekha Shah – Shareholder:**

- Thank you, sir. Respective Chairman Sir, Board of Directors and my fellow members, good afternoon and regards to everyone. Myself Lekha Shah from Mumbai. First of all, I would like to thank our company secretary Patel ji for giving me this opportunity and for smooth process where I am able to talk in front of you all in AGM. I found the AGM Notice and I am delighted to say annual report is so beautiful, full of colours, facts and figures in place. Also, it is really useful with lot of information. Again, I thank your company secretary Patel ji for their best performance and always outstanding support for all my doubts. Hence, I have no questions today.

- Chairman Sir, I pray to God that 2024 comes with great prosperity for our Company. Sir, I hope the Company will continue Video Conference meeting in future. So, I strongly and whole heartily support all the resolutions for today's meeting. Thank you so much, Sir.

- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**

- Thank you. Thank you, Lekha ji. Does Satish Shah also wish to join?

- I think there seems to be is some connectivity issue or whatever. Maybe then I go to the next speaker.

- I am told that Anil Mehta also has joined.

- **Mr. Anil Mehta – Shareholder:**

- This is Anil Mehta here, attending this meeting from Mumbai. So we have only one question. What is the impact of this budget on our Company? With this we are supporting all the resolution and all the best.

- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**

- Okay. Thank you. I think with this all the speakers who were enlisted. Out of which some of them couldn't make it, but rest of them have already spoken. And then I think (29.31) the questions that speakers have raised, you see, some I will address, some Chairman will be addressing.

- About Gautam Tiwari, you see, we appreciate your kind words and the loyalty to this company for a long time. And you wanted to know how much is the CSR amount in the first quarter that we have spent. You see, mainly the contribution is in the third and the fourth quarter and last year we spent about 70 lakhs. This year, on the basis of the formula, it would be in the vicinity of 56 lakhs or something like that. But so far as the first quarter, we have nothing specific to be mentioned about. You also wanted to know what the future roadmap is. That, I would leave it to the Chairman Sir.
- Next one is Yusuf Rangwala. He had made a suggestion about get together of members as in absence of physical meetings, you see. We'll put it for the consideration of the Board at the appropriate time and the feasibility of it, you see, because total members are so scattered over the country and there are about 50,000. So we'll look into which way it is feasible. But anyway, we'll leave it to the Directors.
- Last was by Shailesh Bhai. He raised two pertinent questions. One, about the current situation and the fall in the value of the rupee. What is our reading? And secondly, what is the situation of transportation of materials from Europe? Both these questions, I will leave it to Sri M B Parekh to address to it.
- One of the members said, I think Gautam said, Pidilite as such is holding 40% share. Promoters are in addition holding about including certain corporates of the promoters...so overall 50% is there. That's all.
- Now Chairman Sir to say about the future roadmap and about the two questions of which Sri Mahadeviaji has raised.
- **Mr. Madhukar B. Parekh – Chairman and Managing Director, Vinyl Chemicals (India) Ltd.:**
- For the transportation, actually we are hardly getting anything from Europe. It's mostly from the region where this issue of Red Sea is not there. So, it is from Asia, that is Singapore or from Middle East. So that issue is not really relevant for us. Most of the imports are from this region. Exchange rate of course, you know, nothing that we can comment on. I mean we have to take a cover or appropriate steps to safeguard us for our exchange requirements, which we do and that is also discussed periodically in the Board. And that policy decisions are taken how to manage this. But generally we have been able to manage this exchange related risks reasonably well. Budget, I mean, there is no impact of budget on our company. Actually speaking, there is no provision which is directly connected to our operations. So there is no effect of budget on our Company.
- So roadmap, of course there is no specific comment to be made on the future plan of the company. Basically we have been continuing....we are a little conservative in our approach and you know, we are always open for adding items to our trading basket. But we don't want to take undue risk and cost situation whereby the company goes into a loss or something. So as you will see, we have consistent performance over the years

and we have been making profits. The profits may increase or decrease based on the (33.59) price and certain other scenarios. But the overall picture is that we want to maintain profitability and serve our shareholders well. So that way, we are somewhat conservative. Otherwise, we can of course, open up to trading in many items and increase our turnover. But that also exposes us to a fair amount of risk. So therefore, we are taking a conservative approach.

- Any other point, Patel?
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**
- No. Thank you, sir. We have covered all the questions which the honourable members had raised. Now I think we can proceed further.
- **Mr. Madhukar B. Parekh – Chairman and Managing Director, Vinyl Chemicals (India) Ltd.:**
- Okay. Sri Mitesh Dhaliwala, Practicing Company Secretary is the scrutinizer. And he will submit his consolidated report on remote e-voting and e-voting at this meeting within the stipulated time. Thereafter, I authorize Sri P C Patel, Company Secretary to publish the results of the voting along with scrutinizer's report on the website of the company and NSDL. And also intimate the BSE and NSE.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**
- Yes, sir. Thank you. Now I propose a hearty vote of thanks to the Chairman, Directors and the members.
- **Mr. Madhukar B. Parekh – Chairman and Managing Director, Vinyl Chemicals (India) Ltd.:**
- I thank all the Directors, members and others for their participation and support. Now, I authorize company secretary to conduct the voting procedure and conclude the meeting. The e-voting facility will remain open for additional 15 minutes.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Ltd.:**
- Thank you. We are keeping this facility open. And now the meeting is concluded. Thank you very much.
- **[E-voting]**
