

## Vinyl Chemicals (India) Ltd

### **Transcript of 35<sup>th</sup> Annual General Meeting held on 12<sup>th</sup> August, 2021 at 12.00 noon through Video Conferencing/Other Audio Visual Means**

– **Host:**

- Good afternoon, everyone. The required quorum is present for the meeting. It is 12 noon and we can start with the meeting. I hand over the proceedings to Mr. M.B Parekh, the Chairman for the meeting. Thank you.

– **Mr. M.B. Parekh – Chairman and MD, Vinyl Chemicals (India) Limited:**

- I, M.B. Parekh, Chairman and Managing Director of the Company welcome you all to the 35<sup>th</sup> Annual General Meeting of our Company which is held for the second time through Video Conferencing/Other Audio Visual Means facility. I am attending the meeting from Mumbai. I now ask the Company Secretary, Shri P.C. Patel to elaborate on applicable legal provisions for holding this AGM.

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

- Thank you.
- First of all, I welcome you at this 35<sup>th</sup> Annual General Meeting of the Company and hope you and your family are healthy and happy during this unprecedented pandemic. Please take care.
- With this I go to the formal announcement in connection with this video conferencing meeting. In view of the continued Covid-19 pandemic, this meeting is being conducted through Video Conferencing/Other Audio Visual Means facility without the physical presence of the members in a common avenue, as permitted under the relevant circulars of MCA and SEBI. The deemed value of this meeting is the registered office of the Company. In terms of the provisions of Section 108 of the Companies Act, 2013, and the rules issued thereunder, Regulation 44 of SEBI technically known as the LODR, the Company has provided e-voting facility to the members to exercise their right to vote on the resolutions proposed to be passed at the AGM through electronic voting system prior to the AGM, that is remote e-voting. Members who have not exercised their votes earlier still can also vote during this AGM by e-voting. The e-voting platform is now open and shall remain open until 15 minutes after the closure of the meeting. All efforts feasible under the circumstances have been indeed made by the Company to enable the members to participate and vote on the items being considered in 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, members audio and video have been muted. We will unmute the respective members at their time of speaking. Members are requested to have proper internet connectivity and earphones for effective participation. The facility for appointment of proxy is not available at this meeting as per the MCA circular. The Company has received certified copies of the resolution from various bodies of corporates who are members under Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote at the meeting.

- I request now Shri M.B. Parekh, the Chairman of the company to take charge of the proceedings of this AGM.
- **Mr. M.B. Parekh – Chairman and MD, Vinyl Chemicals (India) Limited:**
- Ladies and gentlemen, since the requisite quorum is present, the meeting can start.
- First of all, I am extremely sorry to inform you about the demise of Shri Ramdasbhai Gandhi, an Independent Director of the Company who passed away on 16<sup>th</sup> July, 2021. He was associated with the Company and the group for about 6 decades, and was on the Board of our Company since 1988 from the very beginning. He had been providing valuable guidance and advice from time to time and has been a pillar of strength to our group.
- Now I request Shri P.C. Patel to introduce the board members.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- The Board members who are present at the meeting:
- Shri N.K. Parekh, who is a Non-Executive, Promoter Director of the Company. He is attending the meeting from Mumbai. He is the Chairman of the Corporate Social Responsibility Committee and a Member of Nomination and Remuneration Committee of the Company.
- Shri A.B. Parekh. He is a Non-Executive, Promoter Director of the Company and he is attending the meeting from Mumbai. He is a Member of the Stakeholders Relationship Committee of the Company.
- Shri A.D. Mavinkurve. He is a Non-Executive, Independent Director of the Company and he is attending the meeting from Mumbai. He is the Chairman of Stakeholders Relationship Committee and a Member of Audit Committee and Nomination and Remunerations Committee of the Company.
- Smt. Y.J. Mogrelia. She is a Non-Executive Independent Director and is attending the meeting from Mumbai. She is a Member of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Company.
- Apart from the Directors, we also have our CFO Mr. Mahendra Gayatonde, our Statutory Auditors and partner Mr. Devendra Khanna of Khanna & Panchamia and Secretarial Auditor Mr. M.M. Sheth, who are also participating in this AGM through video conferencing.
- Shri M.B. Parekh, sir.
- **Mr. M.B. Parekh – Chairman and MD, Vinyl Chemicals (India) Limited:**
- I now announce commencement of e-voting at this AGM as has been provided by NSDL. With your permission I take the notice convening the meeting as well as Directors' Report as read. They have already been circulated to all members. Since there are no qualifications in the Auditors' Report and the Secretarial Audit Report,

with your permission I take them as read. The registers and documents as required under the provisions of the Companies Act, 2013, have been made available for inspection on request from shareholders.

- Now I once again welcome you all to the 35<sup>th</sup> Annual General Meeting of the Company. The Directors' Report and the audited financial statements for the financial year ended 31<sup>st</sup> March 2021 have been with you for some time and with your permission I shall take them as read. For 2020-21 financial year, you will note on 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 Rs. 395.34 crores and during the year the Company earned a net profit of Rs. 11.35 crores against Rs. 7.46 crores in the previous year. Nationwide lockdown which was imposed due to the outbreak of Covid-19 pandemic last year had severely impacted the Company's trading operations during the first quarter of the financial year 2020-2021. The market demand improved in the remaining quarters and the Company was able to achieve a modest growth in turnover during the previous year. However due to resurgence of the pandemic in the country and subsequent lockdown like restrictions being put by several state governments since mid-April 2021, the normal operations of the Company were severely impacted. The performance of the Company during the current year will depend on the pandemic situation as well as the prevailing market conditions and the fluctuations in the exchange rate to some extent.
- The Directors have recommended payment of dividend of Rs. 3.75 per equity share of Rs. 1 each. Previous year's dividend was 2.40 per share amounting to Rs. 688 lakhs, previous year it was 440 lakhs, out of current year's profit on 1,83,37,111 equity shares of Re. 1 each. For the current year, results of the first quarter ended 30<sup>th</sup> June 2021, the sales turnover of the trading activities, Rs. 149.32 crores as compared to Rs. 29.85 crores for the corresponding period of 2020. Profit before tax is Rs. 843 lakhs as compared to Rs. 158 lakhs and profit after tax is Rs. 628 lakhs compared to Rs. 116 lakhs for the corresponding period of 2020. The Company hopes to recover and perform reasonably well during the remaining 3 quarters of the current year subject to the situation which is connected with pandemic and other market conditions.
- In conclusion I express my sincere thanks to our shareholders for their trust in the Company and our valued customers and suppliers. 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 our Company as well as our group Company for their valuable cooperation, dedication and devoted work. Lastly I sincerely thank all of you for participating in this meeting.
- I place before the meeting the following 5 resolutions:
  - Ordinary resolution for adoption of audited financial statements of the Company together with the reports of Board of Directors and Auditors thereon for the year ended 31<sup>st</sup> March 2021.
  - Ordinary resolution for declaration of dividend on equity shares.

- Ordinary resolution for reappointment of Shri A.B. Parekh as Director, who retires by rotation.
- Since I am interested in the next item, I request Smt. Y.J. Mogrelia to chair the meeting for the item.
- **Smt. Y.J. Mogrelia – Non-Executive Independent Director, Vinyl Chemicals (India) Limited:**
- Special resolution for reappointment of Mr. M.B. Parekh as Managing Director for a further period of 5 years with effect from 1<sup>st</sup> April 2022. I now request Shri M.B. Parekh to resume the chair.
- **Mr. M.B. Parekh – Chairman and MD, Vinyl Chemicals (India) Limited:**
- Special resolution for payment of commission to non-executive directors.
- Now 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 the maximum of 3 minutes.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Thank you.
- I will call out the name of the speakers. First is Mrs. Lekha Shah.
- **Mrs. Lekha Shah – Shareholder:**
- Hello, can you hear me sir?
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Yes please.
- **Mrs. Lekha Shah – Shareholder:**
- Thank you, sir.
- Respected Chairman Sir, Board of Directors and my fellow members, good afternoon to all of you, myself, Lekha Shah from Mumbai. First of all I am very thankful to our Company Secretary, Mr. Patelji and Aparna ma'am for rendering very good investor services and also sending me the AGM notice by email well in time in such a difficult situation. So I am very grateful to our Company Secretary, Mr. Patelji.
- Thank you, Chairman Sir, for explaining well about the company. I am happy to see all the good deeds you have done during this tough time. I pray to God that he will always shower his blessings upon you. And I am also happy that the Company is doing very well in the field of CSR activities.
- Sir, I would like to ask only few questions. My first question is what are the learnings from the pandemic and how is the Company implementing those learnings. My second question is how is our Company operating, are we operating from home or

they are working from the office. So, I would like to say I strongly support all the resolutions for today's meeting and my best wishes is always with our Company for its prosperity.

- Thank you, sir.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Thank you, Lekhaji.
- The next speaker is Shri Gautam Tiwari. Gautam?
- **Mr. Gautam Tiwari – Shareholder:**
- Sir, can you hear me.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Yes.
- **Mr. Gautam Tiwari – Shareholder:**
- I will try to switch on the video, sir, if it is possible.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Yes.
- **Mr. Gautam Tiwari – Shareholder:**
- Can you see me, sir?
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Yes, we can.
- **Mr. Gautam Tiwari – Shareholder:**
- Yes, Sir, I think the video is to some extent okay.
- Sir, first of all very good afternoon to our honourable Chairman and M.D. Sir, M.B. Parekhji, our CFO Mahendra Gayatonde and our very popular Company Secretary Priyakant Patelji, all Auditors, all other Directors and our Vinyl Chemicals team. My name is Gautam Tiwari, and I am participating at this virtual AGM from Mumbai.
- Sir, first of all I would like to pray that the departed soul of our Independent Director who has worked for almost 5 to 6 decades for our Company. May rest in peace and this is what we first of all pray.
- Sir, we really thank our management the way you have earned higher profits, you have already distributed a good increased dividend of Rs. 3.75 compared to the last year's dividend of Rs. 2.25.

- Sir, we understand and have observed that due to pandemic situation the inflation has certainly flattened and some setback has been experienced on our results also it has been experienced on all other companies' businesses.
- Sir, we would like to know due to this pandemic how much is the percentage decline and how much is the impact on our business because of this pandemic this year.
- Sir, Vinyl Chemicals basically was a subsidiary company which has been formed from our parent company, Pidilite, way back and it is only doing the trading business, it has been formed for doing the trading business of Vinyl Acetate Monomer that is VAM chemicals. From the inception time we are seeing that the Company is doing moderate business and moderate profit. You have already explained in your opening speech the revenue and increased profit that our Company has made. I am very sure in the days to come it will become better.
- We would like to know the plan of our Company for the next two years especially for the next year, considering the pandemic situation across the world for quite some time.
- Our sales and equities are very good for which we are thankful to our team. And our balance sheet is also very much impressive, it is transparent and well designed and moreover the investor service is very good from our Patel Sir and all his associates, Aparna and all others who are giving year on year uninterrupted service pleasantly and smilingly to all of us continuously. So, for which we are really thankful to you for selecting such a nice team and to these people also, these are diamond like personalities who are an asset to our company.
- I thank the management and the entire Board and staff and employees for providing year on year the best of services. I strongly support all the 5 resolutions and I have voted in favor of all the 5 resolutions, especially the reappointment of our Honourable and Respected M.B. Parekhji, I have voted for all this.
- One or two small queries I would like to know if at all you can tell me. How many recoveries and active cases now we have got in our Company of our employees. How much dividend and number of shares we have transferred to investor protection fund (IEPF) during this year. If you can tell us, we will be grateful to you.
- Rest all is very fine, sir. We wish you a long happy, safe and protective life, Chairman Sir and all other Board members and all those who are connected with us. We have got total trust, confidence and faith, we are with you right from day one with Pidilite parent company and this Company and we are very happy and proud of being a shareholder of this Company. We give the best of compliments for all the festivals which are just coming in the near future and pray for a long, healthy, wealthy, protective life and a very bright shining future in the days to come.
- Thank you very much for patient listening. Jai Hind, Jai Bharat.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Thank you, Gautam. Thank you for your kind words.

- The next speaker is Shri Yusuf Rangwala.
- **Mr. Yusuf Rangwala – Shareholder:**
- Good afternoon, Sir. I am speaking from Mumbai. I am thankful to our Patel Sir and his team and for phoning me.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Your voice is breaking.
- **Mr. Yusuf Rangwala - Shareholder:**
- Yes, Sir can you hear my voice? I am very thankful for giving me Rs. 3.75 dividend on Re. 1 paid up share and that is very good, Vinyl Chemicals is doing very good work. Today the market price is Rs.250 for Re.1 share, you are doing good work and I am supporting all the resolutions. I thank Mr. Patel and also Link Intime people who are the agents, I am very happy with Link Intime people. And nothing more to add, once again I thank Mr. Patel due to whom I could join the meeting. Mr. Parekh, I pray for your health and that you will meet us next year in a physical meeting. If possible, please arrange for a visit for all of us. Thank you very much, nothing more to add, my good wishes are there. Jai Gujarat.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Thank you, Yusuf, for your kind words.
- The next speaker is Mr. Kirti Shah.
- **Host:**
- Sir, the shareholder has not joined the meeting, can we move on to the next speaker?
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Yes, Mr. Kirti Shah has not connected himself for attendance, although he requested.
- The next speaker is Shri Hariram Chaudhary, Chaudharyji.
- **Host:**
- Sir, Mr. Hariram Chaudhary has also not joined the meeting.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Okay. Our last speaker is Shri Dineshbhai Bhatia. Dineshbhai? Yes, Dineshbhai can you speak? He seems to be busy on some other work. [The shareholder is talking on another line].
- **Host:**
- Yes Sir, Mr. Dinesh Bhatia is not connecting, can you move to the next speaker.

- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Okay, with this our list of speakers ends and sorry that we couldn't get connected, Mr. Dinesh Bhatia although connected seems to be out of touch. In any case, we thank all these attendees whosoever attended and with permission of the Chairman I will just give information on the questions that have been raised.
- **Mr. M.B. Parekh – Chairman and MD, Vinyl Chemicals (India) Limited:**
- Go ahead.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Yes. Lekhaji had asked what are the learnings from the pandemic and all that. Lekhaji, this was once in a century thing so everybody had to have had learnings, total disruption of business, initially all lockdown and total closure of the business and then again some people facing Corona in their families or they themselves. Although we have a limited staff of 13 and nobody seems to be having anything, but some of the staff were having in our promoter companies. Just to say that our group companies have taken care of not only all the staff, including free vaccination where possible. Also taken the interest of the safety and sanitization of all our stakeholders. Ultimately, the promoter companies have hundreds and thousands of dealers and plenty of staff all over factory locations and everything. Still unfortunate event of some death did happen and our promoter company have given a liberal financial assistance to their family and also continuation of that had they been alive during their lifetime and then if there is any competent person in that family, opportunity for job after interaction with us.
- The next question was about people working. Yes, mostly those we have only office staff and that is marketing and all are operating from offices only but only where it is absolutely required otherwise everybody is working very well from work from home. Being a registered office, a few of my staff like Mr. Krishnan, Ms.Aparna and Mr. Prabhu, they had to come because it is the registered office of our Company and other group companies. Otherwise most of other people were operating, including myself, till now from home.
- Next few questions from Gautam were there about Vinyl trading with thinner margins and all, but this is a trading activity and trading is a sort of known commodity as well as it will be with known people. And basically we are not in a market sense that way traders. So, our main activity, therefore, is to take the business in a very safe way. Further, future plans for next two years I will request Mr. M.B. Parekh, but it looks like in the pandemic continuation of our activity and concentrate on it. And the last question was raised by Gautam is about investor protection and the actions which we have taken for transfer of shares. On Page 63 and 64 of our Annual Report, all these details are given. And in case you need still further information you are welcome to come to our registered office when we are formally open and when I go there. In the meantime, you can ask us on phone also if it is that essential and urgent.



- I think with this I once again request the Chairman to kindly take the meeting further.
- **Mr. M.B. Parekh – Chairman and MD, Vinyl Chemicals (India) Limited:**
- I authorize Mr. M.M. Sheth, Practicing Company Secretary, who 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 Shri P.C. Patel, Company Secretary to publish the results of the voting along with the Scrutinizer's report on the website of the Company and NSDL and also intimate to BSE and NSE.
- **Mr. P.C. Patel – Company Secretary, Vinyl Chemicals (India) Limited:**
- Yes, we are coming to the end of this meeting and before I move a formal vote of thanks to the Chairman and all other directors and all our shareholders who have remained present at this meeting, I am a bit nostalgic and would recall that this is the 35<sup>th</sup> Annual General Meeting, although my background is showing 34<sup>th</sup>, sorry for technical fault, but this is the meeting 35<sup>th</sup> AGM, 36<sup>th</sup> year of this Company where Shri M.B. Parekh, in most cases and Shri N.K. Parekh and me have attended all the AGMs without a break. I express my gratitude to Shri M.B. Parekh on behalf of not only as staff but also as stakeholder, who has navigated this Company clear in its thick and thin, including in this pandemic year, and unstinted support of our promoter company. With this I propose a hearty vote of thanks to the Chairman, directors and all the members.
- **Mr. M.B. Parekh – Chairman and MD, Vinyl Chemicals (India) Limited:**
- So the meeting is now closed and e-voting will continue for an additional 15 minutes after the closure and thereafter the meeting will be concluded.
- Thank you all.