



## Vinyl Chemicals (India) Ltd.

Regd. Off. : 7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai - 400 021.  
Phone : 2282 2708 Gram : PIDIVYL Telefax : 2204 3969  
CIN : L24100MH1986PLC039837

12<sup>th</sup> July, 2021

BSE Ltd.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI - 400 001.

Ref: Stock Code – 524129.

Dear Sir,

**Sub: Submission of AGM Notice & Annual Report for F.Y. 2020-21.**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching herewith copies of Notice of forthcoming 35<sup>th</sup> Annual General Meeting of the Company to be held on 12<sup>th</sup> August, 2021 and 35<sup>th</sup> Annual Report for the Financial Year ended 31<sup>st</sup> March, 202 which will be dispatched to the Shareholders of the Company.

Thanking You,

Yours faithfully,  
**For VINYL CHEMICALS (INDIA) LTD.**

**P. C. PATEL**  
**COMPANY SECRETARY**

cc to: National Stock Exchange of India Ltd. (Stock Code – VINYLINDIA).



## NOTICE

Notice is hereby given that the THIRTY FIFTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, the 12<sup>th</sup> August, 2021 at 12.00 noon through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021 together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri A.B. Parekh, who retires by rotation and being eligible, offers himself for re-appointment.

### Special Business:

4. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 200 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded for the re-appointment of Shri M.B. Parekh (DIN: 00180955) as the Managing Director of the Company for a further period of 5 (five) years, with effect from 1<sup>st</sup> April, 2022, as per terms of appointment and payment of remuneration as set out in the Explanatory Statement attached to this Notice.”

“RESOLVED FURTHER THAT Shri M.B. Parekh, the Managing Director be in charge of general management of the Company within the provisions of Articles of Association but subject to superintendence, control and direction of the Board of Directors.”

“RESOLVED FURTHER THAT Shri M.B. Parekh will be a Key Managerial Personnel of the Company as per the provisions of Section 203(1)(i) of the Act.”

“RESOLVED FURTHER THAT Shri M.B. Parekh will be a non-rotational Director and shall not be liable to retire by rotation during his term as the Managing Director.”

“RESOLVED FURTHER THAT the Managing Director shall be entitled to reimbursement of all expenses incurred for the purpose of business of the Company and shall not be entitled to any sitting fees for attending meetings of the Board of Directors and Committee(s) thereof.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms of appointment and remuneration so as not to exceed the limits specified in Schedule V and other applicable Sections of the Act or any statutory modifications thereof as may be agreed to by the Board of Directors and Shri M.B. Parekh.”

“RESOLVED FURTHER THAT total remuneration payable to Shri M.B. Parekh shall not exceed the maximum limit permissible as per the provisions of Section V of Part II of Schedule V of the Act.”



“RESOLVED FURTHER THAT the total remuneration by way of salary, perquisites, allowances and commission payable to Shri M.B. Parekh, Managing Director in any financial year shall not exceed 5% of the net profit of that financial year or such other limits as may be permissible as per Section I of Part II of Schedule V to the Act.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (Act), Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of Sections 197 and 198 of the Act be paid by way of commission to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director of the Company) in such amounts, subject to such ceiling/s and in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year for a period of five years commencing from 1<sup>st</sup> April, 2022.”

“RESOLVED FURTHER THAT in case of inadequacy of profits or losses in any financial year, the Company may pay remuneration to the Non-Executive Directors as provided in Section II of Part II of Schedule V of the Act.”

BY ORDER OF THE BOARD OF DIRECTORS

**P.C. PATEL**  
PRESIDENT & SECRETARY

Place : Mumbai  
Date : 10<sup>th</sup> May, 2021

**Registered Office:**

Regent Chambers,  
7<sup>th</sup> Floor, Jamnalal Bajaj Marg,  
208, Nariman Point,  
Mumbai 400 021.  
CIN: L24100MH1986PLC039837



**Notes:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its Circular dated 13<sup>th</sup> January, 2021 and Securities and Exchange Board of India (SEBI) has, vide its circular dated 15<sup>th</sup> January, 2021 permitted the holding of the Annual General Meetings (AGM/Meeting) through Video Conferencing (VC) or other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and MCA Circulars, the 35<sup>th</sup> Annual General Meeting (AGM) of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate members are requested to send to the Company a scanned copy (pdf/jpg format) of the certified copy of the Board Resolution/Authorisation authorizing their representative to attend and vote on their behalf through remote evoting at the Company's email address cs.vinylchemicals@pidilite.com. The said Resolution/Authorisation shall also be sent to the Scrutinizer by email at their email address shethmm\_cs@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
4. In case of joint holders attending the AGM, only such joint holder whose name is higher in the order of the names will be entitled to vote on all the resolutions set out in this Notice.
5. A Statement pursuant to Section 102(1) of the Act setting out all material facts in respect of Item Nos. 4 and 5 of the Notice is annexed hereto and the same shall form part of this Notice.
6. Notes given in the Notice to the extent applicable also forms part of the Explanatory Statement.
7. Members seeking any information with regard to the accounts, inspection of documents or any matter to be placed at the AGM are requested to write to the Company on or before 30<sup>th</sup> July, 2021 by email at the Company's email address cs.vinylchemicals@pidilite.com and the same will be replied by the Company suitably.
8. Since the AGM will be held through VC/OAVM, the Route Map of the venue of AGM is not annexed in this Notice.
9. In compliance with the aforesaid MCA Circular and SEBI Circular, Notice of the AGM along with the Annual Report for Financial Year 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for Financial Year 2020-2021 will also be available on the Company's website www.vinylchemicals@pidilite.com, websites of the Stock Exchanges i.e of BSE Ltd. (BSE) www.bseindia.com and National Stock Exchange of India Limited (NSE) www.nseindia.com respectively and also on the website of National Securities Depository Ltd. (NSDL) www.evoting.nsdl.com.
10. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.



11. In accordance with the provisions of Regulation 36(3) of SEBI Listing Regulations and applicable provisions of Secretarial Standard-2, a brief profile of Shri A.B. Parekh and Shri M.B. Parekh, nature of their expertise in specific functional areas, name of companies in which they hold Directorships/Memberships/Chairmanships of Committee of Directors, their shareholding and relationships between Directors inter se and other information, is set out as Annexure and the same forms part of this Notice.
12. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 6<sup>th</sup> August, 2021 to Thursday, 12<sup>th</sup> August, 2021 (both days inclusive) for the purpose of dividend and AGM.
13. The dividend on equity shares as recommended by the Board of Directors, if declared at the AGM, will be paid on or after 18<sup>th</sup> August, 2021 to those shareholders whose names appear on the Register of Members of the Company on the date of the AGM. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as on 5<sup>th</sup> August, 2021 furnished by NSDL and Central Depository Services (India) Ltd. (CDSL).
14. Members may note that vide Circular dated 21<sup>st</sup> March, 2013, SEBI has mandated all listed Companies to use electronic mode of payments such as LECS/RECS/NECS/NEFT etc. for making payment of dividends and other cash payments to investors, wherever possible. In other cases, the Company shall dispatch dividend warrants for making payment of dividends to those shareholders who have not updated their bank account details.
15. Members may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after 1<sup>st</sup> April, 2020 shall be taxable in the hands of the shareholders. The Company shall, therefore, be required to deduct Tax at Source (TDS) at the time of payment of dividend. In order to enable the Company to determine the appropriate TDS rate, as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

The relevant provisions of the Income Tax Act, 1961 relating to deduction of TDS from dividends in respect of various categories of shareholders are given below:

- A) For Resident Shareholders, TDS shall be deducted under Section 194 of the Income Tax Act, 1961 @10% (Ten percent) on the amount of Dividend declared and paid by the Company during the Financial Year 2021-2022 provided PAN is registered by the shareholder. If PAN is not registered, TDS would be deducted @ 20% (Twenty percent) as per Section 206AA of the Income Tax Act, 1961. However, no tax shall be deducted on the dividend payable to a resident Individual if the total dividend to be received by them during Financial Year 2021-2022 does not exceed ₹ 5,000. In cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm or HUF)/Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.
- B) For Non-Resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (Twenty percent) (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the Non-Resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and



the country of tax residence of the shareholder, if they are more beneficial to them. For the purpose of availing the Tax Treaty benefits, the non-resident shareholder will have to submit the following to the Company:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident.
  - Self declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
  - Self-attested copy of the PAN Card allotted by the Indian Income Tax authorities.
  - Self- declaration certifying the following points:
    - i. The shareholder is and will continue to remain a tax resident of the country of his residence during the Financial Year 2021-2022;
    - ii. The shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
    - iii. The shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
    - iv. The shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company and
    - v. The shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2021-2022.
- C) Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by Non- Resident shareholder.
- D) Accordingly, in order to enable the Company to determine the appropriate TDS/withholding tax rate applicable, members are requested to provide the details and documents as mentioned above before 23<sup>rd</sup> July, 2021.
- E) Please note that the aforementioned documents are required to be submitted at the email address [csg-exemptforms2122@tclindia.co.in](mailto:csg-exemptforms2122@tclindia.co.in) on or before 23<sup>rd</sup> July, 2021 in order to enable the Company to determine and deduct the appropriate TDS/withholding tax rate. No communication on the tax determination/deduction shall be entertained after 23<sup>rd</sup> July, 2021. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the shareholders to file their return of income and claim an appropriate refund, if eligible.
- F) Soft copies of TDS certificate shall be emailed to the shareholders at their registered e-mail address in accordance with the provisions of the Income Tax Act, 1961 after filing of the quarterly TDS Returns of the Company, after payment of the dividend to the shareholders.
- G) The Company has already sent a communication in this regard to the shareholders on 24<sup>th</sup> June, 2021.



16. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in *Electronic Form* are required to submit their PAN as well as bank details to their Depository Participants and Members holding shares in *Physical Form* shall submit their PAN as well as bank details to the Company/TSR Darashaw Consultants Private Limited, the Company's Registrar and Share Transfer Agents (R & T Agents).
17. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form w.e.f. 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate the risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact the Company or the R & T Agents for any assistance in this regard.
18. Members are requested to inform of changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, bank mandates, nomination, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC, etc. to:
  - (i) the R & T Agents in case of the shares held in *Physical Form* or
  - (ii) the Depository Participants (DP) in case of the shares held in *Electronic Form*.
19. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified by the Members.
20. Non-resident Indian (NRI) shareholders are requested to inform the Company/R & T Agents regarding:
  - (i) Change in the residential status on return to India for permanent settlement.
  - (ii) Indian address and the particulars of bank account maintained in India with complete name and address of the bank, if not furnished earlier.
21. The Members may avail facility of Nomination in terms of extant legal provisions in this regard. On request, the relevant Form SH-13 can be obtained from the R & T Agents.
22. To support the 'Green Initiative', Members who have not yet registered their email address are requested to register the same with their DPs in case the shares are held by them in electronic form and with Company's R & T Agents in case the shares are held by them in *Physical Form*.
23. A. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed/unpaid dividend up to the Financial Year ended 31<sup>st</sup> March, 1994 have been transferred to the General Revenue Account of the Central Government. Those Members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in the prescribed form to the Registrar of Companies, Maharashtra.  
  
B. The Company has transferred unclaimed/unpaid dividend in respect of Financial Years ended 31<sup>st</sup> March, 1995 to 31<sup>st</sup> March, 2013 to the Investor Education and Protection Fund (IEPF).



- C. Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were made applicable with effect from 7<sup>th</sup> September, 2016, also contain similar provisions for transfer of such amounts to IEPF. Accordingly, all dividends, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.
- D. As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more, as referred to in the said section read with the relevant Rules, have been transferred to the IEPF Demat Account.
- E. The Company has sent notice to all the Members whose dividends for the Financial Year ended 31<sup>st</sup> March, 2014 are lying unpaid/unclaimed against their name. Members are requested to claim the same. As mentioned in the said notice, in case the dividends are not claimed by 15<sup>th</sup> September, 2021, necessary steps shall be initiated by the Company to transfer the shares and dividend held by the concerned Members to IEPF, without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.
- F. In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the MCA's website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company along with the requisite documents enumerated in Form IEPF-5.
- G. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 16<sup>th</sup> September, 2020 (date of last AGM) on the website of the Company and also on the website of Ministry of Corporate Affairs.

Members who have not yet encashed their Dividend Warrants for the Financial Years ended 31<sup>st</sup> March, 2014 to 31<sup>st</sup> March, 2020 are requested to contact the R & T Agents, M/s. TSR Darashaw Consultants Private Ltd., Unit: Vinyl Chemicals (India) Limited, C-101, 1st Floor 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 for claiming their unpaid dividends.

#### **24. Voting through electronic means:**

- A. Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide facility to the members to exercise their right to vote by electronic means through remote e-voting as well as e-voting on the date of AGM by availing the services provided by NSDL on all the resolutions set out in this Notice. Resolutions passed by the Members through e-voting are deemed to have been passed at the AGM.
- B. The Members who have casted their vote by remote e-voting prior to the AGM may also attend and participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.





**THE INSTRUCTIONS FOR REMOTE E-VOTING AND JOINING THE AGM ARE AS UNDER:**

**Step 1: Access to NSDL e-voting**

**A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:**

In terms of SEBI circular dated 9<sup>th</sup> December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>“Beneficial Owner”</b> icon under <b>“Login”</b> which is available under <b>‘IDeAS’</b> section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>“Access to e-Voting”</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>“Register Online for IDeAS Portal”</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a> _</li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>“Login”</b> which is available under <b>‘Shareholder/Member’</b> section. A new screen will open.</li> <li>4. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>



<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi/Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will also be able to see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL portal. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL for e-Voting facility.</li> <li>2. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>3. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

**Note:**

Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

**B. Login Method for e-Voting and joining virtual meeting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:**

How to Login to NSDL e-voting website?

- i. **Step 1** - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
- iv. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.



Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a. For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

v. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow instructions mentioned below in this notice.

vi. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

- vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- viii. Now, you will have to click on "Login" button.
- ix. After you click on the "Login" button, Home page of e-Voting will open.



**Step 2: Cast your vote electronically on NSDL e-Voting system:**

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
- iii. Select “EVEN” of the Company.
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- vi. Upon confirmation, the message “Vote cast successfully” will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**The process for registration of email id for obtaining Annual Report and updation of bank account mandate for receipt of dividend:**

Physical Holding	<p>Send a signed letter to the Company’s R &amp; T Agents providing Folio No., name of shareholder along with copy of PAN (self attested) and email-id details for registering email address.</p> <p>For updating bank account mandate, hard copies of the following documents are to be sent to R &amp; T Agents:</p> <ol style="list-style-type: none"> <li>a. Signed letter mentioning your Name, Folio Number, complete address and following details relating to Bank Account in which the dividend is to be received:             <ol style="list-style-type: none"> <li>i) Name and Branch of Bank and Bank Account type;</li> <li>ii) Bank Account Number allotted by your Bank after implementation of Core Banking Solutions and;</li> <li>iii) 11 digit IFSC Code.</li> </ol> </li> <li>b. Cancelled cheque in original bearing the name of the Member or first holder, in case shares are held jointly;</li> <li>c. Self-attested copy of the PAN Card and;</li> <li>d. Self-attested copy of any document (viz. Aadhar Card, Driving License, Election Identity Card, Passport) for address verification of the Member as registered with the Company/R &amp; T Agents.</li> </ol>
Demat Holding	<p>Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.</p>



**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

- a. The procedure for e-Voting on the day of the AGM remains same as the instructions mentioned above for remote e-voting.
- b. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- c. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**General Guidelines for shareholders:**

- i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (pdf/jpg format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shethmm\_cs@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
- ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
- iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free nos. 1800 1020 990 /1800 224 430 or send a request at evoting@nsdl.co.in.
- iv) Any person, holding shares in physical form and non-individual shareholders who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **5<sup>th</sup> August, 2021**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free nos. 1800 1020 990/ 1800 22 44 30. In case of Individual members holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. **5<sup>th</sup> August, 2021** may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.
- v) The Remote e-voting period shall commence on **Monday, 9<sup>th</sup> August, 2021 at 9.00 a.m.** and would end on **Wednesday, 11<sup>th</sup> August, 2021 at 5.00 p.m.** During this period, members of the Company, holding shares either in physical form or in demat form as on **5<sup>th</sup> August, 2021** (cut-off date) may cast their vote electronically. The Remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the Shareholder, the shareholder shall not be allowed to change/modify it subsequently or cast the vote again.
- vi) The voting rights of Shareholders shall be in proportion to the share in the paid up equity share capital of the Company as **on 5<sup>th</sup> August, 2021**, the cut off date. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.



**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of “VC/OAVM link” placed under “Join General meeting” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
3. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis
4. Members are advised to join the Meeting using stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches and disturbance during the meeting.
5. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ or on their toll free nos. 1800 1020 990 /1800 224 430 or contact Mr. Amit Vishal, Senior Manager – NSDL or Ms. Soni Singh at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at 1800 1020 990 /1800 224 430
6. Members who would like to express their views or ask questions during the AGM may register themselves as a Speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [cs.vinylchemicals@pidilite.com](mailto:cs.vinylchemicals@pidilite.com) from 6<sup>th</sup> August, 2021 to 9<sup>th</sup> August, 2021. Those Members who have registered themselves as a Speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers and number of questions depending on the availability of time for the AGM.
7. Shri M.M. Sheth, Practising Company Secretary (Membership No. FCS 1455 CP No.729) or failing him, Smt. Ami M Sheth (Membership No. ACS 24127 CP No. 13976) have been appointed as the ‘Scrutinizer’ to scrutinize remote e-voting process and also e-voting at the AGM in a fair and transparent manner.
8. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first scrutinise the votes cast at the AGM, thereafter unlock the votes cast through remote e-voting and shall make not later than 48 hours of conclusion of the Meeting, a consolidated Scrutiniser’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
9. The Results alongwith the Scrutinizer’s Report shall be placed on the Company’s website [www.vinylchemicals.com](http://www.vinylchemicals.com) and on the website of NSDL within 48 hours of conclusion of the 35<sup>th</sup> AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited.



## EXPLANATORY STATEMENT

*(Pursuant to Section 102(1) of the Companies Act, 2013)*

### Item No. 4

The present term of Shri M.B. Parekh as Managing Director is valid upto 31<sup>st</sup> March, 2022. The Board of Directors at their meeting held on 10<sup>th</sup> May, 2021 have re-appointed him, subject to approval of members, as Managing Director of the Company for a further period of 5 years with effect from 1<sup>st</sup> April, 2022.

Shri M.B. Parekh is a qualified Chemical Engineer [B.Chem Engg. (Bom), M.S. Chem. Engg. (U.S.A.)] and has experience in the industry for over 50 years. He has been associated with the Company since its inception and is instrumental in its progress. It would be in the interest of the Company to continue to avail the services of Shri M.B. Parekh as Managing Director, who is above 70 years of age.

A brief profile of Shri M.B. Parekh as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given separately in this Notice and forms part of this Explanatory Statement.

Shri M.B. Parekh is also Whole Time Director designated as Executive Chairman of M/s. Pidilite Industries Ltd. (Pidilite) drawing remuneration from Pidilite and shall continue to hold the position of Whole Time Director of Pidilite and Managing Director of the Company.

Subject to the limits prescribed in Section I of Part II of Schedule V of the Companies Act, 2013 (The Act), the Managing Director shall be paid the following remuneration effective from 1<sup>st</sup> April, 2022.

### Remuneration:

At present, it is proposed not to pay any salary/perquisites to the Managing Director, but he will be entitled to receive commission, the amount of which shall be determined by the Board of Directors each year based on the net profits of the Company for the year, subject to the overall ceiling laid down in Section 197 of the Act.

Further, it is provided that based on the overall performance of the Company, in future the Board of Directors may decide to pay Salary/Perquisites to the Managing Director within the overall ceiling of Section I Part II of Schedule V of the Act.

Shri M.B. Parekh is a fit and proper person for the post of Managing Director. His re-appointment and payment of remuneration has been approved by the Nomination & Remuneration Committee at its meeting held on 10<sup>th</sup> May, 2021.

Members' approval by way of Special Resolution is required for the same under Schedule V and other applicable provisions of the Companies Act, 2013. This shall be treated as written Memorandum setting out the terms of appointment of Shri M.B. Parekh u/s 190 of the Act. Except Shri M.B. Parekh, in respect of whom this resolution pertains and Shri A. B. Parekh none of the other Directors or Key Managerial Personnel and their relatives are interested or concerned in this resolution.

The Board recommends the Special Resolution for approval by the Members.



**Item No. 5**

Section 197 read with Schedule V of the Companies Act, 2013 (The Act) permits payment of remuneration to the Non-Executive Directors of a company by way of commission not exceeding 1% per annum of the net profits of the Company, if members of the company approves such payment by passing a Special Resolution.

Considering the experience and expertise brought to bear by the Non-Executive Directors on corporate decisions, it is appropriate that the Non-Executive Directors be compensated adequately for the services rendered by them to the Company.

It is, therefore, proposed to renew the Special Resolution passed earlier on 1<sup>st</sup> September, 2016 for a further period of 5 years from 1<sup>st</sup> April, 2022 for payment of commission not exceeding 1% of the net profits of the Company for each financial year calculated in accordance with the provisions of the Act and subject to further appropriate ceiling/s which shall be paid and distributed amongst the Non-Executive Directors of the Company in accordance with the decision of the Board. Such payment of commission will be in addition to the sitting fees paid for attending Board/Committee meetings. In case of inadequacy of profits or losses in any financial year, It is proposed to pay remuneration to the Non-Executives Directors as per the provisions of Section II of Part II of Schedule V of the Act.

All the Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of the commission that may be received by them or by their relatives. The Board recommends the Special Resolution for approval by the Members.

BY ORDER OF THE BOARD OF DIRECTORS

**P.C. PATEL**  
PRESIDENT & SECRETARY

Place: Mumbai

Date: 10<sup>th</sup> May, 2021

**Registered Office:**

Regent Chambers, 7<sup>th</sup> Floor,  
Jamnalal Bajaj Marg,  
208, Nariman Point,  
Mumbai 400 021.  
CIN: L24100MH1986PLC039837





**ADDITIONAL INFORMATION ON THE DIRECTORS SEEKING ELECTION AT THE ANNUAL GENERAL MEETING**

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

<b>Resolutions/Item No.</b>	<b>3</b>	<b>4</b>
Name of Directors	Shri A.B. Parekh	Shri M.B. Parekh
Age (in years)	63	75
Date of first appointment on the Board	28.01.2020	15.05.1986
Qualification, Experience/ Expertise in specified filed	B.Chem Engineer and MBA (USA). Business Experience of over 40 years.	B. Chem. Engg. (Bom), M.S. Chem Engg. (U.S.A). Business Experience of over 50 years.
Terms and Conditions of appointment/re-appointment	Re-appointment as Non-Executive Director, liable to retire by rotation	Re-appointment as a Managing Director for a further period of 5 years.
Remuneration proposed to be paid	As per the Remuneration Policy of the Company.	As per the Remuneration Policy of the Company.
Directorship in other public Companies (excluding Directorship in Foreign and Section 8 Companies as on 31.03.2021)	Pidlite Industries Limited Fevicol Company Limited Parekh Marketing Limited Building Envelope Systems India Limited	Pidlite Industries Limited Fevicol Company Limited Excel Industries Limited Kalva Marketing and Services Limited
Chairperson/Membership of Statutory Committee(s) of the Board of Directors of other Listed Companies as on 31.03.2021	<b>Committee Positions:</b> <b>Memberships:</b> Pidlite Industries Limited <ul style="list-style-type: none"> <li>Stakeholder Relationship Committee</li> <li>Corporate Social Responsibility Committee</li> </ul>	<b>Committee Positions:</b> <b>Memberships:</b> Pidlite Industries Limited <ul style="list-style-type: none"> <li>Audit Committee</li> </ul>
Numbers of shares held in the Company as on 31.03.2021	94,583	1,24,763
Relationship with other Directors, Manager or Key Managerial Personnel of the Company, if any	Shri A B Parekh is related to Shri M B Parekh, Chairman and Managing Director of the Company.	Shri M B Parekh is related to Shri A B Parekh, a Director of the Company.

**Note:**

For other details, such as number of meetings of the Board attended during the year, remuneration drawn, Committee positions in the Company etc. please refer to the Corporate Governance Report, which forms part of the Annual Report of the Company.



Vinyl Chemicals (India) Ltd.

**BOARD OF DIRECTORS**

Shri M.B. Parekh - Chairman & Managing Director  
 Shri N.K. Parekh  
 Shri A. B. Parekh  
 Shri R.M. Gandhi  
 Smt. Y.J. Mogrelia  
 Shri A.D. Mavinkurve

**PRESIDENT & SECRETARY**

Shri P.C. Patel

**AUDITORS**

Khanna & Panchmia

**SOLICITORS**

Wadia Ghandy & Co.

**REGISTERED OFFICE**

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

**CORPORATE OFFICE**

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

**BANKERS**

Indian Overseas Bank  
 Corporation Bank  
 ICICI Bank

**REGISTRAR AND TRANSFER AGENTS**

TSR Darashaw Consultants Pvt. Ltd.  
 C-101, 1st Floor, 247 Park  
 L.B.S. Marg, Vikhroli (West)  
 Mumbai 400 083

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**DIRECTORS' REPORT**

Your Directors present the Thirty Fifth Annual Report and the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021.

**Financial Results:**

(₹ in Lacs)

Particulars	Current Year	Previous Year
<b>Profit before Interest, Depreciation and Tax</b>	1529	1004
Less: Interest & other finance costs	5	5
Depreciation	*	*
<b>Profit before Taxation</b>	<b>1524</b>	<b>999</b>
Less: Provision for Current Taxation	385	255
(Add)/Less: Provision for Deferred Tax	4	(2)
<b>Profit for the year</b>	<b>1135</b>	<b>746</b>
(Add)/Less: Other Comprehensive Income	1	(4)
Total Comprehensive Income	1134	742
Add: Profit Brought Forward from Previous Year	4704	4492
<b>Opening balance of Retained Earnings</b>	<b>5838</b>	<b>5234</b>
<b>Appropriations:</b>		
Dividend on Equity Shares	#440	@440
Tax on Dividend	—	@90
Transfer to General Reserve	\$	\$
<b>Total</b>	<b>440</b>	<b>530</b>
<b>Closing balance of Retained Earnings</b>	<b>5398</b>	<b>4704</b>

\* less than ₹ 1 lac

# relates to Dividend for F.Y. 2019-2020

@ relates to Dividend for F.Y. 2018-2019

\$ It is proposed not to transfer any amount to the General Reserve

**Dividend:**

Out of Current Year's profit, the Directors recommend payment of dividend of ₹ 3.75 per equity share of ₹ 1 each (previous year ₹ 2.40 per equity share) amounting to ₹ 6,87,64,166 (previous year ₹ 4,40,09,066) on 1,83,37,111 equity shares of ₹ 1 each). The dividend shall be subject to deduction of income tax at source.

**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 ₹ 39,534 lacs.
- During the year, the Company earned Net Profit of ₹ 1,135 lacs as against ₹ 746 lacs in the previous year.

**Outlook:**

The lockdown like restrictions which were imposed by several State Governments since mid-April 2021 due to resurgence of Covid-19 pandemic in the country has severely impacted the normal operations of the Company. Performance of the Company during the current year will depend on the pandemic situation, the prevailing market conditions and fluctuations in exchange rates.

**Directors:**

In accordance with the Articles of Association of the Company, Shri A.B. Parekh, a Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

The current term of Shri M.B. Parekh as Managing Director is valid till 31<sup>st</sup> March, 2022. It is proposed to re-appoint him as Managing Director for a further period of 5 years from 1<sup>st</sup> April, 2022, subject to approval of Members at the ensuing Annual General Meeting.

The Company has received declarations from Shri R.M. Gandhi, Smt. Y.J. Mogrelia and Shri A.D. Mavinkurve, Independent Directors, that they meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and that they have registered their names in the Independent Directors' Databank.

**Copy of Annual Return:**

The Annual Return of the Company as on 31<sup>st</sup> March, 2021 is available on the website of the Company [www.vinylchemicals.com](http://www.vinylchemicals.com).

**Number of Board Meetings:**

During the year, the Board of Directors met 4 times. The details of the Board Meetings are given in the Corporate Governance Report section of this Annual Report.

**Particulars of Loans, Guarantees or Investments:**

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013 are given in the Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021.

**Related Party Transactions:**

All related party transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business and were placed before the Audit Committee for approval.

Particulars of arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 for the Financial Year 2020-2021 are given in prescribed Form AOC - 2 which is annexed as Annexure 1.

Disclosure of related party transactions with the promoter(s)/promoter group which individually hold 10% or more shareholding of the Company as per Indian Accounting Standards, are set out in Note No. 32 of the Financial Statements of the Company.

The policy on related party transactions as recommended by the Audit Committee and as approved by the Board is uploaded on the Company's website [www.vinylchemicals.com](http://www.vinylchemicals.com).

**Risk Management:**

The Company has a structured Risk Management Plan. The Risk Management process is designed to safeguard the organization from various risks through adequate and timely actions.

**Corporate Social Responsibility Report and Policy:**

The Annual Report on CSR activities as required under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, is annexed as Annexure 2.

The CSR Policy of the Company can be accessed on its website [www.vinylchemicals.com](http://www.vinylchemicals.com).

**Remuneration Policy:**

The Remuneration Policy of the Company is available on its website [www.vinylchemicals.com](http://www.vinylchemicals.com) and is annexed as Annexure 3. There has been no change in the policy since the last financial year. The remuneration paid to the Directors are as per the terms laid out in the Remuneration Policy of the Company.



**Committees of the Board:**

The following statutory Committees constituted by the Board function according to their respective roles and defined scope:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Corporate Social Responsibility Committee
- d. Stakeholders Relationship Committee

Details of composition, terms of reference and number of meetings held during the year of the above Committees are given in the Corporate Governance Report section of this Annual Report.

All recommendations made by the Audit Committee have been accepted by the Board.

**Statutory Auditors:**

There are no qualifications, reservations, adverse remarks or disclaimers made in the Auditors' Report on the Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021.

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

At the 33<sup>rd</sup> Annual General Meeting of the Company, the Members have appointed M/s Khanna & Panchmia, Chartered Accountants, Mumbai as the Statutory Auditors for a second term of five consecutive years upto the conclusion of the 38<sup>th</sup> Annual General Meeting. The Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

**Subsidiaries, Associates and Joint Ventures:**

The Company has no Subsidiaries, Associates and Joint Venture Companies.

**Vigil Mechanism/Whistle Blower Policy:**

The Company has established a Vigil Mechanism and adopted a Whistle Blower Policy for Directors and employees. The details of the policy are posted on the Company's website [www.vinylchemicals.com](http://www.vinylchemicals.com).

**Secretarial Audit Report:**

Pursuant to Section 204 of the Companies Act, 2013, the Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2021 given by M/s. M.M. Sheth & Co., Practicing Company Secretaries, is annexed as Annexure 4. The report is unqualified.

**Deposits:**

The Company has not accepted any deposit covered under Chapter V of the Companies Act, 2013 during the year.

**Internal Financial Controls:**

Adequate internal financial control system and checks are in place commensurate with the size of the Company and nature of its business.

**Directors' Responsibility Statement:**

As required under the provisions of Section 134 of the Companies Act, 2013, your Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2021 and of the profits of the Company for the year ended on that date;

- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**Corporate Governance:**

Report on Corporate Governance in accordance with Regulation 34 read with Schedule V of the Listing Regulations alongwith a certificate from the Statutory Auditors of the Company is given separately in this Annual Report. The requisite certificate from M/s M.M. Sheth & Co., Practising Company Secretaries, is attached to the Report on Corporate Governance.

**Management Discussion and Analysis Report:**

Management Discussion and Analysis Report for the year under review as stipulated under the Listing Regulations is given in a separate section of this Annual Report.

**Disclosure under Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

The information pursuant to Section 197 of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel and employees of the Company are annexed as Annexure 5.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The particulars under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, to the extent applicable to the Company, are given in the prescribed format which is annexed as Annexure 6.

**Annual Evaluation by the Board:**

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

**Familiarisation Programme:**

The Company has put in place a familiarisation programme for all its Directors, including Independent Directors and the same is available on the its website [www.vinylchemicals.com](http://www.vinylchemicals.com).

**General:**

- a) The Company has not issued Sweat Equity shares and Equity shares with Differential Rights during the Financial Year 2020-2021.
- b) The Company does not have Employees Stock Option Scheme.
- c) No Significant and Material Orders were passed by the Regulators against the Company during the Financial Year 2020-2021.
- d) The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and no complaints were received by the Company during the Financial Year 2020-2021 under the said Act.
- e) Apart from the impact of lockdown like restrictions, which were imposed by several State Governments due to outbreak of Covid-19 pandemic, which is dealt with elsewhere in this Report, there have been no material changes and commitments affecting the financial position of the Company after the end of financial year till the date of this Report.



- f) The Company has complied with the Secretarial Standards issued by Institute of Company Secretaries of India on Meetings of Board of Directors and General Meetings.
- g) The Central Government has not specified maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the Company.

**Appreciation:**

The Directors wish to place on record their appreciation of the contribution made by the employees at all levels to the working of the Company. The Directors also wish to place on record their appreciation for the shareholders, dealers, customers and banks for their continued support.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Date : 10<sup>th</sup> May, 2021

**M.B. PAREKH**  
CHAIRMAN & MANAGING DIRECTOR



## ANNEXURE 1

## FORM AOC – 2

*[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Act including certain arm's length transaction under third proviso thereto.

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

All contracts/arrangements/transactions entered into during the year ended 31<sup>st</sup> March, 2021 were at arm's length basis.

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

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

- i. Pidilite Industries Ltd. (Promoter Company)
- ii. Pidilite Lanka Pvt. Ltd. (Subsidiary of the Promoter Company)
- iii. Pidilite Speciality Chemicals Bangladesh Pvt. Ltd. (Subsidiary of the Promoter Company)

**b. Nature of contracts/arrangements/transactions:**

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

**c. Duration of the contracts/arrangements/transactions:**

On ongoing basis

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

Sale of Chemicals viz. VAM on commercial terms as per prevailing market price as applicable to bulk industrial consumers with firm commitment for off-take of materials from time to time.

For the Financial Year 2020-2021, the values of goods sold are as follows:

- |   |                    |
|---|--------------------|
| i. Pidilite Industries Ltd.                             | - ₹ 3,48,46,53,841 |
| ii. Pidilite Lanka Private Ltd.                         | - ₹ 40,79,577      |
| iii. Pidilite Speciality Chemicals Bangladesh Pvt. Ltd. | - ₹ 2,10,24,143    |

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

Not Applicable

**f. Amount paid as advances, if any:**

Not Applicable

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Mumbai  
Date : 10<sup>th</sup> May, 2021

**M.B. PAREKH**  
CHAIRMAN & MANAGING DIRECTOR



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**1. Brief outline on CSR Policy of the Company:**

The key focus areas of the Company's CSR Policy are to support various bodies in carrying CSR activities in the areas of rural development, education, health care, general semantics etc.

**2. Composition of CSR Committee:**

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri N. K. Parekh	Non-Executive Director	2	2
2	Shri M.B. Parekh	Chairman & Managing Director	2	2
3	Shri R.M. Gandhi	Independent Director	2	2
4	Smt. Y.J. Mogrelia	Independent Director	2	2

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

<http://www.vinylchemicals.com/policies.php>

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (CSR Policy) Rules, 2014, if applicable:**

Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (CSR Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Nil

**6. Average net profit of the Company as per section 135(5):**

₹ 1,139.08 lacs

**7. (a) Two percent of average net profit of the company as per section 135(5):**

₹ 22.78 lacs

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:**

Nil

**(c) Amount required to be set off for the financial year, if any:**

Nil

**(d) Total CSR obligation for the financial year (7a+7b+7c):**

₹ 22.78 lacs

## 8. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year 2020-21 (₹ in Lacs)	Amount Unspent (₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (₹)	Date of transfer	Name of the Fund	Amount (₹)	Date of transfer
25.00	—	—	—	—	—

## (b) Details of CSR amount spent against Ongoing projects for the financial year:

1 Sr. No.	2 Name of the Project	3 Items from the list of activities in Schedule VII of the Act	4 Local area (Yes/No)	5 Location of Project		6 Project Duration (in years)	7 Amount allocated for the project (₹ in lacs)	8 Amount spent in current Financial Year (₹ in lacs)	9 Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lacs)	10 Mode of implementation Direct (Yes/No)	11 Mode of Implementation through Implementing agency	
				State	District						Name	CSR Regn. No.
1	a. Agriculture & Horticulture	iv, x	No	Gujarat	Bhavnagar	3	*	25.00	—	No	Trivenikalyan Foundation	CSR00000487
	b. Women Self Help Group	iii, x	No	Gujarat	Bhavnagar	3	*					
<b>TOTAL</b>							<b>*</b>	<b>25.00</b>	<b>—</b>			

\* The Company has made a contribution of ₹ 25.00 lacs to Trivenikalyan Foundation, a registered public trust (the Implementing Agency) for CSR purposes. The projects are being implemented by the Implementing Agency jointly with other companies.

## (c) Details of CSR amount spent against other than Ongoing projects for the financial year:

Nil

## (d) Amount spent in Administrative Overheads:

Nil

## (e) Amount spent on Impact Assessment, if applicable:

Not Applicable

## (f) Total amount spent for the Financial Year (8b+8c+8d+8e):

₹ 25.00 lacs

## (g) Excess amount for set off, if any:

Sr. No	Particulars	Amount (₹ in lacs)
i.	2% of average net profits of the Company as per section 135(5)	22.78
ii.	Total amount spent for the Financial Year	25.00
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	2.22
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	—
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.22



9 (a) Details of Unspent CSR amount for the preceding three financial years:

Nil

(b) Details of CSR amount spent in the financial year for Ongoing projects of the preceding financial year(s):

Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not Applicable

**M.B. PAREKH**

(CHAIRMAN & MANAGING DIRECTOR)

**N.K. PAREKH**

(CHAIRMAN OF THE CSR COMMITTEE)

**ANENEXURE 3****REMUNERATION POLICY**

1. The Company while deciding the remuneration package of the Directors and senior management members takes into consideration the nature of responsibility of the position, employment scenario and remuneration package of the managerial talent of other comparable companies.
2. The fixed component of the remuneration package includes perquisites and allowances.

**3. Remuneration Policy for Managing Director/Executive Director(s) (if any):**

- a) The remuneration paid to the Managing Director/Executive Director(s) of the Company is approved by the Board of Directors on the recommendations of the Nomination & Remuneration Committee.
- b) Remuneration of the Managing Director consists of commission based on the net profits of the Company for each financial year. The commission amount is linked to the net profit of the Company for each financial year computed as per the Companies Act, 2013.
- c) Remuneration of Executive Directors: None at present. However, if appointed in future, the remuneration shall consist of a fixed component and/or commission based on the net profits of the Company for each financial year computed as per the Companies Act, 2013.

**4. Remuneration Policy for Non-Executive Directors:**

Non-Executive Directors on the Company's Board of Directors add substantial value to the Company through their contribution to the Management of the Company. In addition they also play an appropriate control role. For best utilization of the expertise of the Non-Executive Directors, the Company has constituted certain Committees of the Board.

The following remuneration is payable to Non-Executive Directors:

S. No.	Particulars	Remuneration
1.	Commission	Based on the Company's performance and at a rate not exceeding 1% p.a. of the net profits of the Company which shall be distributed uniformly among all the Non-Executive Directors of the Company
2.	Sitting Fees for attending Board Meetings and Committee Meetings	As approved by the Board of Directors from time to time within the overall limits as prescribed by the Companies Act, 2013

**5. Remuneration Policy for Senior Managers:**

- a) Annual increase in the fixed remuneration is based on defined criteria and subject to review by the HR Department & Managing Director and subject to the approval by the Nomination & Remuneration Committee, wherever required.
- b) One of the components of the remuneration package may be variable pay linked to defined performance parameters.
- c) Variable pay, if any, may be based on internally developed detailed performance related matrix which is verified by the Accounts and HR Departments.



**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

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

To,

**The Members,  
Vinyl Chemicals (India) Limited,**  
Regent Chambers, 7<sup>th</sup> Floor,  
208, Nariman Point, Mumbai-400021

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

We have conducted online verification of records, as facilitated by the Company, due to Covid-19 pandemic and subsequent lockdown situation for the purpose of issuing this Report.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and considering practical difficulties caused by restrictions imposed by the State Government due to Covid-19 pandemic, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period)**;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009  
**(Not applicable to the Company during the Audit Period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018  
**(Not applicable to the Company during the Audit Period);**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

- (i) Secretarial Standards (SS.1) relating to meetings of Board of Directors & SS.2 relating to General Meetings issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the Company has following specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

- Special Resolution passed by the Members at the 34<sup>th</sup> AGM held on 16<sup>th</sup> September, 2020 for re-appointment of Shri N. K. Parekh as Non-Executive Director as required under regulation 17(1A) of SEBI (LODR) Regulations, 2015.

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

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

FCS No. 1455, CP No. 729  
PR No.: 1000/2020  
UDIN: F001455C000269349

Place : Mumbai

Date : 10<sup>th</sup> May, 2021

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



**The Members,  
Vinyl Chemicals (India) Limited,**  
Regent Chambers, 7<sup>th</sup> Floor,  
208, Nariman Point, Mumbai-400021

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

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

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

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

FCS No. 1455, CP No. 729  
PR No.: 1000/2020  
UDIN: F001455C000269349

Place : Mumbai

Date : 10<sup>th</sup> May, 2021



## ANENEXURE 5

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

1. Ratio of remuneration of each Director to the median remuneration of the employees of the company for the financial year ended 31<sup>st</sup> March, 2021:

Sr. No.	Name of Director	Total Remuneration (₹ in lacs)	Ratio of Remuneration of Director to the Median Remuneration
1	Shri M.B. Parekh	79.00	5.6:1
2	Shri N.K. Parekh	3.99	0.3:1
3	Shri R.M. Gandhi	4.38	0.3:1
4	Smt. Y.J. Mogrelia	4.20	0.3:1
5	Shri A.D. Mavinkurve	4.04	0.3:1
6	Shri A.B. Parekh	3.60	0.3:1

## 2. The Percentage increase in remuneration of each Director and Key Managerial Personnel in the Financial Year 2020-2021:

Sr. No.	Name of Director/KMP	Remuneration (₹ in lacs)		Increase/ (Decrease) (%)
		2020-2021	2019-2020	
1	Shri M.B. Parekh	79.00	33.00	139.39
2	Shri N.K. Parekh	3.99	2.55	56.47
3	Shri R.M. Gandhi	4.38	2.51	74.50
4	Smt Y.J. Mogrelia	4.20	2.79	50.54
5	Shri A.D. Mavinkurve	4.04	2.94	37.24
6	Shri A.B. Parekh	3.60	-	-
7	Shri Mahendra Gayatonde (CFO)	31.33	27.13	10.40

## 3. Percentage increase in the median remuneration of employees in the Financial Year 2020-2021:

Particulars	Median Remuneration (₹ in lacs)		Increase (%)
	2020-2021	2019-2020	
Median remuneration of all employees (per annum)	14.16	12.14	13.80

4. The number of permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2021 were 13.

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

Particulars	Amount (₹ in lacs)		Increase/ Decrease (%)
	2020-2021	2019-2020	
Average salary of all employees (other than KMP)	20.48	19.35	5.82
KMP remuneration	31.33	27.13	10.40

## 6. Affirmation:

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

## II. DISCLOSURE UNDER RULES 5(2) &amp; 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

There were no employees who were in receipt of remuneration at a rate not less than ₹ 102 lacs per annum or ₹ 8.50 lacs per month (if employed for part of the year).



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

During the Financial Year 2020-2021, the Company did not have any manufacturing activity. The Company's current business activity is trading in Chemicals. Hence, information as applicable to trading activity is only given.

**A. Conservation of Energy** - Not Applicable

**B. Technology Absorption** - Not Applicable

**C. Foreign Exchange Earnings & Outgo:**

Total Foreign Exchange earned and used:

( ₹ in Lacs)

Sr. No.	Particulars	Financial Year 2020-2021	Financial Year 2019-2020
1.	Foreign Exchange earned	1,132.16	1,244.30
2.	Foreign Exchange used	39,210.03	32,419.45

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

### Industry Structure and Developments:

Large number of companies are active in trading of chemicals. About 10-12 importers are regularly importing Vinyl Acetate Monomer for trading into India.

### Opportunities, Threats, Outlook, Risks and Concerns:

The Company is currently engaged mainly in trading of Vinyl Acetate Monomer. The Company has so far not deemed it appropriate to add other chemicals to its trading activity.

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

### Impact of Covid-19 Pandemic:

The nationwide lockdown which was imposed due to 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. As per Company's expectations, 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 imposed by several State Governments since mid-April 2021, the normal operations of the Company were severely impacted. Performance of the Company during the current year will depend on the pandemic situation as well as the prevailing market conditions.

### Segment-wise Performance:

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

### Internal Control Systems and their Adequacy:

The Company has adequate internal control procedures commensurate with the 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:

The financial results and performance for the year are elaborated in the Directors' Report.

### Human Resources:

Harmonious relations continued to prevail with the employees. The total number of employees as on 31<sup>st</sup> March, 2021 were 13.

### Changes in Key Financial Ratios:

The details of changes in Key Financial Ratios are as under:

Sr No.	Ratio	As on 31.03.2021	As on 31.03.2020
1	Debtors Turnover Ratio	5.06	6.60
2	Inventory Turnover Ratio	6.53	6.33
3	Debt Equity Ratio	0.01	0.01
4	Current Ratio	1.34	1.65
5	Operating Profit Margin	4.57	5.24
6	Net Profit Margin	3.86	2.77
7	Return on Networth	17.57	12.41

The Return on Networth as on 31.03.2021 has improved due to favourable movement of global VAM prices, higher sales due to reduction in adverse impact of Covid-19 pandemic and lower fluctuations in foreign exchange rates.



## INDEPENDENT AUDITORS' REPORT

To the Members of  
Vinyl Chemicals (India) Limited

### Report on the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Vinyl Chemicals (India) Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in the Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read together with the Companies (Indian Accounting Standard) Rules, 2015, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, and its Profit, Total Comprehensive Income, its Cash Flows and Changes in the Equity for the year ended on that date.

#### Basis for Opinion

We have conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

#### Information Other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the information included in the Management Discussion and Analysis Report, Directors' Report including Annexures to the Directors' Report, Corporate Governance Report and Information for Shareholders but does not include the Standalone Ind AS Financial Statements and Auditor's Report thereon.

Our opinion on the Standalone Ind AS Financial Statements does not cover the other information and we do not express any form of assurance or conclusions thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility for the Audit of Standalone Ind AS Financial statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

- As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: Identify and assess the risks of material misstatement of the standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Ind AS Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2021 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS Financial Statements – Refer Note 30 to the Standalone Ind AS Financial Statements;
    - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise;
    - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund.

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

**Devendra Khanna  
Partner**

**Place : Mumbai  
Date : 10<sup>th</sup> May, 2021**

**Membership No. 038987  
UDIN No. : 21038987AAAAFJ7925**

**Annexure “A” to the Independent Auditors' Report**

**(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)**

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been physically verified by the Management in accordance with the phased programme of verification, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to information and explanations given by the Management, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, Clause 3(iii)(a), (b) and (c) of the Order are not applicable and hence not commented upon.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made investment or provided guarantee, which are covered by the provisions of Sections 185 and 186 of the Companies Act, 2013. Hence, reporting under Clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public. Accordingly, Clause 3(v) of the Order is not applicable.
- (vi) The cost records prescribed under Section 148(1) of the Act are not applicable to the Company and hence, Clause 3(vi) of the Order is not applicable.
- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues, as applicable, with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- b) According to information and explanations given to us and the records of the Company examined by us, in our opinion, there were no dues which have not been deposited in respect of Income Tax, Sales Tax, Service Tax Goods and Services Tax, Customs Duty, Excise Duty and Value Added Tax on account of any dispute except as mentioned below -

Name of Statute	Nature of Dues	Amount in ₹	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax in Various States	6,44,71,632	2005-06 to 2007-08, 2009-10, 2010-11	Joint Commissioner (Appeals), Maharashtra Sales Tax Tribunal

- (viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company has not taken loans from any financial institutions and government nor issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause 3(ix) of the Order is not applicable.
- (x) Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers/employees has been noticed or reported during the year nor have we been informed about any such case by the Management.



- (xi) In our opinion and according to information and explanations given to us, the Company has paid/provided remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- (xii) As the Company is not Nidhi Company, the reporting under Clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence, reporting under Clause 3(xiv) of the order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its Directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**Devendra Khanna  
Partner**

**Place : Mumbai  
Date : 10<sup>th</sup> May, 2021**

**Membership No. 038987  
UDIN No. : 21038987AAAAFJ7925**

**Annexure "B" to the Independent Auditors' Report**

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

**Report on the Internal Financial Controls under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Vinyl Chemicals (India) Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of information and explanations given to us, the Company has, in all materials respects, an adequate internal financial control system over financial reporting and such financial controls over financial reporting are operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Devendra Khanna  
Partner**

**Place : Mumbai  
Date : 10<sup>th</sup> May, 2021**

**Membership No. 038987  
UDIN No. : 21038987AAAAFJ7925**



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021**

	Notes	31st March, 2021	31st March, 2020
		₹	₹
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
a) Property, Plant and Equipment	3	20,39,902	21,04,271
b) Deferred tax asset (Net)	17	-	3,08,330
c) Other non-current assets	4	49,01,007	63,44,367
Total Non-current assets		69,40,909	87,56,968
<b>2. Current assets</b>			
a) Inventories	5	73,22,47,584	47,82,26,926
b) Financial Assets			
i) Other investments	6	54,59,22,974	47,41,76,137
ii) Trade receivables	7	1,10,73,06,865	45,58,54,227
iii) Cash and cash equivalents	8	10,97,09,062	10,63,25,517
iv) Bank balances other than (iii) above	9	79,22,710	86,99,977
v) Loans	10	57,258	38,000
vi) Other financial assets	11	15,000	13,45,087
c) Other current assets	12	17,93,78,200	2,24,56,821
Total Current assets		2,68,25,59,653	1,54,71,22,692
<b>Total Assets</b>		<b>2,68,95,00,562</b>	<b>1,55,58,79,660</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
<b>Shareholders' funds</b>			
a) Equity Share Capital	13	1,83,43,984	1,83,43,984
b) Other Equity	14	66,25,11,135	59,31,46,853
Equity attributable to owners of the Company & Total Equity		68,08,55,119	61,14,90,837
<b>LIABILITIES</b>			
<b>2. Non-current liabilities</b>			
a) Financial Liabilities			
Borrowings	15	49,47,308	49,47,308
b) Provisions	16	52,14,512	13,14,498
c) Deferred tax liabilities (Net)	17	68,112	-
Total Non-current liabilities		1,02,29,932	62,61,806
<b>3. Current liabilities</b>			
a) Financial liabilities			
i) Trade payables	18	-	-
Total outstanding dues of micro & small enterprises		-	-
Total outstanding dues of others		1,95,93,40,808	91,80,00,972
ii) Other financial liabilities	19	3,41,32,751	1,80,10,114
b) Other current liabilities	20	40,81,972	13,93,823
c) Provisions	21	8,59,980	7,22,108
Total Current liabilities		1,99,84,15,511	93,81,27,017
<b>Total Equity and Liabilities</b>		<b>2,68,95,00,562</b>	<b>1,55,58,79,660</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For Khanna & Panchmia**

Chartered Accountants  
Firm Reg. No. 136041W

**Devendra Khanna**

Partner  
Mem.No. 38987

Place : Mumbai  
Dated: 10<sup>th</sup> May, 2021

**P.C. Patel**  
President & Secretary

**M.S. Gayatonde**  
Chief Financial Officer

For and on behalf of the Board

**M.B. Parekh**  
Chairman & Managing Director

**N.K. Parekh**  
Director

<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021</b>				
	<b>Notes</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>	
		₹	₹	₹
<b>Income</b>				
Revenue from operations	22	4,04,15,22,865	3,72,32,75,728	
Other income	23	1,36,74,481	3,72,88,016	
<b>Total Income</b>		<b><u>4,05,51,97,346</u></b>	<b><u>3,76,05,63,744</u></b>	
<b>Expenses</b>				
Purchase of traded goods	24	4,06,63,14,601	3,33,96,05,325	
(Increase)/decrease in inventories of traded goods	25	<u>(25,40,20,658)</u>	<u>18,47,27,370</u>	
Cost of traded goods sold		3,81,22,93,943	3,52,43,32,695	
Employee benefit expenses	26	3,90,60,060	3,28,65,122	
Finance costs	27	4,64,174	5,11,597	
Depreciation and amortization	3	64,369	68,249	
Other expenses	28	5,08,77,591	10,28,87,964	
<b>Total Expenses</b>		<b><u>3,90,27,60,137</u></b>	<b><u>3,66,06,65,627</u></b>	
<b>Profit before tax</b>		<b><u>15,24,37,209</u></b>	<b><u>9,98,98,117</u></b>	
<b>Tax expense</b>				
Current tax	36	3,85,00,000	2,55,30,000	
Deferred tax	36	<u>4,23,615</u>	<u>(2,21,219)</u>	
Total tax expenses		3,89,23,615	2,53,08,781	
<b>Profit for the year</b>		<b><u>11,35,13,594</u></b>	<b><u>7,45,89,336</u></b>	
<b>Other Comprehensive Income</b>				
Less: Remeasurement of defined benefit plan (Gratuity)	29	1,40,245	3,46,296	
<b>Total Comprehensive Income</b>		<b><u>11,33,73,349</u></b>	<b><u>7,42,43,040</u></b>	
<b>Earnings per share</b>				
Basic		6.19	4.07	
Diluted		6.19	4.07	
<b>Summary of significant accounting policies</b>	2			
<b>The accompanying notes are an integral part of the financial statements</b>				
As per our report of even date <b>For Khanna &amp; Panchmia</b> Chartered Accountants Firm Reg. No. 136041W		For and on behalf of the Board		
<b>Devendra Khanna</b> Partner Mem.No. 38987		<b>P.C. Patel</b> President & Secretary	<b>M.B. Parekh</b> Chairman & Managing Director	
Place : Mumbai Dated: 10 <sup>th</sup> May, 2021		<b>M.S. Gayatonde</b> Chief Financial Officer	<b>N.K. Parekh</b> Director	



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

a. Equity Share Capital:	Amount (₹)
Balance at 1 <sup>st</sup> April, 2019	1,83,43,984
Changes in equity share capital during the year	-
Balance at 31 <sup>st</sup> March, 2020	1,83,43,984
Changes in equity share capital during the year	-
Balance at 31 <sup>st</sup> March, 2021	1,83,43,984

b. Other Equity:

	Reserves and Surplus			Total (₹)
	Capital Reserve (₹)	General Reserve (₹)	Surplus in Statement of Profit and Loss (₹)	
<b>Balance at 1<sup>st</sup> April, 2019</b>	<b>54,46,752</b>	<b>11,73,40,204</b>	<b>44,91,72,119</b>	<b>57,19,59,075</b>
Profit for the year			7,45,89,336	7,45,89,336
Other comprehensive income for the year, net of income tax			(3,46,296)	(3,46,296)
Transfer to General Reserve			-	-
Payment of dividends & dividend tax			(5,30,55,262)	(5,30,55,262)
<b>Balance at 31<sup>st</sup> March, 2020</b>	<b>54,46,752</b>	<b>11,73,40,204</b>	<b>47,03,59,897</b>	<b>59,31,46,853</b>
Profit for the year			11,35,13,594	11,35,13,594
Other comprehensive income for the year, net of income tax			(1,40,245)	(1,40,245)
Transfer to General Reserve			-	-
Payment of dividends & dividend tax			(4,40,09,067)	(4,40,09,067)
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>54,46,752</b>	<b>11,73,40,204</b>	<b>53,97,24,179</b>	<b>66,25,11,135</b>

As per our report of even date  
**For Khanna & Panchmia**  
 Chartered Accountants  
 Firm Reg. No. 136041W

**Devendra Khanna**  
 Partner  
 Mem.No. 38987

Place : Mumbai  
 Dated: 10<sup>th</sup> May, 2021

For and on behalf of the Board

**P.C. Patel**  
 President & Secretary

**M.S. Gayatonde**  
 Chief Financial Officer

**M.B. Parekh**  
 Chairman & Managing Director

**N.K. Parekh**  
 Director

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021</b>			
	<b>Notes</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
		₹	₹
<b>Cash flows from operating activities</b>			
<b>Profit/(loss) before tax</b>		<b>15,24,37,209</b>	<b>9,98,98,117</b>
<b>Adjustments for:</b>			
Interest income		(1,20,000)	(1,20,000)
Net (gain)/loss on sale of current investments		(1,12,29,438)	(1,39,17,524)
Net (gain)/loss on financial liabilities designated as at fair value through profit or loss		1,02,15,211	(2,32,43,161)
Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss		(18,64,175)	–
Finance costs		4,64,174	5,11,597
Remeasurement of defined benefit obligations through OCI (Gross)		(1,87,418)	(4,62,777)
Depreciation & amortization of non-current assets		64,369	68,249
		<b>14,97,79,932</b>	<b>6,27,34,501</b>
<b>Movements in working capital:</b>			
Decrease/(increase) in fixed assets		–	–
Decrease/(increase) in inventories		(25,40,20,658)	18,47,27,370
Decrease/(increase) in trade & other receivables		(65,14,52,638)	18,29,03,740
(Increase)/decrease in other assets		(15,33,89,923)	(1,32,49,399)
Increase/(decrease) in trade payables		1,04,13,39,836	13,61,19,680
Increase/(decrease) in provisions		40,37,886	5,73,850
Increase/(decrease) in other liabilities		18,95,575	49,92,276
<b>Cash generated from Operations</b>		<b>13,81,90,010</b>	<b>55,88,02,018</b>
Interest and other finance expenses		(4,64,174)	(5,11,597)
Income taxes paid		(3,18,00,000)	(4,63,59,355)
<b>Cash Flow before extraordinary items</b>		<b>10,59,25,836</b>	<b>51,19,31,066</b>
Extraordinary items		–	–
<b>Net Cash from Operating Activities (A)</b>		<b>10,59,25,836</b>	<b>51,19,31,066</b>
<b>Cash flows from investing activities</b>			
Sale/(Purchase) of financial assets (Net)		(5,86,53,224)	(43,84,78,406)
Interest received		1,20,000	1,20,000
<b>Net cash flows from/(used in) investing activities (B)</b>		<b>(5,85,33,224)</b>	<b>(43,83,58,406)</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

Notes	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
	₹	₹
<b>Cash flows from financing activities</b>		
Dividend paid (including dividend tax, where applicable) on equity shares	(4,40,09,067)	(5,30,55,262)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b><u>(4,40,09,067)</u></b>	<b><u>(5,30,55,262)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	33,83,545	2,05,17,398
Cash and cash equivalents at the beginning of the year	10,63,25,517	8,58,08,119
<b>Cash and cash equivalents at the end of the year</b>	<b><u>10,97,09,062</u></b>	<b><u>10,63,25,517</u></b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	20,820	18,531
Balances with banks - in current accounts	10,96,88,242	10,63,06,986
<b>Total cash and cash equivalents</b>	<b><u>10,97,09,062</u></b>	<b><u>10,63,25,517</u></b>

**Summary of significant accounting policies** 2

As per our report of even date

**For Khanna & Panchmia**

Chartered Accountants  
Firm Reg. No. 136041W

**Devendra Khanna**

Partner  
Mem.No. 38987

Place : Mumbai  
Dated: 10<sup>th</sup> May, 2021

For and on behalf of the Board

**P.C. Patel**  
President & Secretary

**M.S. Gayatonde**  
Chief Financial Officer

**M.B. Parekh**  
Chairman & Managing Director

**N.K. Parekh**  
Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

### Notes to the financial statements for the year ended 31<sup>st</sup> March, 2021

#### Note 1

##### Corporate Information

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

The address of its registered office is Regent Chambers, 7<sup>th</sup> Floor, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai 400021. The address of principal place of business is Ramkrishna Mandir Road, Off Mathuradas VasANJI Road, Andheri (E), Mumbai 400059.

#### Note 2

##### Significant Accounting Policies

#### 2.1 Basis of accounting & preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on the historical cost basis except for certain Financial Assets / Liabilities (including derivative instruments) which have been measured at fair values.

#### 2.2 Property, plant and equipment acquired separately & Depreciation

Freehold land is stated at cost and not depreciated.

Plant and Equipments and furniture are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over their useful lives, using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

##### Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

#### 2.3 Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories is determined on FIFO basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective and slow / non-moving stocks are duly provided for.

#### 2.4 Provisions (other than employee benefits)

A provision is recognised when as a result of past event, the Company has a present legal or constructive obligation which can be reliably estimated and it is probable that an outflow of economic benefit will be required to settle the obligation.



Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised but disclosed in the Notes to the Financial Statements, where an inflow of economic benefits is probable.

## **2.5 Financial instruments**

**2.5.1 Initial recognition & measurement:** Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

At initial recognition, financial assets and financial liabilities are initially measured at fair value, except for trade receivables and payables which are measured at their transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

**2.5.2 Subsequent measurement of financial assets:** All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Interest income is recognised in profit or loss and is included in the "Other income" line item.

### **2.5.3 Impairment of financial assets**

For Trade Receivables, the Company measures loss allowance at an amount equal to lifetime expected credit losses. The Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

### **2.5.4 Financial Liabilities**

All financial liabilities (other than derivative financial instruments) are classified as subsequently measured at amortised cost using effective interest method where applicable. Interest expense is included in the "Finance costs" line item.

### **2.5.5 Derecognition of financial assets and liabilities**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive the cash flows of the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

The Company derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

### **2.5.6 Derivative financial instruments**

The Company holds derivative financial instruments such as currency options or foreign exchange forward contracts to hedge its exposure to foreign currency exchange rate risks.

Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at fair value and changes are recognised in profit or loss.

## **2.6 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. Cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents for the purpose of cash flow statement comprise of cash at bank & cash in hand, as reduced by bank overdrafts (if any).

## **2.7 Employee benefits**

Employee benefits include Provident Fund, Superannuation Fund, Employee State Insurance Scheme, Gratuity Fund, Compensated Absences, Anniversary Awards, Premature Death Pension Scheme and Total Disability Pension Scheme.



**2.7.1 Defined contribution plans**

The Company's contribution to Provident Fund, Superannuation Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**2.7.2 Defined benefit plans**

For Defined Benefit Plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

**2.7.3 Short term and other long term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period in which the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**2.8. Taxation:**

- i. **Current tax:** The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.
- ii. **Deferred tax :**Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.  
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.  
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.  
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.
- iii. **Current & Deferred tax for the year :**Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**2.9 . Revenue Recognition:**

Revenue is recognised at a point in time when the performance obligation is satisfied & control of promised goods is transferred to customers, for an amount that reflects the consideration which the Company expects to receive in exchange for those goods.



Revenue is based on the transaction price which is the consideration taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government, except otherwise mentioned. Thus, it excludes Sales Tax/ VAT/Goods and Services Tax (GST). It is measured at transaction price, net of returns, rebates and discounts.

Claims which are not of material nature/insurance claims etc. are accounted for when no significant uncertainties are attached to their eventual receipt. Negotiated price reduction obtained from supplier is accounted for as a part of 'Other operating revenue'.

**2.10 Foreign currency**

At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Gains or losses arising from these translations are recognised in the Statement of Profit and Loss.

**2.11 Earnings Per Share:**

In determining the earnings per share, the Company considers the net profit after tax and post tax effect of any extra-ordinary/exceptional item is shown separately. The number of shares considered in computing basic earnings per share is the number of shares outstanding at the end of the year.

**2.12 Critical accounting judgements and key sources of estimation of uncertainty**

The preparation of the Company's financial statements requires Management i.e. the Directors of the Company to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses and accompanying disclosures and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹		
<b>Note 3</b>				
<b>Property, plant and equipment and capital work-in-progress (Net Block)</b>				
<b>Carrying amounts of:</b>				
Freehold land	18,57,310	18,57,310		
<b>Plant &amp; Equipment</b>				
Plant & equipment	1,45,695	2,03,198		
Furniture & Fixtures	36,897	43,763		
	<u>20,39,902</u>	<u>21,04,271</u>		
	Freehold Land ₹	Plant & Equipment ₹	Furniture & Fixtures ₹	Total ₹
<b>Cost or deemed cost (Gross Block)</b>				
<b>Balance at 1<sup>st</sup> April , 2019</b>	<b>18,57,310</b>	<b>4,57,453</b>	<b>88,704</b>	<b>24,03,467</b>
Additions	-	-	-	-
Disposals/ Adjustments	-	-	-	-
<b>Balance at 31<sup>st</sup> March , 2020</b>	<b>18,57,310</b>	<b>4,57,453</b>	<b>88,704</b>	<b>24,03,467</b>
Additions	-	-	-	-
Disposals/ Adjustments	-	-	-	-
<b>Balance at 31<sup>st</sup> March , 2021</b>	<b>18,57,310</b>	<b>4,57,453</b>	<b>88,704</b>	<b>24,03,467</b>
<b>Accumulated depreciation and impairment</b>				
<b>Balance at 1<sup>st</sup> April , 2019</b>	-	<b>1,96,596</b>	<b>34,351</b>	<b>2,30,947</b>
Depreciation expense	-	57,659	10,590	<b>68,249</b>
<b>Balance at 31<sup>st</sup> March , 2020</b>	-	<b>2,54,255</b>	<b>44,941</b>	<b>2,99,196</b>
Depreciation expense	-	57,503	6,866	<b>64,369</b>
<b>Balance at 31<sup>st</sup> March , 2021</b>	-	<b>3,11,758</b>	<b>51,807</b>	<b>3,63,565</b>
<b>Carrying amount (Net Block)</b>				
<b>Balance at 1<sup>st</sup> April , 2019</b>	<b>18,57,310</b>	<b>2,60,857</b>	<b>54,353</b>	<b>21,72,520</b>
Additions	-	-	-	-
Depreciation expense	-	57,659	10,590	<b>68,249</b>
Disposals/ Adjustments	-	-	-	-
<b>Balance at 31<sup>st</sup> March , 2020</b>	<b>18,57,310</b>	<b>2,03,198</b>	<b>43,763</b>	<b>21,04,271</b>
Additions	-	-	-	-
Disposals/ Adjustments	-	-	-	-
Depreciation expense	-	57,503	6,866	<b>64,369</b>
<b>Balance at 31<sup>st</sup> March , 2021</b>	<b>18,57,310</b>	<b>1,45,695</b>	<b>36,897</b>	<b>20,39,902</b>



	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹		
<b>Note 4</b>				
<b>Other Non-Current assets</b>				
<b>Loans - Non-Current</b>				
Unsecured, considered good				
Loans and Advances to Employees & Others*	10,05,000	10,05,000		
* Loans given for business purpose	<u>10,05,000</u>	<u>10,05,000</u>		
<b>Non-financial Assets - Others - Non-Current</b>				
Advance Payment of Taxes (Net of Provisions Rs.7,39,03,504 as at 31st March,2020)	-	14,43,360		
VAT Refund	38,96,007	38,96,007		
	<u>38,96,007</u>	<u>53,39,367</u>		
<b>Total other Non-Current assets</b>	<u>49,01,007</u>	<u>63,44,367</u>		
<b>Note 5</b>				
<b>Inventories (At lower of cost and net realizable value)</b>				
Stock in Trade (acquired for trading)	73,22,47,584	47,82,26,926		
	<u>73,22,47,584</u>	<u>47,82,26,926</u>		
Goods in transit included in the above stock	59,88,37,017	-		
<b>Note 6</b>				
<b>Financial Assets - Investments - Current</b>				
	As at 31 <sup>st</sup> March, 2021 Qty.	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 Qty.	As at 31 <sup>st</sup> March, 2020 ₹
<b>Investments in Mutual Funds</b>				
<b>Quoted</b>				
<b>Other investments</b>				
ICICI Prudential-Money Market Fund	18,48,840	54,59,22,974	-	-
ICICI Prudential-Overnight Direct Growth Fund	-	-	44,00,756	47,41,76,137
<b>Total</b>	<u>18,48,840</u>	<u>54,59,22,974</u>	<u>44,00,756</u>	<u>47,41,76,137</u>
<b>Note 7</b>				
<b>Financial Assets - Trade Receivables - Current</b>				
		As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹	
- Unsecured, considered good		1,10,73,06,865	45,58,54,227	
- Considered doubtful		25,777	-	
		<u>1,10,73,32,642</u>	<u>45,58,54,227</u>	
Less: Provision for doubtful receivables		25,777	-	
		<u>1,10,73,06,865</u>	<u>45,58,54,227</u>	
The average credit period on sales of goods is 47 days.				
Before accepting any new customer, the Company uses market information & checks financial position to assess the potential customer's credit quality.				
The Company has a policy of writing off bad debts on case to case basis since there are no major cases of defaults in the last five years.				

	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹
<b>Note 8</b>		
<b>Cash and Cash Equivalents</b>		
Cash on Hand	20,820	18,531
<b>Balance with banks</b>		
In Current Accounts (including Remittances in Transit)	10,96,88,242	10,63,06,986
	<u>10,97,09,062</u>	<u>10,63,25,517</u>
<b>Note 9</b>		
<b>Bank Balances other than Cash and Cash Equivalents</b>		
<b>Other Bank Balances</b>		
<b>Earmarked Accounts</b>		
In unpaid dividend accounts	79,22,710	86,99,977
	<u>79,22,710</u>	<u>86,99,977</u>
<b>Note 10</b>		
<b>Loans - Current</b>		
Unsecured, considered good		
Loans and Advances to Employees & Others*	57,258	38,000
*Loans given for business purpose	<u>57,258</u>	<u>38,000</u>
<b>Note 11</b>		
<b>Financial Assets - Others - Current</b>		
<b>Security deposit</b>		
Unsecured, considered good	15,000	15,000
<b>Other Receivables</b>		
Derivative asset	-	13,30,087
	<u>15,000</u>	<u>13,45,087</u>
<b>Note 12</b>		
<b>Non financial Assets - Others - Current</b>		
Prepaid Expenses	4,98,197	-
Advance Tax (Net of provision ₹ 6,40,30,000 & ₹ 7,85,00,000 as at 31.3.2020)	22,82,000	91,29,355
Others	17,65,98,003	1,33,27,466
	<u>17,93,78,200</u>	<u>2,24,56,821</u>



	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹		
<b>Note 13</b>				
<b>Share Capital</b>				
<b>Authorised Capital</b>				
3,49,66,001 Equity Shares of ₹ 1 each (3,49,66,001 Equity Shares of ₹ 1 each as at 31 <sup>st</sup> March, 2020)	3,49,66,001	3,49,66,001		
	<u><b>3,49,66,001</b></u>	<u><b>3,49,66,001</b></u>		
<b>Issued Capital</b>				
1,83,43,984 Equity Shares of ₹ 1 each, fully paid-up (1,83,43,984 Equity Shares of ₹ 1 each as at 31 <sup>st</sup> March, 2020)	1,83,43,984	1,83,43,984		
	<u><b>1,83,43,984</b></u>	<u><b>1,83,43,984</b></u>		
<b>Subscribed and Paid up Capital</b>				
1,83,37,111 Equity Shares of ₹ 1 each, fully paid-up (1,83,37,111 Equity Shares of ₹ 1 each as at 31 <sup>st</sup> March, 2020)	1,83,37,111	1,83,37,111		
Add: Amount received on 6,873 forfeited equity shares (6,873 forfeited equity shares as at 31 <sup>st</sup> March, 2020)	6,873	6,873		
	<u><b>1,83,43,984</b></u>	<u><b>1,83,43,984</b></u>		
<b>Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:</b>				
	<b>No. of Shares</b>	<b>Amount ₹</b>		
Balance at 31 <sup>st</sup> March, 2021 & 31 <sup>st</sup> March, 2020	1,83,37,111	1,83,43,984		
<b>Terms/Rights attached to equity shares</b>				
The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share.				
In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.				
During the year ended 31 <sup>st</sup> March, 2020, the Company had paid Final Dividend of ₹ 2.40 per equity share of ₹ 1 each for the Financial Year 2018-2019.				
During the year ended 31 <sup>st</sup> March, 2021, the Company had paid Final Dividend of ₹ 2.40 per equity share of ₹ 1 each for the Financial Year 2019-2020.				
On 10 <sup>th</sup> May, 2021, the Board of Directors of the Company have proposed a dividend of ₹ 3.75 per equity share in respect of the Financial Year ended 31 <sup>st</sup> March, 2021 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 6,87,64,166.				
<b>Details of shareholders holding more than 5% shares in the Company:</b>				
Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pidilite Industries Ltd.	74,51,540	40.64%	74,51,540	40.64%

	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹
<b>Note 14</b>		
<b>Other Equity</b>		
Capital Reserve	54,46,752	54,46,752
General Reserve	11,73,40,204	11,73,40,204
Surplus in Statement of Profit and Loss	<u>53,97,24,179</u>	<u>47,03,59,897</u>
	<b><u>66,25,11,135</u></b>	<b><u>59,31,46,853</u></b>
<b>a. Capital Reserve</b>		
Balance as per last financial statements	<u>54,46,752</u>	<u>54,46,752</u>
	<b><u>54,46,752</u></b>	<b><u>54,46,752</u></b>
<b>b. General Reserve</b>		
Balance as per last financial statements	<u>11,73,40,204</u>	<u>11,73,40,204</u>
	<b><u>11,73,40,204</u></b>	<b><u>11,73,40,204</u></b>
<b>c. Surplus in Statement of Profit and Loss</b>		
Balance as per last financial statements	47,03,59,897	44,91,72,119
Add : Profit for the year	11,35,13,594	7,45,89,336
Less : Final Equity Dividend of 2018-2019 paid in 2019-2020 & of 2019-2020 paid in 2020-2021	(4,40,09,067)	(4,40,09,067)
Tax on equity dividend	-	(90,46,195)
Add/(Less):Other comprehensive income	(1,40,245)	(3,46,296)
<b>Closing Balance</b>	<b><u>53,97,24,179</u></b>	<b><u>47,03,59,897</u></b>
<b>Note 15</b>		
<b>Financial Liabilities - Borrowings -Non-current</b>		
Deferred sales tax loan (unsecured)	<u>49,47,308</u>	<u>49,47,308</u>
	<b><u>49,47,308</u></b>	<b><u>49,47,308</u></b>
<b>Note 16</b>		
<b>Provisions - Non-Current</b>		
Provision for leave benefits (long term)	7,86,729	7,80,700
Provision for tax (Net of tax payment ₹ 3,00,000)	38,80,216	-
Provision for gratuity (long term)	<u>5,47,567</u>	<u>5,33,798</u>
	<b><u>52,14,512</u></b>	<b><u>13,14,498</u></b>
<b>Note 17</b>		
<b>Deferred Tax (Liabilities)/Assets (Net)</b>		
Tax effect of items constituting Deferred Tax Liabilities	(4,98,179)	(36,784)
Tax effect of items constituting Deferred Tax Assets	<u>4,30,067</u>	<u>3,45,114</u>
	<b><u>(68,112)</u></b>	<b><u>3,08,330</u></b>
<b>Note 18</b>		
<b>Financial Liabilities - Trade Payables - Current</b>		
<b>Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,95,93,40,808	91,80,00,972
	<b><u>1,95,93,40,808</u></b>	<b><u>91,80,00,972</u></b>



	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹
<b>Note 19</b>		
<b>Financial Liabilities - Others - Current</b>		
Unpaid Dividend	79,22,711	86,99,978
Accrued liabilities for expenses	1,73,24,916	93,10,136
Derivative liability	88,85,124	—
	<u>3,41,32,751</u>	<u>1,80,10,114</u>
<b>Note 20</b>		
<b>Non Financial Liabilities - Others - Current</b>		
Statutory remittances	25,46,737	4,79,233
Employee related liabilities	2,16,308	2,11,371
Advances from customers	13,18,927	7,03,219
	<u>40,81,972</u>	<u>13,93,823</u>
<b>Note 21</b>		
<b>Provisions-Current</b>		
Provision for gratuity (short term)	6,14,030	5,94,451
Provision for leave benefits (short term)	2,45,950	1,27,657
	<u>8,59,980</u>	<u>7,22,108</u>
<b>Note 22</b>		
<b>Revenue from operations</b>		
<b>Sale of products (traded goods)</b>		
Vinyl Acetate Monomer	3,95,34,10,649	3,61,09,25,364
<b>Other operating revenue</b>		
Discount received	8,79,18,717	11,23,50,364
Insurance claims received	1,93,499	—
	<u>4,04,15,22,865</u>	<u>3,72,32,75,728</u>
<b>Note 23</b>		
<b>Other income</b>		
Interest income on Deposit	1,20,000	1,20,000
Net gain arising on financial assets/liabilities designated as at Fair Value Through Profit or Loss (FVTPL)	18,64,175	2,31,69,669
Net gain on sale of current investments	1,12,29,438	1,39,17,524
<b>Miscellaneous income</b>		
Miscellaneous receipts	4,60,868	80,823
	<u>1,36,74,481</u>	<u>3,72,88,016</u>
<b>Note 24</b>		
<b>Purchase of traded goods</b>		
Vinyl Acetate Monomer	4,06,63,14,601	3,33,96,05,325
	<u>4,06,63,14,601</u>	<u>3,33,96,05,325</u>



	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹
<b>Note 25</b>		
<b>(Increase)/Decrease in inventories of traded goods</b>		
Inventories at the beginning of the year	47,82,26,926	66,29,54,296
Less: Inventories at the end of the year	<u>73,22,47,584</u>	<u>47,82,26,926</u>
	<b><u>(25,40,20,658)</u></b>	<b><u>18,47,27,370</u></b>
<b>Note 26</b>		
<b>Employee benefits expenses</b>		
Salary,wages,allowances, bonus etc.	3,69,40,752	3,11,65,694
Contribution to provident and other funds	14,43,286	13,21,611
Staff welfare expenses	<u>6,76,022</u>	<u>3,77,817</u>
	<b><u>3,90,60,060</u></b>	<b><u>3,28,65,122</u></b>
<b>Note 27</b>		
<b>Finance costs</b>		
Interest expense	45,731	10,562
Bank charges	<u>4,18,443</u>	<u>5,01,035</u>
	<b><u>4,64,174</u></b>	<b><u>5,11,597</u></b>
<b>Note 28</b>		
<b>Other expenses</b>		
Insurance	19,24,509	24,04,804
Rent	56,800	48,800
Rates & Taxes	-	600
Repairs to others	53,450	88,946
Printing and stationery	22,915	44,561
Postage and telephone	98,563	1,04,555
Travelling and conveyance	2,46,413	6,56,884
Motor car expenses	8,10,879	7,20,792
Provision for doubtful debts	25,777	-
Directors' sitting fees	5,20,500	4,78,500
Commission to non-executive directors	15,00,000	6,00,000
Payments to auditor (refer details below)	7,65,000	6,71,500
Exchange loss on foreign currency transactions and translation (net)	2,81,71,697	8,92,09,186
Net loss arising on financial assets/liabilities designated as at FVTPL	1,02,15,211	21,594
Contribution towards CSR.	25,00,000	27,00,000
Miscellaneous expenses	<u>39,65,877</u>	<u>51,37,242</u>
	<b><u>5,08,77,591</u></b>	<b><u>10,28,87,964</u></b>
<b>Payments to Auditor</b>		
<b>As Auditor</b>		
Audit fee	4,00,000	4,00,000
Tax audit fee	50,000	50,000
VAT audit fee	-	70,000
<b>In other capacity</b>		
For other services (certification fees)	<u>3,15,000</u>	<u>1,51,500</u>
	<b><u>7,65,000</u></b>	<b><u>6,71,500</u></b>



	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹
<b>Note 29</b>		
<b>Other Comprehensive Income</b>		
Actuarial (gains)/losses	1,87,418	4,62,777
Less: Tax effect on Other Comprehensive Income	47,173	1,16,481
	<u>1,40,245</u>	<u>3,46,296</u>
<b>Note 30</b>		
<b>Contingent liabilities not provided for</b>		
Claims against the Company not acknowledged as debts comprise of:		
Sales Tax claims disputed by the Company relating to issue of declaration forms, set-off & classification of sales	6,44,71,632	6,44,71,632
<b>Note 31</b>		
<b>Details of dues to micro and small enterprises</b>		
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.		
<b>Note 32</b>		
<b>Related party disclosures :</b>		
i. Names of related parties and relationship:		
Pidilite Industries Limited	– Promoter Company (holds 40.64% of equity shares of the Company)	
Pidilite Speciality Chemicals Bangladesh Private Limited	– Subsidiary of Promoter Company	
Pidilite Lanka (Private) Limited	– Subsidiary of Promoter Company	
ii. Key Managerial Personnel		
	– Shri M.B. Parekh, Chairman and Managing Director	
	Shri P.C. Patel, President & Company Secretary	
	Shri M.S. Gayatonde, Chief Financial Officer	
iii. Other Directors		
	– Sarva Shri N.K. Parekh, A.B. Parekh, R.M. Gandhi, A.D. Mavinkurve & Smt. Y.J. Mogrelia	

iv. Transactions with related parties are as follows:

	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹
a. Sales and related income (excluding tax)		
i) Pidilite Industries Limited	3,48,46,53,841	3,20,26,24,549
ii) Pidilite Speciality Chemicals Bangladesh Private Limited	2,10,24,143	72,02,845
iii) Pidilite Lanka (Private) Ltd.	40,79,577	48,77,128
b. Sitting fees to Directors	5,20,500	4,78,500
c. Commission to Directors	15,00,000	6,00,000
d. Commission to Managing Director	79,00,000	33,00,000
e. Payment to Chief Financial Officer	31,33,100	28,37,892
f. Outstanding balance :		
Debtors		
i) Pidilite Industries Limited	1,03,89,67,661	35,41,29,569
ii) Pidilite Speciality Chemicals Bangladesh Private Limited	55,49,786	26,42,378
iii) Pidilite Lanka (Private) Ltd.	27,12,056	27,79,724

Except 32 (iv)(b),( c),(d) & (e), the rest of the above transactions are with Pidilite Industries Limited & its subsidiaries.

No amounts have been written off or written back during the year in respect of debts due from or to related parties.

### Note 33

#### Earnings per share (EPS)

Computation for both basic and diluted earnings per share of ₹ 1 each (previous year ₹ 1 each):

a. Profit as per statement of profit & loss available for equity shareholders	11,35,13,594	7,45,89,336
b. Number of equity shares for basic and diluted earnings per share computation	1,83,37,111	1,83,37,111
c. Basic and diluted earnings per share (₹)	6.19	4.07

### Note 34

#### Segment information

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



**Note 35**

**Gratuity**

The Company has classified various employee benefits as under:

**A) Defined Contribution Plans**

- (a) Provident Fund
- (b) Superannuation Fund

The Provident Fund is operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

**The Company has recognised the following amounts in the Statement of Profit and Loss:**

	For the year ended	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
	₹	₹
(i) Contribution to Provident Fund	7,42,088	6,55,664
(ii) Contribution to Employees' Superannuation Fund	1,29,024	1,15,200
(iii) Contribution to Employees' Pension Scheme 1995	1,65,000	1,92,500
(iv) Contribution to National Pension Scheme	1,25,028	1,11,636
	<b>11,61,140</b>	<b>10,75,000</b>

**B) Defined Benefit Plans**

- (a) Gratuity
- (b) Compensated Absences

Valuations in respect of above have been carried out by independent actuary as at the balance sheet date, based on the following assumptions:

	Valuations as at	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
(i) Discount Rate (per annum)	6.44%	6.04%
(ii) Rate of increase in Compensation levels (per annum)	6.50%	6.50%
(iii) Expected Rate of Return on Assets	6.44%	6.04%
(iv) Attrition Rate	2.00%	2.00%
(v) Retirement Age	60 years	60 years
(vi) The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.		
(vii) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.		
(viii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.		

	31 <sup>st</sup> March 2021 Gratuity Funded (₹)	31 <sup>st</sup> March 2020 Gratuity Funded (₹)
<b>Changes in Present value of Obligation</b>		
(a) Opening Present value of Obligation	54,37,599	44,33,203
(b) Interest cost	3,28,431	3,31,160
(c) Service cost	2,14,000	1,89,449
(d) Benefits paid	(8,14,400)	-
(e) Actuarial (Gain)/Loss	2,37,356	4,83,787
(f) Closing Present value of Obligation	54,02,986	54,37,599
<b>Changes in Fair value of Plan Assets</b>		
(a) Opening Fair value of Plan Assets	43,09,350	36,67,972
(b) Expected Return on Plan Assets	49,938	21,010
(c) Actuarial Gain/(Loss)	-	-
(d) Employer's Contributions	4,36,216	3,46,370
(e) Interest income	2,60,285	2,73,998
(f) Benefits Paid	(8,14,400)	-
(g) Closing Fair value of Plan Assets	42,41,389	43,09,350
<b>Actual Return on Plan Assets</b>		
(a) Expected Return on Plan Assets	49,938	21,010
(b) Actuarial Gain/(Loss) on Plan Assets	-	-
(c) Actual Return on Plan Assets	49,938	21,010
<b>Percentage of each category of Plan Assets to total closing fair value</b>		
Administered by Life Insurance Corporation of India	42,41,389	43,09,350
<b>Reconciliation of the Present Value of Defined Present Obligations and Fair Value of Assets</b>		
(a) Closing Present Value of Funded Obligation	54,02,986	54,37,599
(b) Closing Fair Value of Plan Assets	42,41,389	43,09,350
(c) Funded Asset/(Liability) recognised in the Balance Sheet (b - a)	(11,61,597)	(11,28,249)
<b>Amounts recognized in the Balance Sheet</b>		
(a) Closing Present value of Obligation	(54,02,986)	(54,37,599)
(b) Closing Fair value of Plan Assets	42,41,389	43,09,350
(c) Asset/(Liability) recognized in the Balance Sheet (a + b)	(11,61,597)	(11,28,249)
<b>Expenses recognized in the Statement of Profit and Loss and OCI</b>		
(a) Service Cost	2,14,000	1,89,449
(b) Interest Cost	68,146	57,162
(c) Total Expenses recognized in the Statement of Profit and Loss	<u>2,82,146</u>	<u>2,46,611</u>
(d) Expected Return on Plan Assets	(49,938)	(21,010)
(e) Net Actuarial (Gain)/Loss recognised in OCI	2,37,356	4,83,787
(f) Total Expenses recognized in Comprehensive Income	<u>1,87,418</u>	<u>4,62,777</u>
(g) <b>Total Expenses recognized in Profit &amp; Loss &amp; OCI (c + f)</b>	<u><b>4,69,564</b></u>	<u><b>7,09,388</b></u>



	For the year ended	
	31 <sup>st</sup> March, 2021 (₹)	31 <sup>st</sup> March, 2020 (₹)
<b>Sensitivity Analysis</b>		
<b>Defined Benefit Obligation</b>		
<b>Discount Rate</b>		
Discount Rate - 1%	3,03,786	3,00,266
Discount Rate + 1%	(2,74,332)	(2,70,668)
<b>Salary Increase Rate</b>		
Rate - 1%	(1,92,250)	(1,83,058)
Rate + 1%	2,10,062	1,99,775

Actuarial gains and losses in respect of defined benefit plans are recognised in the financial statements through Other Comprehensive Income.

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility**

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under-perform compared to the government bonds' discount rate, this will create or increase a deficit.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

**Changes in bond yields**

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings.

**Life expectancy**

The majority of the plan's obligations are to provide benefits for the service life of the member, so increases in service life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in service life expectancy.

Note 36	As at	As at
	31 <sup>st</sup> March, 2021 ₹	31 <sup>st</sup> March, 2020 ₹
<b>Current Tax &amp; Deferred taxation</b>		
<b>Current Tax</b>		
Current Tax for current year	3,85,00,000	2,55,30,000
	<b>3,85,00,000</b>	<b>2,55,30,000</b>
<b>Deferred tax (liability)/asset</b>		
Balance as per last financial statements	(A) 3,08,330	(29,370)
Due to depreciation on fixed assets	7,818	21,475
Due to provision for doubtful debts	6,488	-
Provision for leave encashment	31,292	1,85,019
Due to Ind AS adjustments	(4,69,213)	14,725
Net (debit)/credit to Profit & Loss	(B) (4,23,615)	221,219
Net (debit)/credit to Other Comprehensive Income	(C) 47,173	1,16,481
<b>Closing balance</b>	<b>(A+B+C) (68,112)</b>	<b>3,08,330</b>

The above working of deferred tax is based on assessment orders where assessments are completed and on return of income in other cases.

<b>Note 37</b>	<b>As at</b>	<b>As at</b>
<b>Details of Option/Forward Contracts and Unhedged foreign currency exposure</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
	₹	₹
a. Details of option/forward contracts outstanding as at the balance sheet date:		
<b>Particulars</b>	<b>Purpose</b>	
US\$ 2,07,78,535.65 (previous year US\$1,00,38,912.02)	Import of trading goods	1,52,78,45,726
		75,71,34,744
b. Details of unhedged foreign currency exposure as at the balance sheet date:		
<b>Particulars</b>	<b>Purpose</b>	
US\$ 57,62,080.85 (previous year US\$ 24,86,423.68)	Import trade payables	42,36,85,805
		18,75,26,074
<b>Note 38</b>		
<b>Expenditure in foreign currency</b>		
C.I.F. value of traded goods	3,92,10,02,694	3,24,19,45,366
<b>Note 39</b>		
<b>Earnings in foreign exchange</b>		
Export of goods on FOB basis	2,51,03,720	1,20,79,973
Insurance claims received	1,93,499	–
Rebate/Price adjustment received	8,79,18,717	11,23,50,364
	<b>11,32,15,936</b>	<b>12,44,30,337</b>
<b>Note 40</b>		
<b>Financial Instruments</b>		
i. <b>Capital Management</b>		
The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimum utilisation of the equity balance. The capital structure of the Company consists of only equity of the Company. The Company is not subject to any externally imposed capital requirements.		
ii. <b>Categories of financial instruments</b>		
	<b>As at</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
	₹	₹
<b>Financial assets</b>		
Measured at FVTPL		
(i) Investments in Mutual Funds	54,59,22,974	47,41,76,137
Measured at amortised cost		
(i) Trade Receivables	1,10,73,06,865	45,58,54,227
(ii) Cash and cash equivalents	10,97,09,062	10,63,25,517
(iii) Bank balances other than (ii) above	79,22,710	86,99,977
(iv) Loans	57,258	38,000
(v) Foreign exchange option / forward contracts	–	13,30,087
(vi) Security deposits *	15,000	15,000
<b>Total</b>	<b>1,77,09,33,869</b>	<b>1,04,64,38,945</b>
* Included in other financial assets		



	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹
<b>Financial liabilities</b>		
Measured at FVTPL		
(i) Foreign exchange option/forward contracts	88,85,124	-
Measured at amortised cost		
i) Borrowings	49,47,308	49,47,308
ii) Trade payables	1,95,93,40,808	91,80,00,972
iii) Other financial liabilities	2,52,47,627	1,80,10,114
	<u>1,99,84,20,867</u>	<u>94,09,58,394</u>

iii. **Financial risk management objectives**

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

iv. **Market risk**

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates (see note below). The Company enters into vanilla currency options or forward foreign exchange contracts to manage its exposure to foreign currency risk of imports.

v. **Foreign currency sensitivity analysis**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

Exchange rate exposures are managed within approved policy parameters .

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Forward contracts/ options Value in Foreign Currency		Value (₹)	
	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Amounts payable in foreign currency on account of the following:				
USD	2,07,78,536	1,00,38,912	1,52,78,45,726	75,71,34,744
Average Exchange rate USD Buy (₹ per USD)			74.12	71.01

The Company is mainly exposed to the USD.

The following table details the Company's sensitivity to a 2% increase and decrease in INR against the relevant foreign currency. 2% is the sensitivity rate used when reporting foreign currency risk internally to Key Management Personnel and represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.



A negative number below indicates a decrease in profit or equity where the INR weakens 2% against USD. For a 2% strengthening of the INR against USD, there would be a comparable impact on the profit or equity, and the balances below would be positive.

Particulars	USD impact	
	F.Y. 2020-2021	F.Y. 2019-2020
Impact on profit or loss for the year	(3,05,56,915)	(1,51,42,695)

This is mainly attributable to the exposure outstanding on USD payables towards imports.

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

The line-items in the balance sheet that include the above hedging instruments are "Other financial liabilities".

The aggregate amount of MTM loss/gain under options/forward foreign exchange contracts recognised in profit or loss for the year, is Loss of ₹ 1,02,15,211 (Gain of ₹ 2,31,69,669 in 2019-2020).

#### vi Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Trade receivables consist of customers spread across diverse industries and geographical areas.

Apart from Pidilite Industries Ltd., the largest customer of the Company, the Company does not have significant credit risk exposure to any single counterparty.

The credit risk on liquid plus funds and derivative financial instruments is limited because the counterparties are fund houses and banks with high credit-ratings assigned by international credit-rating agencies.

#### vii Liquidity risk management

As the Company is engaged in trading of chemicals, it enjoys a higher credit period from its suppliers as compared to the credit period extended to its customers. Consequently, the Company's liquidity position is normally strong thereby substantially reducing the requirement of obtaining external finances.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Note given below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk:

Financing facilities	As at 31 <sup>st</sup> March, 2021 ₹	As at 31 <sup>st</sup> March, 2020 ₹
Secured Bank Overdraft/WCDL facility/Term Loan		
- amount used	-	-
- amount unused	9,00,00,000	9,00,00,000
	<b>9,00,00,000</b>	<b>9,00,00,000</b>

#### viii Fair value measurements

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period.



This note provides information about how the Company determines fair values of various financial assets and financial liabilities:

Sr. No.	Financial assets/Financial liabilities	Fair value (₹) as at		Fair value hierarchy	Valuation technique(s) and key input(s)
		31/03/2021	31/03/2020		
1	Foreign currency option/ forward contracts	1,53,67,30,850 (Liability) including MTM loss of ₹ 88,85,124	75,58,04,658 (Liability) net of MTM gain of ₹ 13,30,086	Level 2	Mark to market values acquired from banks, with whom the Company contracts.
2	Investment in Mutual Funds	54,59,22,974	47,41,76,137	Level 1	Quoted bid prices in active market

**Note 41**

**Taxes**

**i. Deferred Tax  
2020-2021**

a) Deferred tax assets/(liabilities) in relation to:

Particulars	Opening Balance (₹)	Recognised in Profit or Loss (₹)	Closing Balance (₹)
Investments (FVTPL)	(18,498)	(4,69,213)	(4,87,711)
Provision for leave encashment	2,28,633	31,292	2,59,925
Provision for doubtful debts	—	6,488	6,488
Property, plant and equipment	(18,286)	7,818	(10,468)
	<b>1,91,849</b>	<b>(4,23,615)</b>	<b>(2,31,766)</b>

b) Deferred tax assets/(liabilities) in relation to:

Particulars	Opening Balance (₹)	Recognised in Profit or Loss (₹)	Closing Balance (₹)
Gratuity (expense recognised in OCI as per Actuarial Valuation)	1,16,481	47,173	1,63,654
	<b>1,16,481</b>	<b>47,173</b>	<b>1,63,654</b>

**ii 2019-2020**

a) Deferred tax assets/(liabilities) in relation to:

Particulars	Opening Balance (₹)	Recognised in Profit or Loss (₹)	Closing Balance (₹)
Investments (FVTPL)	(33,223)	14,725	(18,498)
Provision for leave encashment	43,614	1,85,019	2,28,633
Property, plant and equipment	(39,761)	21,475	(18,286)
	<b>(29,370)</b>	<b>2,21,219</b>	<b>1,91,849</b>

b) Deferred tax assets/(liabilities) in relation to:

Particulars	Opening Balance (₹)	Recognised in Profit or Loss (₹)	Closing Balance (₹)
Gratuity (expense recognised in OCI as per Actuarial Valuation)	—	1,16,481	1,16,481
	<b>—</b>	<b>1,16,481</b>	<b>1,16,481</b>

## iii. Income taxes relating to continuing operations

## Income tax recognised in profit or loss

Particulars	For year ended 31 <sup>st</sup> March, 2021 ₹	For year ended 31 <sup>st</sup> March, 2020 ₹
<b>Current tax</b>		
In respect of the current year	3,85,00,000	2,55,30,000
<b>Deferred tax</b>		
In respect of the current year	4,23,615	(2,21,219)
<b>Total income tax expense recognised in the current year relating to continuing operations</b>	<b>3,89,23,615</b>	<b>2,53,08,781</b>

## iv. The income tax expense for the year can be reconciled to the accounting profit as follows:

	For year ended 31 <sup>st</sup> March, 2021 ₹	For year ended 31 <sup>st</sup> March, 2020 ₹
<b>Profit before tax from continuing operations</b>	<b>15,24,37,209</b>	<b>9,98,98,117</b>
Income tax expense calculated at 25.17% (2019-2020: 25.17%)	3,83,68,446	2,51,44,356
<b>Effect of expenses that are not deductible in determining taxable profit:</b>		
CSR Expenses	6,29,250	3,39,795
Deferred tax impact	–	(1,83,782)
Interest under Income Tax	103	922
Additional provision made during the year	(74,184)	7,490
<b>Income tax expense recognised in profit or loss (relating to continuing operations)</b>	<b>3,89,23,615</b>	<b>2,53,08,781</b>

## Note 42

## Events after reporting period

There was no significant event after the end of the reporting period which requires any adjustment or disclosure in the financial statement other than the following:

- The proposed dividend of ₹ 3.75 per equity share of ₹ 1 each, recommended by Board of Directors at its meeting held on 10<sup>th</sup> May, 2021. The proposed dividend amounts to ₹ 6,87,64,166 and is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.
- The Company has considered the possible effects that may result from the Covid-19 pandemic on its operations. In developing the assumptions relating to possible future uncertainties in the economic conditions due to this pandemic, the Company has, upto the date of approval of the financial statements, used both internal & external sources of information.



**Note 43**

These financial statements have been approved by the Board of Directors of the Company in the meeting held on 10<sup>th</sup> May, 2021.

**Note 44**

In the opinion of the Management, all assets other than Fixed Assets and Non-Current investments have a realisable value in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

**Note 45**

Previous year's figures have been regrouped wherever necessary.

As per our report of even date

For and on behalf of the Board

**For Khanna & Panchmia**

Chartered Accountants

Firm Reg. No. 136041W

**P.C. Patel**

President & Secretary

**M.B. Parekh**

Chairman & Managing Director

**Devendra Khanna**

Partner

Mem.No. 38987

**M.S. Gayatonde**

Chief Financial Officer

**N.K. Parekh**

Director

Place : Mumbai

Dated: 10<sup>th</sup> May, 2021

## CORPORATE GOVERNANCE REPORT

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

### 1. Company's Philosophy on Code of Governance:

The Company is committed to adopting good corporate governance practices and has complied in all material respects with the requirements specified in the Listing Regulations. The Company endeavors to ensure that highest standards of ethical and responsible conduct are met.

### 2. Board of Directors:

During the Financial Year 2020-2021, four Board Meetings were held on 15<sup>th</sup> June, 2020, 4<sup>th</sup> August, 2020, 2<sup>nd</sup> November, 2020 and 25<sup>th</sup> January, 2021 which were held through Video Conferencing.

The composition of the Board is in conformity with the provisions of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 17 of the Listing Regulations. The Independent Directors constitute 50% of the Board's strength. The details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting (AGM), details of other Directorships and Committee positions as on 31<sup>st</sup> March, 2021 are given as an Annexure to this Report.

The number of equity shares of face value of ₹ 1 each of the Company held by Non-Executive Directors as on 31<sup>st</sup> March, 2021 are as follows:

Shri N.K. Parekh - 75,951; Shri R.M. Gandhi - 2,700; Smt. Y.J. Mogrelia - 300; Shri A.D.Mavinkurve - Nil and Shri A.B. Parekh - 94,583.

The familiarization programme for Independent Directors in terms of the provisions of the Listing Regulations is uploaded on the website of the Company [www.vinylchemicals.com](http://www.vinylchemicals.com).

### 3. Core skills/expertise/competence of the Board of Directors:

The following are the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's business for it to function effectively:

- a. General Management and Business experience at senior level.
- b. Strategic thinking and governance.
- c. Expertise in finance, legal and regulatory matters.

The aforesaid skills are available with the Board of the Company.

### 4. Independent Directors' Meeting:

In accordance with the provisions of Schedule IV (Code for Independence Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held on 22<sup>nd</sup> January, 2021.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are Independent of the management of the Company. The company had received declarations from the Independent Directors that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations. The draft letter of appointment/re-appointment containing the terms and conditions issued to the Independent Directors is uploaded on the Company's website [www.vinylchemicals.com](http://www.vinylchemicals.com).



**5. Audit Committee:**

The composition of the Committee, its power and terms of reference are in conformity with provisions of Section 177 of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. All recommendations made by the Audit Committee were accepted by the Board.

During the Financial Year 2020-2021, four meetings of the Committee were held on 15<sup>th</sup> June, 2020, 4<sup>th</sup> August, 2020, 2<sup>nd</sup> November, 2020 and 25<sup>th</sup> January, 2021.

The details of the composition of the Committee and attendance of the members at the meetings are as follows :

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

NED (I) - Non-Executive Director, Independent

ED (P) - Non-Executive Director, Promoter

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

The Chairman of the Audit Committee was present at 34<sup>th</sup> Annual General Meeting of the Company held on 16<sup>th</sup> September, 2020.

**6. Nomination & Remuneration Committee:**

The composition of the Committee and its terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 & Part D of Schedule II of the Listing Regulations. The Company has formulated a Remuneration Policy for Directors, Key Managerial Personnel (KMPs) and all Senior Management Personnel and the same is available on the website of the Company [www.vinylchemicals.com](http://www.vinylchemicals.com). The Remuneration policy of the Company is directed towards time commitment and responsibilities of the Directors, desirability of performance-based remuneration and salaries paid by comparable companies. During the Financial Year 2020-2021, one meeting of the Committee was held on 15<sup>th</sup> June, 2020, which was attended by all the members of the Committee.

The details of composition of the Committee as follows :

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

NED (I) - Non-Executive Director, Independent

ED (P) - Non-Executive Director, Promoter

Shri M.B. Parekh is the Managing Director having tenure of five years w.e.f 1<sup>st</sup> April, 2017. It is proposed to re-appoint Shri M.B. Parekh as Managing Director for a further period of five years w.e.f. 1<sup>st</sup> April, 2022, subject to the approval of the members at the forthcoming Annual General Meeting of the Company.

The Commission payable to Shri M.B. Parekh for the Financial Year 2020-2021 is ₹ 79,00,000. The Managing Director is not paid any other performance linked incentives.

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

The criteria for performance evaluation cover the areas relevant to the functioning of Independent Directors such as preparation, participation, conduct and effectiveness. The Board evaluation for the Financial Year 2020-2021 was completed and summary of the findings and recommendations were discussed by the Directors.

The details of the sitting fees paid for attending the Board/Committee meetings and commission payable to the Non-Executive Directors for the Financial Year ended 31<sup>st</sup> March, 2021 are as follows:

Sr. No.	Name	Sitting Fees (₹)	Commission (₹)	Total (₹)
1	Shri N.K. Parekh	99,000	3,00,000	3,99,000
2	Shri A.B. Parekh	60,000	3,00,000	3,60,000
3	Shri R.M. Gandhi	1,38,000	3,00,000	4,38,000
4	Smt Y.J. Mogrelia	1,20,000	3,00,000	4,20,000
5	Shri A.D. Mavinkurve	1,03,500	3,00,000	4,03,500

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

In terms of the Special Resolution passed by the Members at the Annual General Meeting held on 1<sup>st</sup> September, 2016, the Company has paid commission to Non-Executive Directors at a rate not exceeding 1% per annum of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013 as determined by the Board of Directors based on consideration of time spent in attending Board Meetings, Committee Meetings and advice given to the Company whenever approached.

#### 7. Stakeholders Relationship Committee:

The composition of the Committee is in conformity with the provisions of Section 178 of the Companies Act, 2013 read with Rules framed thereunder and Regulation 20 of the Listing Regulations. During the Financial Year 2020-2021, nine meetings of the Share Transfer Committee were held and one meeting of the Stakeholders Relationship Committee was held on 22<sup>nd</sup> January, 2021, which was attended by all the members of the Committee.

The details of composition of the Committee are as follows:

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

NED (I) - Non-Executive Director, Independent

ED (P) - Non-Executive Director, Promoter

The Committee is empowered to look into redressal of shareholders'/investors' grievance such as complaints relating to transfer/transmission of shares, non-receipt of declared dividends and non-receipt of Annual Reports.



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

Barring certain cases pending with Courts, mainly relating to disputes over the title to shares in which the Company had been made a party, the Company/TSR Darashaw Consultants Pvt. Ltd. have attended to all the shareholders/investor grievances/correspondence generally within a period of 15 days from the date of receipt.

The total numbers of letters received from the shareholders were 375 of which 61 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. One request for dematerialization of shares was pending for approval as on 31<sup>st</sup> March, 2021, which was disposed off on 14<sup>th</sup> April, 2021.

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

**8. Corporate Social Responsibility (CSR) Committee:**

The composition of the Committee is in compliance with the provisions of Section 135 of the Companies Act, 2013. During the Financial Year 2020-2021, two meetings of the Committee were held on 15<sup>th</sup> June, 2020 and 2<sup>nd</sup> November, 2020, which was attended by all the members of the Committee.

The details of composition of the Committee are as follows:

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

NED (I) - Non-Executive Director, Independent

NED (P) - Non-Executive Director, Promoter

ED (P) - Executive Director Promoter

The Company Secretary is the Secretary of the Committee.

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

- (a) Formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company.
- (b) Formulate and recommend to the Board an Annual Action Plan in pursuance of the Company's CSR Policy.
- (c) Recommend the amount of expenditure to be incurred on CSR activities.
- (d) Monitor the CSR Policy of the Company.

The composition of the CSR Committee, details of ongoing projects being undertaken by the Implementing Agency and CSR Policy of the Company are uploaded on the Company's website [www.vinylchemicals.com](http://www.vinylchemicals.com).



**9. General Body Meetings:**

The details of location, date and time of the Annual General Meetings (AGM) held during the last three years are as follows :

Financial Year	Venue	Date & Time	Details of Special Resolution passed with requisite majority
2019-2020	Through Video Conferencing/ Other Audio visual means	16 <sup>th</sup> September, 2020 at 11:00 a.m.	Re-appointment of Shri N.K. Parekh as a Director.
2018-2019	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.	5 <sup>th</sup> August, 2019 at 11:00 a.m.	(a) Re-appointment of Shri N K Parekh as a Director. (b) Re-appointment of M/s. Khanna & Panchmia, Chartered Accountants as Statutory Auditors for a second consecutive term of five years. (c) Re-appointment of Shri R M Gandhi as Independent Director for a second consecutive term of five years. (d) Re-appointment of Smt Y J Mogrelia as Independent Director of the Company for a second consecutive term of five years. (e) Re-appointment of Shri A D Mavinkurve as Independent Director of the Company for a second consecutive term of five years.
2017-2018	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.	31 <sup>st</sup> August, 2018 at 11:00 a.m.	(a) Re-appointment of Shri N K Parekh as a Director. (b) Adoption of new Articles of Association (AOA) of the Company in the place of existing AOA. (c) Continuation of Shri R M Gandhi as an Independent Director for the remaining period of his term.

No Special Resolution was passed through postal ballot during the last three years. At the ensuing 35<sup>th</sup> AGM, no resolution is proposed to be passed through postal ballot.

**10. Means of Communication:**

The extracts of quarterly financial results of the Company are normally published in Business Standard (English) and Tarun Bharat (Marathi) newspapers. The results are also displayed on the Company's website [www.vinylchemicals.com](http://www.vinylchemicals.com).

The Company makes timely disclosures of necessary information to the stock exchanges in terms of the Listing Regulations and other SEBI Regulations.

The Annual Report with Audited Financial Statements of the Company are available on its website [www.vinylchemicals.com](http://www.vinylchemicals.com). The Annual Report with Audited Financial Statements of the Company are also available on the websites of the stock exchanges.

**11. Information for Shareholders:**

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



**12. Disclosures:**

During the Financial Year 2020-2021:

- There were no materially significant related party transactions which had potential conflict with the interest of the Company at large. The details of related party transactions are set out in the Notes to financial statements forming part of this Annual Report.
- The Company has complied with all requirements of the Listing Regulations as well as the Regulations/Guidelines of SEBI. Consequently, no penalties were imposed or strictures were passed against the Company by SEBI, Stock Exchanges or any other statutory authority on any matter related to capital markets during the last 3 years.
- The Company has a Vigil Mechanism and Whistle Blower Policy for Directors and employees to report violations of applicable laws, regulations and Code of Conduct. During the year, no employee was denied access to the Audit Committee of the Company.
- Details of total fees paid to the Statutory Auditors by the Company is given under Note 28 of the Financial Statements for Financial Year 2020-2021 which forms part of this Annual Report.
- The Company has complied with all applicable mandatory requirements of the Listing Regulations.
- The Company's Policy on related party transactions is uploaded on its website [www.vinylchemicals.com](http://www.vinylchemicals.com).
- The Company has complied with all the requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub Regulation (2) of Regulation 46 of the Listing Regulations.
- The Company has not made any preferential allotment or qualified institutional placement of shares.
- No complaints were received under the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the Financial Year 2020-2021.
- There were no instances wherein the Board has not accepted the recommendations made by any Committee of the Board.

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

- (a) The Chairman of the Company is an Executive Chairman.
- (b) As the financial results are published in the newspapers and also posted on the website of the Company, the same are not being sent to the shareholders.
- (c) The company's financial statements for the Financial Year ended 31<sup>st</sup> March, 2021 does not contain any modified audit opinion.
- (d) Shri M.B. Parekh is the Chairman and Managing Director of the Company.
- (e) The Internal Auditor reports directly to the Audit Committee of the Company.

**14. Information relating to Directors:**

Information relating to Directors seeking re-appointment as required under Regulation 36(3) of the Listing Regulations is given in the Notice of the 35<sup>th</sup> AGM.

**15. Certificate from Practicing Company Secretary:**

Certificate as required under Part C of Schedule V of Listing Regulations from M/s M. M Sheth & Company, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such other statutory authority was received by the Company and is attached to this report.

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

Pursuant to Schedule V(D) of the Listing Regulations, I hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31<sup>st</sup> March, 2021.

## ANNEXURE

The details of composition of the Board, category, attendance of Directors at Board Meetings, last Annual General Meeting (AGM), number of other Directorships & other Committee positions and Directorships held in other listed companies on 31<sup>st</sup> March, 2021

Sr. No.	Name & Directors Identification Number (DIN)	Category	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships held in other companies*	No. of Committee positions held in other companies@		Directorship in other Listed Companies & category of Directorship
						Memberships	Chairmanships	
1	Shri M.B. Parekh (DIN: 00180955)	ED (P)	4	Yes	9	1	-	<ul style="list-style-type: none"> <li>Pidilite Industries Ltd. (Executive Chairman)</li> <li>Excel Industries Ltd. (Independent Director)</li> </ul>
	Shri N.K. Parekh (DIN: 00111518)	NED (P)	4	Yes	10	1	-	<ul style="list-style-type: none"> <li>Pidilite Industries Ltd. (Non- Executive Director Promoter)</li> </ul>
3	Shri A.B. Parekh (DIN: 00035317)	NED(P)	4	Yes	14	1	-	<ul style="list-style-type: none"> <li>Pidilite Industries Ltd. (Whole Time Director)</li> </ul>
4	Shri R.M. Gandhi (DIN: 00029437)	NED (I)	4	Yes	2	1	1	<ul style="list-style-type: none"> <li>Aarti Industries Ltd. (Independent Director)</li> <li>Aarti Drugs Ltd. (Independent Director)</li> </ul>
5	Smt Y.J. Mogrelia (DIN:00112002)	NED (I)	4	Yes	-	-	-	-
6	Shri A.D. Mavinkurve (DIN: 00631566)	NED (I)	3	Yes	-	-	-	-

\* Includes Directorships in Private Limited Company, Foreign Company and Section 8 Company of Companies Act 2013, if any.

@ Includes positions in Audit Committee and Stakeholders Relationship Committee only.

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



**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

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

1. This certificate is issued in accordance with our terms of engagement with Vinyl Chemicals (India) Limited ("the Company").
2. We have examined the compliance of the conditions of Corporate Governance by the Company for the year ended 31<sup>st</sup> March, 2021 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D & E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

**Management's Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management.

This responsibility includes the design, implementation and maintenance on internal control and procedures to ensure the compliance with conditions of Corporate Governance stipulated in the Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility was limited to examining procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
5. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out the examination of relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 in so far as applicable for the purpose of this Certificate and as per Guidance Note on Reports of Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and other Assurance and Related Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the Financial Year ended 31<sup>st</sup> March, 2021.
9. We further state that such compliance is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which management has conducted the affairs of the Company.

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

**Devendra Khanna  
Partner**

Membership No. 038987

Place : Mumbai  
Date : 10<sup>th</sup> May, 2021  
UDIN No. : 21038987AAAAFK2428

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,

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

Regent Chambers, 7<sup>th</sup> floor,  
208, Nariman Point, Mumbai – 400021.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Vinyl Chemicals (India) Limited** having CIN:L24100MH1986PLC039837 and having registered office at Regent Chambers, 7<sup>th</sup> Floor, 208, Nariman Point, Mumbai – 400021, Maharashtra, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C, Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have conducted online verification of records, as facilitated by the Company, due to Covid-19 pandemic and subsequent lockdown situation for the purpose of issuing this Certificate.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Original Date of appointment in the Company
1	Madhukar Balvantray Parekh	00180955	15/05/1986
2	Narendrakumar Kalyanji Parekh	00111518	15/05/1986
3	Ramdas Maneklal Gandhi	00029437	02/08/1988
4	Yasmin Jehangir Mogrelia	00112002	09/06/1998
5	Arun Dattatraya Mavinkurve	00631566	27/01/2009
6	Ajay Balvantray Parekh	00035317	28/01/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

FCS No. 1455, CP No. 729  
PR No.: 1000/2020

Place : Mumbai  
Date : 10<sup>th</sup> May, 2021  
UDIN : F001455C000269426



## INFORMATION FOR SHAREHOLDERS

### 1. Annual General Meeting:

**Day, Date & Time** : Thursday, 12<sup>th</sup> August, 2021 at 12.00 noon

**Venue** : Through Video Conferencing/Other Audio Visual Means, as permitted under Circulars issued by the Ministry of Corporate Affairs.

**2. Financial Year** : 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021

**3. Book Closure Date** : 6<sup>th</sup> August, 2021 to 12<sup>th</sup> August, 2021 (both days inclusive)  
(for shares held in physical form)

### 4. Dividend Payment:

Dividend @ ₹ 3.75 per equity shares of ₹ 1 each amounting to ₹ 687.64 lacs will be paid to the eligible shareholders on or after 18<sup>th</sup> August, 2021, subject to the approval of the shareholders at the 35<sup>th</sup> Annual General Meeting.

### 5. Listing of shares on Stock Exchanges:

The equity shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Annual Listing fees for the Financial Year 2020-2021 has been paid to BSE & NSE.

### 6. Stock Codes:

Name of the Stock Exchange	Stock Code
BSE	524129
NSE	VINYLINDIA

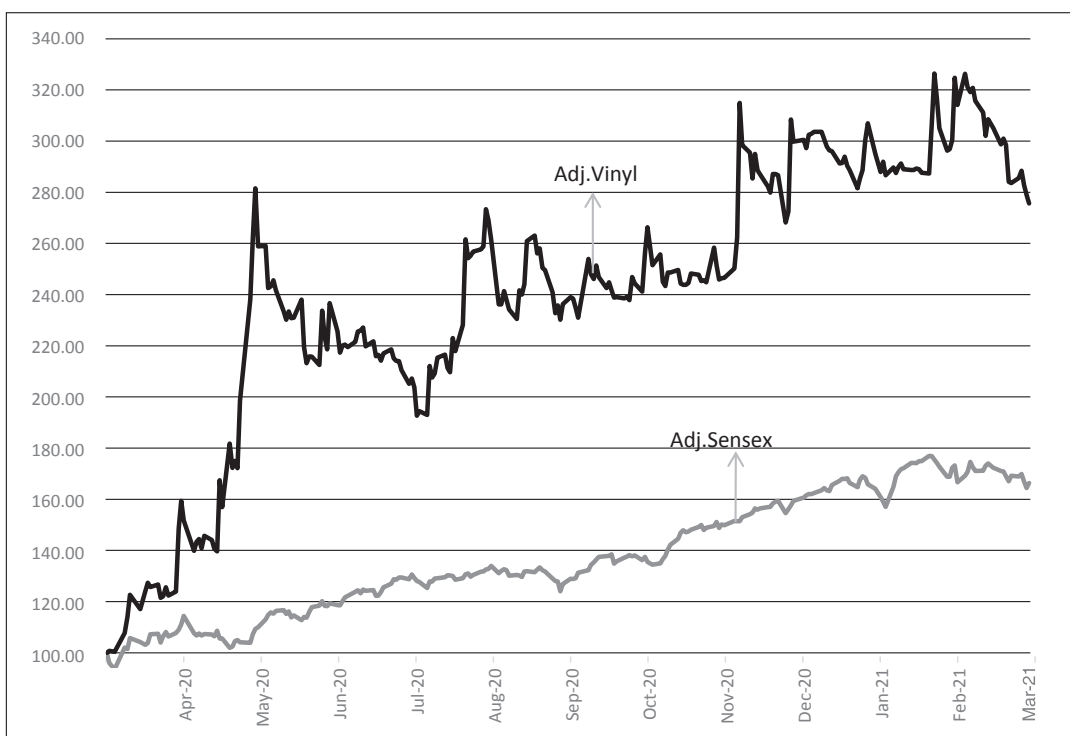
### 7. Market Price Data:

During the Financial Year 2020-2021, the share prices for one equity share of face value of ₹ 1 each of the Company at BSE and NSE were as under:

Month & Year	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2020	69.45	40.90	69.90	39.30
May, 2020	119.80	55.60	119.80	56.60
June, 2020	114.60	87.70	114.00	88.10
July, 2020	98.00	77.15	97.50	78.70
August, 2020	117.85	78.10	117.80	77.60
September, 2020	114.40	89.00	114.40	93.00
October, 2020	113.00	94.65	113.40	94.00
November, 2020	111.50	95.05	111.35	100.00
December, 2020	144.00	102.00	132.45	102.65
January, 2021	131.50	116.60	131.25	116.50
February, 2021	143.00	118.35	143.10	118.70
March, 2021	141.55	111.25	141.45	114.05

## 8. Stock Performance:

During the Financial Year 2020-2021, the performance of the equity share of face value of ₹ 1 each of the Company in comparison to the BSE Sensex is given in the chart below:



## 9. Registrar and Transfer Agents:

TSR Darashaw Consultants Pvt. Ltd.  
 Unit: Vinyl Chemicals (India) Ltd.,  
 C-101, 1<sup>st</sup> Floor, 247 Park,  
 Lal Bahadur Shastri Marg, Vikhroli (West),  
 Mumbai 400 083  
 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 to TSR Darashaw Consultants Pvt. Ltd. the R & T Agents and Share Transfer Committee comprising of the following Directors viz. Sarva Shri N.K. Parekh, R.M. Gandhi, A.D. Mavinkurve and M.B. Parekh.

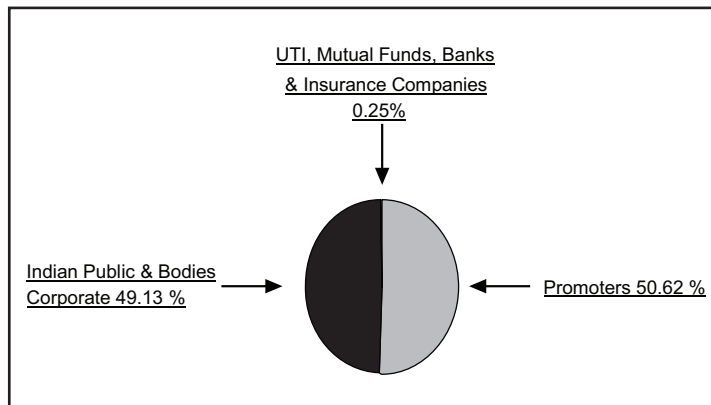
Presently the share transfer documents are processed and the share certificates, duly transferred, are returned generally within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.



**11. Distribution of Shareholding as on 31<sup>st</sup> March, 2021:**

No. of Equity Shares held	No. of Folios	%	No. of Shares	%
Upto 5,000	28,255	99.42	67,75,177	36.95
5,001 – 10,000	96	0.34	7,00,334	3.82
10,001 – 20,000	30	0.11	4,39,543	2.40
20,001 – 30,000	15	0.05	3,63,758	1.98
30,001 – 40,000	7	0.02	2,45,459	1.34
40,001 – 50,000	6	0.02	2,68,373	1.46
50,001 – 1,00,000	5	0.02	3,35,696	1.83
1,00,001 and above	6	0.02	92,08,771	50.22
<b>Total</b>	<b>28,420</b>	<b>100.00</b>	<b>1,83,37,111</b>	<b>100.00</b>
No. of shareholders and shares in physical form	4,527	15.93	7,62,609	4.16
No. of beneficial owners and shares in electronic form	23,893	84.07	1,75,74,502	95.84
<b>Total</b>	<b>28,420</b>	<b>100.00</b>	<b>1,83,37,111</b>	<b>100.00</b>

**12. Shareholding Pattern as on 31<sup>st</sup> March, 2021:**



**13. Dematerialisation of shares & liquidity:**

As on 31<sup>st</sup> March, 2021, 1,75,74,502 (95.84%) 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 dematerialised form. The shares are available for dematerialisation under ISIN INE250B01029. Request for dematerialisation of shares are processed and generally confirmed within a period of 15 days of receipt, subject to the documents being valid and complete in all respects.

**14. Employee Stock Option Scheme:**

The Company does not have any Employees Stock Options Scheme.

**15. Outstanding GDRs/ADRs/Warrants/Convertible Instruments:**

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



**16. Commodity Price Risk/ Foreign Exchange Risk/ Hedging Activities:**

The Company does not have exposure in the commodities market. The Company enters into currency hedging contracts by way of forward cover or zero cost options for import of VAM to overcome the risk of adverse exchange fluctuations.

**17. Plant Locations: Nil****18. Address for Correspondence:**

Registered Office:

Regent Chambers, 7<sup>th</sup> Floor, Jamnalal Bajaj Marg,  
208, Nariman Point, Mumbai 400 021.

Tel: (022) 22822708; Fax: (022) 22043969

E-mail: cs.vinylchemicals@pidilite.com; Website: www.vinylchemicals.com

**19. Credit Rating:**

The Company has obtained credit rating from India Ratings and Research Private Limited which has affirmed long term issuer rating at 'IND A+'. There was no revision in the ratings during the year.

**20. Corporate Secretarial/Investors' Assistance Department:**

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

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

Details of equity shares lying in Unclaimed Suspense Account of the Company as on 31<sup>st</sup> March, 2021 are as under:

Particulars	No. of Records	No. of Equity Shares
No. of shareholders & outstanding shares at the beginning of the year	137	23,701
No. of requests received from shareholders for transfer of shares during the year	0	0
No. of shareholders & shares transferred to shareholders during the year	0	0
No. of Records & shares transferred to IEPF Authority during the year	137	23,701
No. of shareholders & outstanding shares at the end of the year	0	0

**22. Transfer of Shares to Investor Education and Protection Fund Authority:**

Pursuant to the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the Rules), all unpaid or unclaimed dividends and shares in respect of which dividends are unpaid or unclaimed by the shareholders for seven consecutive years or more have been transferred by the Company to the Investor Education and Protection Fund (IEPF) Authority. However, this requirement is not applicable to shares in respect of which there is an order of any Court, Tribunal or Statutory Authority restraining transfer of shares.



During the Financial Year 2020-2021, the Company has sent notices to the concerned shareholders and also published advertisement in newspapers seeking necessary action from the said shareholders in this regard. Subsequently, the Company has transferred unpaid/unclaimed dividends of ₹ 7,59,917 and corresponding 53,638 shares pertaining to the Financial Year 2012-2013 to the IEPF Authority. The Company has uploaded the above details on its website [www.vinylchemicals.com](http://www.vinylchemicals.com) and also on website of IEPF Authority [www.iepf.gov.in](http://www.iepf.gov.in). The voting rights on the shares transferred to the IEPF Authority shall remain frozen till the rightful owner claims the shares from the IEPF Authority.

Shareholders whose unpaid/unclaimed dividends and shares have been transferred to IEPF are required to claim the same from the IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5, which is available on the MCA website [www.iepf.gov.in](http://www.iepf.gov.in). The Company has appointed Shri P.C. Patel, President & Secretary, as the nodal Officer in this regard.