**Vinyl Chemicals (India) Ltd.**

Regd. Off. : 7th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai - 400 021.
Phone : 2282 2708 / 6982 9000
Website : www.vinylchemicals.com | Email : cs.vinylchemicals@pidilite.com
CIN : L24100MH1986PLC039837

3rd July, 2025

The Secretary
BSE Ltd.
Corporate Relationship Dept.,
14th floor, P.J. Tower,
Dalal Street, Fort
Mumbai- 400 001
Stock Code-524129

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai- 400 051
Stock Code- VINYLINDIA

**Sub: Notice of 39th Annual General Meeting and Annual Report**

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of 39th Annual General Meeting (AGM) and the Annual Report for the Financial Year 2024-2025, which is being sent through electronic mode to the Shareholders.

The AGM is scheduled to be held on Wednesday, the 30th July, 2025 at 3:30 p.m. through Video Conferencing/Other Audio Visual Means (VC/OAVM).

The Notice of AGM along with the Annual Report for the financial year 2024-2025 is also available on the website of the Company, www.vinylchemicals.com.

This is for your information and records.

Thanking you,

Yours faithfully,
For **VINYL CHEMICALS (INDIA) LIMITED**

AARTI RAMASHANKAR FALORH

Digitally signed by: AARTI RAMASHANKAR FALORH
DN: CN = AARTI RAMASHANKAR FALORH C = IN
OU = Personal
Date: 2025.07.03 12:00:14 +05'30'

**AARTI FALORH**
**COMPANY SECRETARY**
Encl; as above

# NOTICE

Notice is hereby given that the THIRTY NINTH ANNUAL GENERAL MEETING of the Members of **VINYL CHEMICALS (INDIA) LIMITED** will be held on Wednesday, the 30th July, 2025 at 3:30 p.m. 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 Financial Year ended 31st March, 2025 together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend on Equity Shares for the Financial Year ended 31st March, 2025.
3. To appoint a Director in place of Shri A.B. Parekh (DIN: 00035317), 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 an Ordinary Resolution:

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Parikh & Associates, Practicing Company Secretaries (FRN: P1988MH009800) be and are hereby appointed as the Secretarial Auditor of the Company, to hold office for a term of 5 (five) consecutive financial years from Financial Year 2025-2026 till Financial Year 2029-2030, on payment of such remuneration as may be mutually agreed upon between the Board of Directors and the Secretarial Auditor."

   "RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and is hereby authorised to do all such acts, deeds and things and execute all such documents, as may be required and to delegate all or any of its powers herein conferred to any Committee of the Board of Directors."

BY ORDER OF THE BOARD OF DIRECTORS

Place : Mumbai
Date : 5th May, 2025

**AARTI FALORH**
**COMPANY SECRETARY**
**FCS 8726**

**Registered Office:**
Regent Chambers, 7th Floor,
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai 400 021.
Tel : (022) 22822708/(022) 69829000
Email: cs.vinylchemicals@pidilite.com
Website: www.vinylchemicals.com
CIN: L24100MH1986PLC039837

**Notes:**

1. In accordance with the provisions of the Companies Act, 2013 ("Act") read with the Rules made thereunder and General Circular No.9/2024 dated 19th September, 2024, other Circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time, Master Circular No. SEBI/HO/CFD/POD2/CIR/P/2023/120 dated 11th July, 2023, Circular No. SEBI/HO/CFD/CFD-POD-2/P/CIR/2023/167 dated 7th October, 2023 and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 issued by Securities and Exchange Board of India ("SEBI"), Companies are allowed to hold Annual General Meeting ("AGM/Meeting") through Video Conferencing ("VC") or other Audio Visual Means ("OAVM") upto 30th September, 2025 without the physical presence of the Members at a common venue. Accordingly, the 39th Annual General Meeting ("the 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 at the AGM has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence Proxy Form and Attendance Slip are not annexed to this Notice.

3. Corporate Members/Institutional Shareholders are requested to send to the Company a scanned (.pdf/.jpg format) certified copy of the Board Resolution/Power of Attorney/Authority Letter authorizing their representative to attend and vote on their behalf through remote e-voting to the Company's email address at cs.vinylchemicals@pidilite.com. The said Resolution/Authority letter shall also be sent to the Scrutinizer by email from their registered email address at vinyl.scrutinizer@gmail.com and to National Securities Depository Limited (NSDL) at evoting@nsdl.com.

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 the resolutions set out in this Notice.

5. A statement pursuant to Section 102(1) of the Act, and Regulation 17(11) of SEBI Listing Regulations setting out all material facts relating to Item No. 4 of the Notice is annexed herewith and the same should be taken as part of this Notice. Notes given in the Notice to the extent applicable forms part of the Explanatory Statement.

6. 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 **Tuesday, 22nd July, 2025** at the Company's email address at cs.vinylchemicals@pidilite.com and the same will be replied by the Company suitably.

7. Since the AGM will be held through VC/OAVM, the Route Map of the venue of AGM is not annexed to this Notice.

8. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM along with the Annual Report for the Financial Year 2024-2025 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Further, a letter providing a weblink for accessing the Notice of the AGM and Annual Report will be sent to those Members who have not registered their email address. In case any Member is desirous of obtaining physical copy of the Annual Report for the Financial Year 2024-2025, he/she may send a request to the Company at cs.vinylchemicals@pidilite.com.

   Members may note that the said Notice and Annual Report for Financial Year 2024-2025 will also be available on the Company's website at www.vinylchemicals.com, websites of the Stock Exchanges viz. BSE Ltd. ("BSE") at www.bseindia.com and National Stock Exchange of India Ltd. ("NSE") at www.nseindia.com and also on the website of NSDL at www.evoting.nsdl.com.

9. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

10. In accordance with the provisions of Regulation 36(3) of the SEBI Listing Regulations and applicable provisions of Secretarial Standard - 2, a brief profile of Shri A.B. Parekh, nature of expertise in specific functional areas and other information is set out as an Annexure and the same forms part of this Notice.

11. The Record Date for determining entitlement of Members for payment of dividend on equity shares for the Financial Year ended 31st March, 2025 will be **Tuesday, 15th July, 2025.**

12. The dividend on equity shares as recommended by the Board of Directors, if declared at the AGM, will be paid on or after **Monday, 4th August, 2025** to those shareholders whose names appear on the Register of Members of the Company. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as on **Tuesday, 15th July, 2025** as furnished to the Company by NSDL and Central Depository Services (India) Ltd. ("CDSL").

13. A. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in the 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 are required to submit their PAN as well as bank details to the Company/MUFG Intime India Pvt. Ltd. (formerly Link Intime India Pvt. Ltd.), the Company's Registrar and Transfer (R&T) Agents.

    B. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2023/37 dated 16th March, 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7th May, 2024), in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norms for processing investor service requests by RTAs and norms for furnishing PAN, KYC (contact details, Bank details and specimen signature) and nomination details.

    As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, inter-alia, furnish PAN and KYC. Physical folios wherein the said details are not available would be eligible for lodging grievance for any service request only after registering the required details. Any payments including dividend in respect of such folios shall only be made electronically w.e.f. 1st April, 2024 upon registering the required details.

    In view of the above, shareholders holding shares in physical form are, therefore, requested to update their KYC details with the Company/R&T Agents on or before **Tuesday, 15th July, 2025** for ensuring that they receive the dividends declared by the Company. Separate communication in the above regard has been sent by the Company/R&T Agents to the shareholders who are holding shares of the Company in physical form.

    C. As per Regulation 40 of the SEBI Listing Regulations and SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 and 25th May 2022, as amended, securities of listed companies can be transferred only in dematerialised form. 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 to dematerialised form. Members may contact the Company or its R&T Agents for assistance in this regard.

    D. SEBI vide its Circulars dated 25thJanuary, 2022 and 25th May, 2022 has mandated all listed companies to issue securities in dematerialised form only while processing certain prescribed service requests. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at www.vinylchemicals.com and on the website of Company's R&T Agents at https://web.in.mpms.mufg.com/KYC-downloads.html. Members are requested to note that any service request would only be processed after the folio is KYC compliant.

14. Members are requested to inform about changes, if any, relating to their Name, Registered address, Email address, Mobile number, PAN, Nomination details, Power of Attorney, Bank Mandate/Bank details such as Name of the Bank & Branch, Account Number, Type of Accounts, MICR code, IFSC etc. immediately to:

(i) the Company's R&T Agents in prescribed Form ISR-1, for updation of signature in prescribed Form ISR-2 and other forms pursuant to SEBI Circular dated 3rd November, 2021 in case the shares held in physical form or

(ii) their Depository Participants (DP) in case the shares held in electronic form.

15. The Company has sent individual letters to all the shareholders holding shares of the Company in physical form for furnishing their PAN, KYC and nomination details. The relevant circular(s) and necessary forms in this regard have been made available on the website of the Company https://www.vinylchemicals.com and its RTA https://web.in.mpms.mufg.com/KYC-downloads.html. Accordingly, the members are advised to register their details with the RTA or DPs, in compliance with the aforesaid SEBI guidelines for smooth processing of their service request and trading without any hindrance.

    In terms of the SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated 10th June 2024, all investors are encouraged in their own interest, to provide choice of nomination by contacting the RTA, if shares are held in physical form or their respective DP(s), if shares are held in dematerialised form. Further, all new investors are mandatorily required to provide the choice of nomination for their demat accounts (except for jointly held demat accounts).

16. 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 their DPs and verified by the Members for correctness of the details contained therein.

17. Members can avail nomination facility in terms of extant legal provisions. In this regard, on request, the necessary Form SH-13 can be obtained from the Company's R&T Agent. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14, as the case may be. The said forms are also available on the website of the Company at www.vinylchemicals.com.

18. To support the 'Green Initiative', Members who have not yet registered their email addresses 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 Agent in case the shares are held by them in physical form.

19. Non-Resident Indian (NRI) Shareholders are requested to inform the Company/R&T Agent regarding:

    (i) Change in the residential status on return to India for permanent settlement and

    (ii) Indian address and the particulars of bank account maintained in India with complete name and address of the Bank, if not furnished earlier.

20. Members may note that the Income Tax Act, 1961 (the Act), as amended by the Finance Act, 2020, mandates that dividends paid or distributed by companies on or after 1st 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 requisite documents in accordance with the provisions of the Act.

    The relevant provisions of the Act relating to deduction of TDS from dividends in respect of various categories are given below for guidance of the Members:

    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 2025-2026, provided PAN is registered by the shareholder. If PAN is not registered or in case of invalid/inoperative PAN/PAN not linked with Aadhar, TDS would be deducted @ 20% (Twenty percent) as per Section 206AA of the Act. However, no tax shall be deducted on

the dividend payable to a Resident Individual if the total dividend to be received by the individual during the Financial Year 2025-2026 does not exceed ₹ 10,000. In cases where the shareholder furnishes valid Form 15G (applicable to individuals) or valid Form 15H (applicable to individuals above the age of 60 years), no TDS shall be deducted provided all the eligibility conditions are met.

In case the shareholders (whether individuals or non-individual) furnishes a certificate under Section 197 of the Act for lower/nil withholding taxes, the rate specified in the said certificate shall be considered on submission of self-attested copy of the Certificate to the Company.

B. **For Non-Resident Shareholders**: Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act at the applicable rates in force. As per the relevant provisions of the Act, the withholding tax which is @ 20% (Twenty percent) plus applicable surcharge and cess on the amount of dividend payable to Non-Resident Shareholders. However, as per Section 90 of the Act, Non-Resident Shareholders have the option to be governed by the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if the same is more beneficial to the shareholder/s. In order to avail the DTAA benefits, the Non-Resident shareholder/s will have to furnish the following documents to the Company:

- Self-attested copy of Tax Residency Certificate (TRC) for the period April 1, 2025 to March 31, 2026 or January 1, 2025 to December 31, 2025 obtained from the tax authorities of the country of which the Shareholder is a resident.
- Electronically generated Form 10F for the Financial Year 2025-2026 from the Income Tax portal for shareholders having PAN in India or who are required to obtain PAN in India. Please note that pursuant to Notification No. 03/2022 dated July 16, 2022, Non-Resident Shareholders are required to furnish Form No.10F electronically on the Income Tax portal with their login credentials at https://eportal.incometax.gov.in/.
- Self-attested copy of the PAN Card allotted by the Income Tax authorities in India.
- 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 2025-2026;
  - ii. The shareholder is eligible to claim the beneficial DTAA rate for the purpose 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 the shares held 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 2025-2026.

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 rates shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the Non-Resident Shareholder/s.

D. Accordingly, in order to enable the Company to determine the appropriate TDS/withholding tax rate applicable, Shareholders are requested to provide the details and documents as mentioned above on or before **Tuesday, 15th July, 2025.**

E. Shareholders holding shares under multiple Folios/Accounts under different status/category and a single PAN may note that higher rate of the tax as applicable to the status in which shares held under a single PAN will be considered on their entire holdings in different accounts.

F. All shareholders are requested to verify their name, PAN, address, residential status etc. and in case of any changes, they may update the same with their DPs (In case the shares are held in electronic form) or the Company's R&T Agents (In case the share are held in physical form).

G. Kindly note that the aforementioned documents are required to be submitted to the Company's R&T Agents at the email address at csgexemptforms2526@in.mpms.mufg.com on or before **Tuesday, 15th July, 2025** in order to enable the Company to determine and deduct the appropriate TDS/withholding tax rate. Shareholders may kindly note that no communication on the tax determination/deduction shall be entertained after **Tuesday, 15th July, 2025.** Further, it may be noted that in case the tax on dividend is deducted at a higher rate due to non-receipt of the aforesaid details/documents, the shareholders will have an option to file their return of income and claim the appropriate refund, if eligible.

H. Soft copies of TDS certificate will be sent 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 Members. Shareholders can also download Form No. 26AS from the Income Tax portal after login using their PAN and can check the details of TDS deducted on dividend payment.

I. A separate communication to the shareholders in the above regard has been sent by the Company/ R&T Agents.

21. A. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividend till the Financial Year ended 31st 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 period may claim the same by submitting an application in the prescribed Form to the Registrar of Companies, Maharashtra.

B. The Company has transferred all unclaimed/unpaid dividend in respect of Financial Years ended 31st March, 1995 to 31st March, 2017 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'), which are applicable with effect from 7th 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 demat account of IEPF Authority.

E. Notices to all the Members whose dividends for the Financial Year ended 31st March, 2018 are lying unpaid/unclaimed has been sent by the Company. All such Members are requested to claim the same from the Company. As mentioned in the said Notice, in case the dividends are not claimed by 15th September, 2025, necessary steps shall be initiated by the Company to transfer the shares and dividend held by the concerned Members to IEPF, without further notice to the Members. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF Authority.

F. In the event of transfer of shares and the unclaimed dividends to IEPF, the Members whose unclaimed dividends/shares have been transferred to IEPF may write to the Company/RTA requesting the procedure for claiming the shares/dividend from IEPF Authorities. Upon compliance

with the procedure advised and submission of the required documents, the Company shall issue Entitlement Letter to the claimants. The Members can file Form No. IEPF- 5 online by attaching the Entitlement Letter and other required documents as mentioned at www.iepf.gov.in and claim their dividends.

G. The Company has uploaded the details of unpaid/unclaimed amounts of dividends lying with the Company as on 8th August, 2024 (date of the last AGM) on the website of the Company at www.vinylchemicals.com and also on the website of MCA at www.iepf.gov.in.

H. Members who have not yet encashed their Dividend Warrants for the Financial Years ended 31st March, 2018 to 31st March, 2024 are requested to contact the Company's R&T Agents viz. MUFG Intime India Pvt. Ltd. (formerly Link Intime India Pvt. Ltd.) (Unit: Vinyl Chemicals (India) Ltd.), C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083 for claiming their unpaid dividends.

I. SEBI has vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian securities market. Pursuant to above-mentioned Circulars, after exhausting the option to resolve their grievance with the RTA/Company directly and through the existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at https://smartodr.in/login.

**22. 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 (as amended) and Regulation 44 of the 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 platform as well as e-voting on the date of AGM provided by National Securities Depository Limited (NSDL) on all the resolutions set out in this Notice. Resolutions passed by the Members through e-voting are deemed to have been passed as if they have been passed at the AGM.

B. The Members who have cast 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 once again on such resolutions.

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

**The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:**

**Step 1: Access to NSDL e-Voting system:**

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

In terms of SEBI Circular dated December 9, 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 address in their demat account in order to access the 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 | 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be re-directed to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the Remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a Mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** 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 **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the Remote e-Voting period or joining virtual meeting & voting during the meeting.<br>3. If you are not registered for **IDeAS** e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.<br>4. 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. Once the home page of e-Voting system is launched, click on the icon **"Login"** which is available under **'Shareholder/Member'** section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held 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 i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the Remote e-Voting period or joining virtual meeting & voting during the meeting.<br>5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience.<br>**NSDL Mobile App is available on**<br>App Store Google Play |

| | |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | 1. Users who have opted for CDSL **Easi/Easiest** facility can login through their existing User Id and Password. Option will be made available to reach e-Voting page without any further authentication. The users who wish to login through Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on **login icon** & **New System My easi Tab** and then use your existing **my easi username & Password.**<br>2. After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the Remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers website directly.<br>3. If the user is not registered for **Easi/Easiest**, option to register is available at CDSL website www.cdslindia.com. Shareholders may then click on **login & New System Myeasi Tab** and then click on **registration option**.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site. After successful authentication, wherein you can see e-Voting features, click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important Note:**

Members who are unable to retrieve **User Id/Password** are advised to use **Forget User Id and Forget Password** option available at abovementioned website.

**Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depositories viz. NSDL and CDSL:**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at 1800-21-09911 |

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

**How to Log-in to NSDL e-Voting website?**

i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL viz. 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/OTP** and a **Verification Code** as shown on the screen.

Alternatively, if you are registered for NSDL e-services 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**.

iv. Your User Id details are given below:

| Manner of holding shares i.e. Demat (NSDL/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.<br>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<br>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<br>For example, if your Folio Number is 001*** and EVEN is 134103 then User ID is 101456001*** |

v. Password details for shareholders other than individual shareholders are given below:

i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

ii. 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.

iii. How to retrieve your '**Initial password**'?

- If your email address is registered in your demat account or with the Company, your **'Initial Password'** is communicated to you on your email address. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment which is a .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".**

- If your email address is not registered, please follow the steps mentioned below in **process for those shareholders whose email addresses are not registered.**

vi. If you are unable to retrieve the **Initial Password** or have not received the **Initial Password** or have forgotten your password:

a. Click on "**Forgot User Details/Password**?" (if you are holding shares in your demat account with NSDL or CDSL) option is available on www.evoting.nsdl.com.

b. **Physical User Reset Password**?" (if you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c. If you are still unable to get the password by trying the above two options, you can send a request at evoting@nsdl.com mentioning your Demat Account Number/Folio Number, PAN, Name and Registered address.

d. Members can also use the OTP (One Time Password) 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 clicking 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 and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

i. After successful login at **Step 1,** you will be able to see all the companies **"EVEN"** in which you are holding shares and whose voting cycle and General Meeting are in active status.

ii. Select **"EVEN"** of Company for which you wish to cast your vote during the Remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on **"VC/OAVM"** link placed under **"Join Meeting**".

iii. Now you are ready for e-Voting as the voting page will open.

iv. 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 **"Confirm"** when prompted.

v. Upon confirmation, the message **"Vote cast successfully"** will be displayed.

vi. You can also take a printout of the votes cast by you by clicking on the **Print** option on the confirmation page.

vii. Once you **Confirm** your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Shareholders:**

1. 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 vinyl.scrutinizer@gmail.com with a copy marked to evoting@nsdl.com. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/ Authority Letter etc. by clicking on **"Upload Board Resolution/Authority Letter"** displayed under **"e-Voting"** tab in their login.

2. 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 enter 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.

3. In case of any queries, you may refer to the **Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders** available at the download section at www.evoting.nsdl.com or call on 022- 4886 7000 or send a request to Mr. Amit Vishal, Deputy Vice President, NSDL at evoting@nsdl.com.

4. Any person holding shares in physical form and Non-Individual Shareholders who acquire shares of the Company after despatch of the Notice and holding shares as of the Cut-off date i.e. **Wednesday, 23rd July, 2025** may obtain the **Login ID** and **Password** by sending a request to NSDL at evoting@nsdl.com or to the Company/R&T Agents. 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 forget 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 No. 022-4886 7000 or 022-2499 7000. In case of Individual Members holding securities in demat form who acquire shares of the Company and become Member after despatch of the Notice and holding shares as on the Cut-off date viz. **Wednesday, 23rd July, 2025** may follow steps mentioned in the Notice of the AGM under **"Access to NSDL e-voting System".**

5. The Remote e-voting period shall commence on **Saturday, 26th July, 2025** and would end on **Tuesday, 29th July, 2025.** During this period, Members of the Company holding shares either in physical form or in demat form as on **Wednesday, 23rd July, 2025** (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 any resolution is cast, the shareholder will not be allowed to change/modify it subsequently or cast vote once again.

6. The voting rights of shareholders shall be in proportion to the shares in the paid up equity share capital of the Company as on **Wednesday, 23rd July, 2025 (**Cut-off date). Any person who is not a Member as on the Cut-off date should treat this Notice as sent for information purpose only.

**Process for those shareholders whose email addresses are not registered with the Depositories for procuring User Id and Password and registration of e-mail addresses for e-voting for the resolutions set out in this Notice**:

1. In case shares are held in physical mode, the shareholder may send their Folio No., Name of Shareholder, scanned copies of the share certificate (front and back), PAN Card (self attested) and Aadhaar Card (self-attested) by email to the Company at cs.vinylchemicals@pidilite.com.

2. In case shares are held in demat mode, please provide DP ID & Client ID (16 digit DPID + CLID or 16 digit Beneficiary Id), Name, Client Master List or copy of Consolidated Account Statement, PAN Card (self attested) and Aadhar Card (self attested) by email to the Company at cs.vinylchemicals@pidilite.com. If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method set out at **Step 1(A) i.e. Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.**

3. Alternatively, Shareholders/Members may send a request to NSDL at evoting@nsdl.com for obtaining **User Id and Password** for e-voting by providing the above mentioned documents.

4. In terms of SEBI Circular dated December 9, 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 Depository Participants. Shareholders are required to update their correct Mobile number and Email address in their demat account in order to access e-Voting facility.

**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 is same as the instructions mentioned above for remote e-voting.

b. Only those Members/Shareholders, who are present in the AGM through VC/OAVM facility and have not cast 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 at the AGM.

c. Members who have already cast their vote through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote once again at the AGM on such resolutions.

d. The details of the person who may be contacted for any grievances in connection with the facility for e-Voting on the day of the AGM shall be the same as mentioned for Remote e-voting.

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

i. Members will be provided with the facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the AGM by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see the link "**VC/OAVM**" under **"Join Meeting"** menu against company name. You are requested to click on **VC/OAVM** link under **Join General Meeting** menu. The link for **VC/OAVM** will be available in the **Shareholder/Member** login where the **EVEN** of Company will be displayed. Please note that Members who do not have the **User Id and Password** for e-Voting or have forgotten their **User Id and Password** may retrieve the same by following the Remote e-Voting instructions mentioned in the Notice to avoid last minute rush.

ii. 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.

iii. Members are encouraged to join the Meeting through Laptops for better experience.

iv. Members will be required to "allow" Camera and use Internet with a good speed to avoid any disturbance during the meeting.

v. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

vi. Members who need assistance before or during the AGM, may contact NSDL through email at evoting@nsdl.com or call on 022 - 4886 7000 or contact Mr. Amit Vishal, Deputy Vice President, NSDL through email at evoting@nsdl.com.

vii. Members who would like to express their views or ask questions during the AGM, may register themselves as Speakers by sending their request from their registered email address mentioning their Name, DP ID & Client ID/Folio Number, PAN, Email address and Mobile Number to the email address of the Company at cs.vinylchemicals@pidilite.com from **Tuesday, 15th July, 2025** to **Thursday, 24th July, 2025** only. Those Members who have registered themselves as Speakers will be allowed to express their views/ask questions depending on the availability of time for the AGM. The Company reserves the right to restrict the number of Speakers and number of questions from the Speakers depending on the availability of time for the AGM.

23. Shri P.N. Parikh (Membership No. FCS 327; CP No. 1228) or failing him Shri Mitesh Dhabliwala (Membership No. FCS 8331; CP No. 9511) or failing him Ms. Sarvari Shah (Membership No. FCS 9697; CP No.11717) of M/s. Parikh and Associates, Practicing Company Secretaries have been appointed as the 'Scrutinizer' to scrutinize the Remote e-voting process and also e-voting at the AGM in a fair and transparent manner.

24. 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 two working days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him, who shall countersign the same. The Scrutinizer's decision on the validity of votes cast shall be final.

25. The results alongwith the Scrutinizer's Report shall be uploaded on the Company's website at www.vinylchemicals.com and on the website of NSDL at www.evoting.nsdl.com within two working days of conclusion of the 39th AGM of the Company and communicated to BSE Ltd. and National Stock Exchange of India Ltd. The results shall also be displayed on the Notice Board at the Registered Office of the Company.

## EXPLANATORY STATEMENT

**EXPLANATORY STATEMENT CONTAINING MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS, ALONG WITH THE RATIONALE FOR RECOMMENDATION OF THE ITEMS OF BUSINESS BY THE BOARD OF DIRECTORS PURSUANT TO REGULATION 17(11) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**ITEM NO. 4**

**APPOINTMENT OF M/S. PARIKH & ASSOCIATES, PRACTICING COMPANY SECRETARIES, AS SECRETARIAL AUDITOR FOR A PERIOD OF 5 (FIVE) YEARS**

In terms of the amended provisions of Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed Company is required to undertake secretarial audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the appointment shall be approved by the shareholders in Annual General Meeting on the recommendation of the Board.

Accordingly, the Board of Directors of the Company ("the Board") based on the recommendation of the Audit Committee, at its meeting held on 5th May, 2025 has considering the experience and expertise, proposed to the Members of the Company appointment of M/s. Parikh & Associates, Practising Company Secretaries (FRN: P1988MH009800) as Secretarial Auditor of the Company for first term of 5 (five) consecutive years i.e. from Financial Year 2025-2026 till Financial Year 2029-2030 on payment of such remuneration as may be mutually agreed upon between the Board of Directors and the Secretarial Auditor, from time to time. The proposed fees are based on knowledge, expertise, industry experience, time and efforts required to be put in by them.

M/s. Parikh & Associates is a firm of Practicing Company Secretaries founded in 1987. The firm provides professional services in the field of Corporate Laws, SEBI Regulations, FEMA Regulations including carrying out Secretarial Audits, Due Diligence Audits and Compliance Audits. The firm is Peer Reviewed and Quality Reviewed by the Institute of the Company Secretaries of India.

M/s. Parikh & Associates, Practicing Company Secretaries have provided their consent for appointment as Secretarial Auditor along with a Certificate stating that their appointment, if made, will be as per the criteria specified under aforesaid Regulation 24A of Listing Regulations.

The proposed remuneration to be paid to the Secretarial Auditor for the Financial Year 2025-2026 is ₹ 1,00,000/- (Rupees One Lakh only) excluding applicable taxes and out of pocket expenses. The proposed fee is exclusive of costs for other permitted services which could be availed by the Company from time to time.

The remuneration for the subsequent year(s) of their term shall be fixed by the Board of Directors of the Company in consultation with them.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested (financially or otherwise) in this resolution.

The Board recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for approval by the Members.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai
Date : 5th May, 2025

**AARTI FALORH**
**COMPANY SECRETARY**
**FCS 8726**

**Registered Office:**
Regent Chambers, 7th Floor,
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai 400 021.
CIN: L24100MH1986PLC039837

## ADDITIONAL INFORMATION ON THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 39TH ANNUAL GENERAL MEETING

*[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2]*

| | |
|---|---|
| Resolution/Item No. | 3 |
| Name of the Director | Shri A.B. Parekh |
| Age | 67 years |
| Date of first appointment on the Board | 28th January, 2020 |
| Qualification | B. Chem Engineer (USA), MBA (USA) |
| Experience (including expertise in specific functional area)/Brief resume | Business Experience of over 40 years |
| Terms and Conditions of appointment/re-appointment | Re-appointment as Non-Executive Director, liable to retire by rotation |
| Remuneration proposed to be paid | As per Remuneration Policy of the Company |
| Directorship in other public companies (excluding Directorship in Foreign Companies, Private Companies and Section 8 Companies as on 31.03.2025) | Pidilite Industries Limited<br>Fevicol Company Limited<br>Parekh Marketing Limited<br>Kalva Marketing and Services Limited<br>Building Envelope Systems India Limited |
| Chairperson/Membership of Statutory Committee(s) of the Board as on 31.03.2025 (excluding Directorship in Foreign Companies, Private Companies and Section 8 Companies) | <u>Pidilite Industries Limited</u><br><u>Committee Memberships:</u><br>• Stakeholders Relationship Committee<br>• Nomination & Remuneration Committee<br>• Corporate Social Responsibility Committee<br><u>Parekh Marketing Limited</u><br><u>Committee Memberships:</u><br>• Nomination & Remuneration Committee<br>• Audit Committee |
| Names of the Listed entities from which the Director has resigned in past 3 years | Nil |
| Number of shares held in the Company as on 31.03.2025 | 94,583 |
| 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 |

**Note:**

For other details such as number of meetings of the Board attended during the year, remuneration last 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.

39th ANNUAL REPORT 2024-2025

## BOARD OF DIRECTORS

Shri M.B. Parekh - Chairman & Managing Director
Shri N.K. Parekh
Shri A.B. Parekh
Shri P.D. Shah
Shri L. Viswanathan
Smt. Shailashri Bhaskar

## COMPANY SECRETARY

Ms. Aarti Falorh (w.e.f. 04.11.2024)
Shri P.C. Patel (upto 04.11.2024)
(President & Secretary)

## CHIEF FINANCIAL OFFICER

Shri Sayantan Mallick (w.e.f. 04.11.2024)
Shri Mahendra Gayatonde (upto 30.10.2024)

## AUDITORS

M/s. Mehul Gada & Associates

## SOLICITORS

M/s. 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
Union Bank of India
ICICI Bank

## REGISTRAR AND TRANSFER AGENTS

MUFG Intime India Pvt. Ltd.
(Formerly Link Intime India 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 Ninth Annual Report and the Audited Financial Statements for the year ended 31st March, 2025.

**Financial Results:**

**(₹ in Lakhs)**

| Particulars | Current Year (2024-2025) | Previous Year (2023-2024) |
|---|---|---|
| **Profit before Interest, Depreciation and Tax** | 3054 | 2982 |
| Less: Interest & Other Finance Costs | 4 | 5 |
| Depreciation | 10 | 10 |
| **Profit before Taxation** | **3040** | **2967** |
| Less: Provision for Current Taxation | 824 | 778 |
| (Add)/Less: Provision for Deferred Tax | (17) | 4 |
| **Profit for the year** | **2233** | **2185** |
| Less: Other Comprehensive Income | 6 | 5 |
| Total Comprehensive Income | 2227 | 2180 |
| Add: Profit Brought Forward from Previous Year | 10266 | 9920 |
| **Profit available for appropriations** | **12493** | **12100** |
| **Appropriations:** | | |
| Dividend on Equity Shares | #1238 | @1834 |
| Transfer to General Reserve $ | - | - |
| **Total** | **1238** | **1834** |
| **Closing balance of Retained Earnings** | **11255** | **10266** |

# relates to Dividend for F.Y. 2023-2024
@ relates to Dividend for F.Y. 2022-2023
$ it is proposed not to transfer any amount to the General Reserve

**Dividend:**

Out of Current Year's profit, the Directors recommend payment of a Dividend of ₹ 7 per equity share of ₹ 1 (previous year ₹ 6.75 per equity share) aggregating to ₹ 12,83,59,777 (Previous Year ₹ 12,37,75,499) on 1,83,37,111 equity shares of ₹ 1 each. Dividend is subject to approval of Members at the ensuing Annual General Meeting and shall be subject to deduction of income tax at source, as applicable.

**Performance:**

a. The Company's current business is in Chemicals which is trading mainly in Vinyl Acetate Monomer.

b. During the year, the sales turnover from Trading activity was ₹ 59,687 lakhs as against ₹ 57,026 lakhs in the previous year.

c. During the year, the Company earned Net Profit of ₹ 2,233 lakhs as against ₹ 2,185 lakhs in the previous year.

**Outlook:**

The Company expects to perform reasonably well subject to prevailing market conditions and fluctuations in the exchange rate.

**Directors and Key Managerial Personnel:**

In accordance with the provisions of the Companies Act 2013 (the Act) and 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.

Shri P.C. Patel, who had been serving as Company Secretary since 1986, relinquished his position with effect from 4th November, 2024. The Board placed on record its sincere appreciation for the valuable services rendered by him during his tenure. The Board appointed Ms. Aarti Falorh as Company Secretary and Compliance Officer with effect from 4th November, 2024.

Shri Mahendra Gayatonde, Chief Financial Officer (CFO) retired from the services on 30th October, 2024 due to superannuation. The Board placed on record its sincere appreciation for the valuable services rendered by him. The Board appointed Shri Sayantan Mallick, Chartered Accountant, as CFO with effect from 4th November, 2024.

None of the Directors of the Company are disqualified for being appointed as Directors as specified under Section 164(2) of the Act read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**Declaration from Independent Directors:**

The Company has, inter alia, received declarations from all the Independent Directors confirming that:

- they meet the criteria of independence as prescribed under the provisions of the Act read with the Rules made thereunder and the Listing Regulations;
- they have complied with the Code for Independent Directors prescribed under Schedule IV to the Act and
- they have registered themselves with the Independent Directors' Database maintained by the Indian Institute of Corporate Affairs.

**Annual Return:**

The Annual Return of the Company as on 31st March, 2025 is available on the website of the Company at www.vinylchemicals.com.

**Number of Board Meetings:**

During the year, the Board of Directors met 4 times. The details of 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 Act are given in the Notes forming part of the Financial Statements for the year ended 31st March, 2025.

**Related Party Transactions:**

All related party transactions that were entered into during the Financial Year were at 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 Act for the Financial Year 2024-2025 are given in the prescribed Form AOC–2, which is annexed as Annexure 1.

Disclosure of related party transactions with the promoter(s)/promoter group which individually holds 10% or more shareholding of the Company, as per Indian Accounting Standards, are set out in Note No. 35 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 at https://vinylchemicals.com/pdf/policies/Policy-on-Related-Party-Transaction.pdf.

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

The CSR Policy of the Company and details of projects can be accessed on the Company's website at https://vinylchemicals.com/pdf/policies/remuneration-policy.pdf.

**Remuneration Policy:**

The Remuneration Policy of the Company is available on the Company's website https://vinylchemicals.com/pdf/policies/remuneration-policy.pdf. The remuneration paid to the Directors is 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

The details of the 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 31st March, 2025.

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

At the 38th Annual General Meeting of the Company, the Members have appointed M/s. Mehul Gada & Associates, (FRN: 156057W), Chartered Accountants, Mumbai as Statutory Auditors of the Company for a term of five consecutive years upto the conclusion of the 43rd Annual General Meeting. The Auditors have confirmed that they are not disqualified from continuing as Statutory 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 its Directors and employees. The details of the policy are posted on the Company's website at https://vinylchemicals.com/pdf/policies/VCIL-Whistle-Blower-Policy.pdf. For further details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

**Secretarial Auditor and Secretarial Audit Report:**

In terms of the amended provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and pursuant to the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, the Board recommends to the Members, appointment of M/s. Parikh & Associates, Practicing Company Secretaries (FRN: P1988MH009800) as Secretarial Auditor of the Company for a period of 5 consecutive years commencing from Financial Year 2025-2026 till Financial Year 2029-2030. They have given their consent for appointment as Secretarial Auditor.

The Secretarial Audit Report for the Financial Year 2024-2025 under the Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations is set out in Annexure 3. There are no qualifications or adverse remarks in their Report.

**Deposits:**

The Company has not accepted any deposit covered under Chapter V of the Act during the Financial Year 2024-2025.

**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.

The Company has appointed Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements.

**Directors' Responsibility Statement:**

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

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed alongwith proper explanations relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 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 Act 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:**

The Company is committed to good corporate governance practices. Report on Corporate Governance in accordance with Regulation 34 read with Schedule V of the Listing Regulations alongwith a Certificate from M/s. Parikh & Associates, Practicing Company Secretaries, is given separately in this Annual Report. The requisite Certificate for no disqualification of Directors received from M/s. Parikh & Associates, Practicing 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. For the sake of brevity, the items covered in this Report are not repeated in the Management Discussion and Analysis Report.

**Particulars of Employees and related Disclosure:**

Disclosure pertaining to remuneration as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 4.

Details of employees remuneration as required under provisions of Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any modifications thereof) shall be made available on request by any shareholder.

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

The particulars under Section 134 of the Act read with the Companies (Accounts) Rules, 2014, to the extent applicable to the Company, is annexed as Annexure 5.

**Annual Evaluation by the Board of its own performance, its Committees and Individual Directors:**

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. For further details, please refer to the Report on Corporate Governance, which forms a part of this Annual Report.

**Familiarisation Programme:**

The Company has put in place a familiarisation programme for all its Directors, including Independent Directors and the same is available on its website at https://vinylchemicals.com/pdf/policies/familiarisation-programme-new.pdf.

**General:**

**During the year under review -**

a) The Company has not issued Sweat Equity Shares and Equity Shares with Differential Voting Rights.

b) The Company does not have Employees' Stock Option Scheme.

c) No significant and material orders were passed by the Regulators against the Company.

d) The Company has complied with the provisions relating to formulation of Prevention of Sexual Harassment Policy and constitution of Internal Complaints Committee under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder and no complaints were received by the Company during the Financial Year 2024-2025 under the said Act.

e) 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.

h) No proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution.

i) There has been no change in the nature of business of 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, customers and banks for their continued support.

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 5th May, 2025

**M.B. PAREKH**
CHAIRMAN & MANAGING DIRECTOR
DIN : 00180955

**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 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 contracts or arrangements or transactions not at arm's length basis:**

   All contracts/arrangements/transactions entered into during the year ended 31st March, 2025 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 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. Vinyl Acetate Monomer (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 2024-2025, the values of sales and related income are as follows:

      i. Pidilite Industries Ltd. - ₹ 55,518.69 lakhs

      ii. Pidilite Speciality Chemicals Bangladesh Pvt. Ltd. - ₹ 60.81 lakhs

   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 : 5th May, 2025

**M.B. PAREKH**
CHAIRMAN & MANAGING DIRECTOR
DIN : 00180955

**ANNEXURE 2**

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. **Brief outline on Corporate Social Responsibility (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 P. D. Shah | Independent Director | 2 | 2 |

3. **Web-link(s) 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. **Executive Summary alongwith Web-link(s) of Impact assessment of CSR projects carried out in pursuance of Sub-rule (3) of Rule 8 of Companies (CSR Policy) Rules, 2014, if applicable:**

   Not Applicable

5. (a) **Average net profit of the Company as per Sub-Section (5) of Section 135 of the Companies Act, 2013:**

   ₹ 3848.75 lakhs

   (b) **Two percent average net profit of the Company as per Sub-Section (5) of Section 135 of the Companies Act, 2013:**

   ₹ 76.98 lakhs

   (c) **Surplus arising out of the CSR Projects or Programmes or activities of the previous Financial Years:**

   Nil

   (d) **Amount required to be set off for the Financial Year, if any:**

   Nil

   (e) **Total CSR obligation for the Financial Year [(b)+(c)-(d)]:**

   ₹ 76.98 lakhs

6. (a) **Amount spent on CSR Projects (both Ongoing Projects and Other than Ongoing Projects):**

   ₹ 78 lakhs

   (b) **Amount spent in Administrative Overheads:**

   Nil

   (c) **Amount spent on Impact Assessment, if applicable:**

   Not Applicable

   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:**

   ₹ 78 lakhs

**(e) CSR amount spent or unspent for the Financial Year:**

| Total Amount spent for the Financial Year 2024-2025 (₹ in lakhs) | Amount Unspent (₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per Sub-section (6) of Section135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to Sub-section (5) of Section135 | | |
| | Amount (₹ in lakhs) | Date of transfer | Name of the Fund | Amount (₹ in lakhs) | Date of transfer |
| 78.00 | - | - | - | - | - |

**(f) Excess amount for set off, if any:**

| Sr. No. | Particulars | Amount (₹ in lakhs) |
|---|---|---|
| i. | 2% of average net profits of the Company as per Sub-section (5) of Section 135 | 76.98 |
| ii. | Total amount spent for the Financial Year | 78.00 |
| iii. | Excess amount spent for the Financial Year [(ii)-(i)] | 1.02 |
| 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)] | 1.02 |

**7. Details of Unspent CSR amount for the preceding three Financial Years:**

Not Applicable

**8. Whether any capital asset have been created or acquired through CSR amount spent in the Financial Year:**

No

**9. Specify the reason(s) if the company has failed to spend two per cent of the average net profit as per Sub-section (5) of Section 135:**

Not Applicable

**M.B. PAREKH**
(CHAIRMAN & MANAGING DIRECTOR)
DIN: 00180955

**N.K. PAREKH**
(CHAIRMAN OF THE CSR COMMITTEE)
DIN: 00111518

Place : Mumbai
Date : 5th May, 2025

**ANNEXURE 3**

# FORM NO. MR-3

## SECRETARIAL AUDIT REPORT
## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[(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**

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2025 generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the Financial Year ended on March 31, 2025 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contract (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;

(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 and amendments from time to time (Not applicable to the Company during the audit period);

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the audit period);

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (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 Act and dealing with client (Not applicable to the Company during the audit period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period).

(vi) As represented by the Company, there are no other laws applicable specifically to the Company.

We have also examined compliance with the applicable Clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice 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.

Decisions at the Board Meetings were taken unanimously.

We 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.

We further report that during the audit period no event occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For Parikh & Associates**
**Company Secretaries**

**Sarvari Shah**
**Partner**
FCS No: 9697 CP No: 11717
UDIN: F009697G000269330
PR No.: 6556/2025

Place : Mumbai
Date : May 5, 2025

*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.*

## Annexure A

**To,**
**The Members,**
**Vinyl Chemicals (India) Limited**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process 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 process 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, 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 procedure 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 Parikh & Associates**
**Company Secretaries**

**Sarvari Shah**
**Partner**
FCS No: 9697 CP No: 11717
UDIN: F009697G000269330
PR No.: 6556/2025

Place : Mumbai
Date : May 5, 2025

## ANNEXURE 4

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

1. **Ratio of remuneration of each Director to the median remuneration of the employees of the company for the Financial Year ended 31st March, 2025:**

| Sr. No. | Name of Director | Total Remuneration* (₹ in lakhs) | Ratio of Remuneration of Director to the Median Remuneration |
|---|---|---|---|
| 1 | Shri M.B. Parekh | 152.00 | 7.1:1 |
| 2 | Shri N.K. Parekh | 7.25 | 0.4:1 |
| 3 | Shri A.B. Parekh | 7.40 | 0.4:1 |
| 4 | Shri P.D. Shah | 8.15 | 0.4:1 |
| 5 | Shri L.Viswanathan | 8.15 | 0.4:1 |
| 6 | Smt. Shailashri Bhaskar | 7.58 | 0.4:1 |

* Includes Commission for Financial Year 2024-2025 which will paid during the Financial Year 2025-2026.

2. **The percentage increase in remuneration of each Director and Key Managerial Personnel (KMP) in the Financial Year 2024-2025:**

| Sr. No. | Name of Director/KMP | Remuneration^ (₹ in lakhs) | | Increase/(Decrease) (%) |
|---|---|---|---|---|
| | | 2024-2025 | 2023-2024 | |
| 1 | Shri M.B. Parekh | 152.00 | 136.00 | 11.76 |
| 2 | Shri N.K. Parekh | 7.25 | 6.45 | 12.40 |
| 3 | Shri A.B. Parekh | 7.40 | 6.90 | 7.25 |
| 4 | Shri P.D. Shah | 8.15 | 6.80 | 19.85 |
| 5 | Shri L. Viswanathan | 8.15 | - | - |
| 6 | Smt. Shailashri Bhaskar | 7.58 | - | - |
| 7 | Shri Mahendra Gayatonde (CFO)* | 43.86 | 42.11 | - |
| 8 | Shri Sayantan Mallick (CFO)@ | 13.03 | - | - |
| 9 | Ms. Aarti Falorh (CS)# | 18.14 | - | - |

^ Includes Commission to Directors for Financial Year 2024-2025 which will paid during the Financial Year 2025-2026.

* Retired as Chief Financial Officer w.e.f. 30th October, 2024. Hence, this is not comparable.

@ Appointed as Chief Financial Officer w.e.f. 4th November, 2024.

# Appointed as Company Secretary w.e.f. 4th November, 2024.

3. **Percentage increase in the median remuneration of employees in the Financial Year 2024-2025:**

| Particulars | Median Remuneration (₹ in lakhs) | | Increase (%) |
|---|---|---|---|
| | 2024-2025 | 2023-2024 | |
| Median remuneration of all employees (per annum) | 19.68 | 17.79 | 10.62 |

4. The number of permanent employees on the rolls of the Company as on 31st March, 2025 were 13.

5. **Average percentage increase already made in the salaries of employees other than Managerial Personnel in the last Financial Year and its comparison with the percentage increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:**

| Particulars | Increase/(Decrease) (%) |
|---|---|
| Average percentage increase in the salaries of all employees (other than Managerial Personnel) | 1.39 |
| Percentage increase in Managerial Remuneration | 27.47 |

6. **Affirmation:**

It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

**ANNEXURE 5**

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

During the Financial Year 2024-2025, 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 lakhs)**

| Particulars | Financial Year 2024-2025 | Financial Year 2023-2024 |
|---|---|---|
| Foreign Exchange earned | 2,899.31 | 2,768.69 |
| Foreign Exchange used | 57,701.50 | 56,312.72 |

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai
Date : 5th May, 2025

**M.B. PAREKH**
CHAIRMAN & MANAGING DIRECTOR
DIN : 00180955

# 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 15 importers are regularly importing Vinyl Acetate Monomer (VAM) for trading into India.

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

The Company is currently engaged in trading of chemicals, mainly VAM.

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

**Segment-wise Performance:**

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

**Internal Control Systems and their Adequacy:**

The Company has adequate internal control procedures commensurate with 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 31st March, 2025 were 13.

**Changes in Key Financial Ratios:**

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

| Sr. No. | Ratio | As on 31.03.2025 | As on 31.03.2024 |
|---|---|---|---|
| 1 | Debtors Turnover Ratio | 5.66 | 8.30 |
| 2 | Inventory Turnover Ratio | 6.42 | 5.49 |
| 3 | Current Ratio | 1.93 | 1.62 |
| 4 | Operating Profit Margin (%age) | 5.28 | 5.69 |
| 5 | Net Profit Margin (%age) | 5.09 | 5.20 |
| 6 | Return on Networth (%age) | 18.35 | 18.99 |

The Debtors Turnover Ratio for the Current Year is lower due to increase in average debtors.

# 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 31st March, 2025, 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 (hereinafter referred to as the "Standalone Ind AS Financial Statements").

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 31st March, 2025, 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 are 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure

about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matter**

The standalone financial results of the Company for the year ended 31st March 2024 were audited by the predecessor auditor whose report dated 3rd May 2024 had expressed an unmodified opinion.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 accounts 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 accounts.
   (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 31st March 2025 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2025 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 are 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 33 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.
      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      (b) The Management has represented , that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether,

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the 1ike on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The Dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Companies Act, 2013.

(b) The Board of Directors have proposed Dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of Dividend proposed is in accordance with Section 123 of the Companies Act, 2013.

vi. Based on our examination on test basis of accounting software used by the Company for maintaining its books of account for the financial year ended 31st March 2025 we are of the opinion that accounting software has feature of recording audit trail (edit log) facility and same was operated throughout the year in respect of all relevant transactions recorded in software. Further, during our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for the record retention.

**For Mehul Gada & Associates**
**Chartered Accountants**
**Firm Reg. No. 156057W**

**Mehul Gada**
**Proprietor**
**Membership No. 159997**
**UDIN 25159997BMNASR2467**

**Place : Mumbai,**
**Date : 5th May, 2025**

## Annexure "A" to the Independent Auditor's Report

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

(i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Right-of-use Assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a phased program of physical verification of Property, Plant and Equipment and Right-of-use Assets so to cover all the assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the 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.

(d) The Company has not revalued any of its Property, Plant and Equipment including Right-of-use Assets and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the Company with such Banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us, during the year, the Company has neither made any investments in, companies, firms, Limited Liability Partnerships nor granted unsecured loans to other parties. Further, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable.

(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 or amounts which are deemed to be 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 is 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 Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Custom 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 Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they become 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 statutory dues referred to in sub-clause (a) above 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, 2017-18 | Joint Commissioner (Appeals), Maharashtra Sales Tax Tribunal and JC Appeal, Mumbai |

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) In our opinion and according to information and explanation given to us, the Company has not raised any moneys by way of initial Public Offer or further public offer (including debt instruments) during the year. Accordingly, Clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.

(c) According to information and explanations given to us there were no whistle blower complaints received by the Company during the year.

(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) (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

(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) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, there is no Core Investment Company within the Group [as defined in the Core Investment Companies (Reserve Bank) Directions, 2016] and accordingly, reporting under Clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash loss during the current financial year or in the immediately preceding financial year.

(xviii) There has been no resignation of the Statutory Auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) requiring a transfer to a fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of Section 135 of the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) There is no unspent amount in respect of ongoing projects of CSR under sub-section (5) of Section 135 of the Companies Act, 2013 requiring transfer to a special account in compliance with second proviso to sub-section (6) of Section 135 of the Companies Act, 2013. Accordingly, reporting under Clause 3(xx)(b) of the Order is not applicable.

**For Mehul Gada & Associates**
**Chartered Accountants**
**Firm Reg. No. 156057W**

**Mehul Gada**
**Proprietor**
**Membership No. 159997**
**UDIN 25159997BMNASR2467**

**Place : Mumbai,**
**Date : 5th May, 2025**

## Annexure "B" to the Independent Auditor's Report

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

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

We have audited the internal financial controls over financial reporting of **Vinyl Chemicals (India) Limited** ("the Company") as of March 31, 2025 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, 2025 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 Mehul Gada & Associates**
**Chartered Accountants**
**Firm Reg. No. 156057W**

**Mehul Gada**
**Proprietor**
**Membership No. 159997**
**UDIN 25159997BMNASR2467**

**Place : Mumbai,**
**Date : 5th May, 2025**

## BALANCE SHEET AS AT 31ST MARCH, 2025

(₹ In Lakhs)

| | Notes | | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **1. Non-current assets** | | | | |
| a) Property,Plant and Equipment | 3 | 51.96 | | 57.99 |
| b) Intangible assets | 4 | 13.13 | | 17.09 |
| c) Deferred tax asset (Net) | 18 | 19.41 | | 0.03 |
| d) Other non-current assets | 5 | 88.34 | | 73.76 |
| Total Non-current assets | | | 172.84 | 148.87 |
| **2. Current assets** | | | | |
| a) Inventories | 6 | 6,326.70 | | 11,982.69 |
| b) Financial Assets | | | | |
| i) Investments | 7 | 6,832.81 | | 5,744.13 |
| ii) Trade receivables | 8 | 10,478.49 | | 10,625.16 |
| iii) Cash and cash equivalents | 9 | 996.81 | | 470.76 |
| iv) Bank balances other than (iii) above | 10 | 160.03 | | 148.25 |
| v) Loans | 11 | - | | - |
| vi) Other financial assets | 12 | 0.15 | | 25.26 |
| c) Other current assets | 13 | 1,249.18 | | 1,379.58 |
| Total Current assets | | | 26,044.17 | 30,375.83 |
| **Total Assets** | | | **26,217.01** | **30,524.70** |
| **EQUITY AND LIABILITIES** | | | | |
| **1. Equity** | | | | |
| **Shareholders' funds** | | | | |
| a) Equity Share Capital | 14 | 183.44 | | 183.44 |
| b) Other Equity | 15 | 12,483.25 | | 11,494.15 |
| Equity attributable to owners of the Company & Total Equity | | | 12,666.69 | 11,677.59 |
| **LIABILITIES** | | | | |
| **2. Non-current liabilities** | | | | |
| a) Financial Liabilities | | | | |
| Borrowings | 16 | 49.47 | | 49.47 |
| b) Provisions | 17 | 25.45 | | 21.33 |
| Total Non-current liabilities | | | 74.92 | 70.80 |
| **3. Current liabilities** | | | | |
| a) Financial liabilities | | | | |
| i) Trade payables | 19 | | | |
| Total outstanding dues of micro & small enterprises | | 1.97 | | - |
| Total outstanding dues of others | | 12,514.17 | | 18,088.58 |
| ii) Other financial liabilities | 20 | 707.47 | | 472.86 |
| b) Other current liabilities | 21 | 13.32 | | 26.14 |
| c) Provisions | 22 | 12.93 | | 13.85 |
| d) Current tax liabilities (Net) | 23 | 225.54 | | 174.88 |
| Total Current liabilities | | | 13,475.40 | 18,776.31 |
| **Total Equity and Liabilities** | | | **26,217.01** | **30,524.70** |
| 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 Mehul Gada & Associates**
Chartered Accountants
Firm Reg. No. 156057W

**Mehul Gada**
Proprietor
Mem.No.159997

Mumbai
Date: 5th May, 2025

**Aarti Falorh**
Company Secretary
FCS: 8726

**Sayantan Mallick**
Chief Financial Officer
ACA: 305190

For and on behalf of the Board

**M.B. Parekh**
Chairman & Managing Director
DIN: 00180955

**A.B. Parekh**
Director
DIN: 00035317

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ In Lakhs)

| | Notes | | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|---|---|
| **Income** | | | | |
| Revenue from operations | 24 | | 62,525.00 | 59,701.13 |
| Other income | 25 | | 500.59 | 444.77 |
| **Total Income** | | | **63,025.59** | **60,145.90** |
| **Expenses** | | | | |
| Purchase of traded goods | 26 | 53,478.15 | | 59,659.36 |
| (Increase)/decrease in inventories of traded goods | 27 | 5,285.99 | | (3,520.30) |
| Cost of traded goods sold | | | 58,764.14 | 56,139.06 |
| Employee benefits expenses | 28 | | 590.73 | 516.49 |
| Finance costs | 29 | | 4.00 | 4.88 |
| Depreciation and amortization | 30 | | 9.99 | 10.11 |
| Other Expenses | 31 | | 616.60 | 508.65 |
| **Total Expenses** | | | **59,985.46** | **57,179.19** |
| **Profit before tax** | | | **3,040.13** | **2,966.71** |
| **Tax expense** | | | | |
| Current tax | 39 | 823.99 | | 778.00 |
| Deferred tax | 39 | (17.20) | | 4.32 |
| Total tax expenses | | | 806.79 | 782.32 |
| **Profit for the year** | | | **2,233.34** | **2,184.39** |
| **Other Comprehensive Income** | | | | |
| Less: Remeasurement of defined benefit plan (Gratuity) | 32 | | 6.49 | 4.54 |
| **Total Comprehensive Income** | | | **2,226.85** | **2,179.85** |
| **Earnings per share (in ₹)** | | | | |
| Basic | | | 12.17 | 11.91 |
| Diluted | | | 12.17 | 11.91 |
| 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 Mehul Gada & Associates**
Chartered Accountants
Firm Reg. No. 156057W

**Mehul Gada**
Proprietor
Mem.No.159997

Mumbai
Date: 5th May, 2025

**Aarti Falorh**
Company Secretary
FCS: 8726

**Sayantan Mallick**
Chief Financial Officer
ACA: 305190

For and on behalf of the Board

**M.B. Parekh**
Chairman & Managing Director
DIN: 00180955

**A.B. Parekh**
Director
DIN: 00035317

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs)

| a. Equity Share Capital: | Amount |
|---|---|
| **Balance at 1st April, 2023** | **183.44** |
| Changes in equity share capital during the year | – |
| **Balance at 31st March, 2024** | **183.44** |
| Changes in equity share capital during the year | – |
| **Balance at 31st March, 2025** | **183.44** |

**b. Other Equity:**

**(₹ in Lakhs)**

| | Reserves and Surplus | | | |
|---|---|---|---|---|
| | **Capital Reserve** | **General Reserve** | **Surplus in Statement of Profit and Loss** | **Total** |
| **Balance at 1st April, 2023** | **54.47** | **1,173.40** | **9,920.15** | **11,148.02** |
| Profit for the year | | | 2,184.39 | 2,184.39 |
| Other comprehensive income for the year, net of income tax | | | (4.54) | (4.54) |
| Transfer to General Reserve | | | – | – |
| Payment of dividend | | | (1,833.72) | (1,833.72) |
| **Balance at 31st March, 2024** | **54.47** | **1,173.40** | **10,266.28** | **11,494.15** |
| Profit for the year | | | 2,233.34 | 2,233.34 |
| Other comprehensive income for the year, net of income tax | | | (6.49) | (6.49) |
| Transfer to General Reserve | | | – | – |
| Payment of dividend | | | (1,237.75) | (1,237.75) |
| **Balance at 31st March, 2025** | **54.47** | **1,173.40** | **11,255.38** | **12,483.25** |

As per our report of even date
**For Mehul Gada & Associates**
Chartered Accountants
Firm Reg. No. 156057W

**Mehul Gada**
Proprietor
Mem.No.159997

Mumbai
Date: 5th May, 2025

For and on behalf of the Board

**Aarti Falorh**
Company Secretary
FCS: 8726

**M.B. Parekh**
Chairman & Managing Director
DIN: 00180955

**Sayantan Mallick**
Chief Financial Officer
ACA: 305190

**A.B. Parekh**
Director
DIN: 00035317

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ In Lakhs)

| | Notes | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Profit/(loss) for the year after tax** | | 2,233.34 | 2,184.39 |
| Add: Income tax expense recognised in profit or loss | | 806.79 | 782.32 |
| **Profit/(loss) before tax** | | **3,040.13** | **2,966.71** |
| **Adjustments for:** | | | |
| Interest income | | (23.34) | (7.08) |
| Net (gain)/loss on sale of current investments | | (307.29) | (351.66) |
| Net (gain)/loss on financial liabilities designated as at fair value through profit or loss | | 275.70 | (22.95) |
| Net (gain)/loss on financial assets mandatorily measured at fair value through profit or loss | | (156.08) | (38.33) |
| Finance costs | | 4.00 | 4.88 |
| Remeasurement of defined benefit obligations through OCI (Gross) | | (8.67) | (6.07) |
| Depreciation & amortization of non-current assets | | 9.99 | 10.11 |
| | | **2,834.44** | **2,555.61** |
| **Movements in working capital:** | | | |
| Decrease/(increase) in inventories | | 5,655.99 | (3,520.30) |
| Decrease/(increase) in trade & other receivables | | 146.67 | (7,501.21) |
| (Increase)/decrease in other assets | | (141.55) | 248.78 |
| Increase/(decrease) in trade payables | | (5,572.43) | 12,456.58 |
| Increase/(decrease) in provisions | | 3.20 | 1.37 |
| Increase/(decrease) in other liabilities | | 3.46 | (66.06) |
| **Cash generated from Operations** | | **2,929.78** | **4,174.77** |
| Interest and other finance expenses | | (4.00) | (4.88) |
| Income taxes paid | | (555.00) | (552.00) |
| **Cash Flow before extraordinary items** | | **2,370.78** | **3,617.89** |
| Extraordinary items | | - | - |
| **Net Cash from Operating Activities (A)** | | **2,370.78** | **3,617.89** |

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ In Lakhs)

| | Notes | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|---|
| **Cash flows from investing activities** | | | |
| Sale/(Purchase) of financial assets (Net) | | (625.31) | (1,388.85) |
| Sale/(Purchase) of Property, Plant & Equipment including CWIP and capital advance | | (5.00) | - |
| Interest received | | 23.34 | 7.08 |
| **Net cash flows from/(used in) investing activities (B)** | | **(606.97)** | **(1,381.77)** |
| **Cash flows from financing activities** | | | |
| Proceeds from/(Repayment of) borrowing | | - | - |
| Dividend paid (including dividend tax,where applicable) on equity shares | | (1,237.76) | (1,833.72) |
| **Net cash flows from/(used in) financing activities (C)** | | **(1,237.76)** | **(1,833.72)** |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | | 526.05 | 402.40 |
| Cash and cash equivalents at the beginning of the year | | 470.76 | 68.36 |
| **Cash and cash equivalents at the end of the year** | | **996.81** | **470.76** |
| **Components of cash and cash equivalents** | | | |
| Cash on hand | | - | 0.05 |
| Balances with banks - in current accounts | | 996.81 | 470.71 |
| **Total cash and cash equivalents** | | **996.81** | **470.76** |
| 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 Mehul Gada & Associates**
Chartered Accountants
Firm Reg. No. 156057W

**Mehul Gada**
Proprietor
Mem.No.159997

Mumbai
Date: 5th May, 2025

For and on behalf of the Board

**Aarti Falorh**
Company Secretary
FCS: 8726

**M.B. Parekh**
Chairman & Managing Director
DIN: 00180955

**Sayantan Mallick**
Chief Financial Officer
ACA: 305190

**A.B. Parekh**
Director
DIN: 00035317

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

**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,7th 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.

The estimated useful lives are as given below:

| Type of asset | Useful Life |
|---|---|
| Plant & Machinery | 15 years |
| Furnitue & Fixtures | 10 years |
| Vehicles | 8 years |
| Office Equipments | 5 years |

**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.

**Impairment of assets acquired seperately**

Intangible assets with finite useful lives that are acquired seperately, are carried at cost less accumulated amortization and accumulated impairement losses. Amortization is recognized on a straight line basis over their estimated usefule lives. The estimated useful lives and amortization method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis. Estimated useful life of intangible assets is 6 years for computer software.

**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.

(₹ in Lakhs)

| | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|
| **Note 3** | | |
| **Property, plant and equipment and capital work-in-progress (Net Block)** | | |
| **Carrying amounts of:** | | |
| **Tangible assets** | | |
| Freehold land | 18.57 | 18.57 |
| **Plant & Equipment** | | |
| Plant & Equipment | 0.33 | 0.33 |
| Furniture & Fixtures | 0.08 | 0.10 |
| Vehicles | 32.98 | 38.99 |
| | **51.96** | **57.99** |

(₹ in Lakhs)

| | Freehold Land | Plant & Equipment | Furniture & Fixtures | Vehicles | Total |
|---|---|---|---|---|---|
| **Cost or deemed cost (Gross Block)** | | | | | |
| **Balance at 31st March, 2023** | **18.57** | **4.32** | **0.50** | **50.57** | **73.96** |
| Additions | - | - | - | - | **-** |
| Disposals/ Adjustments | - | - | - | - | **-** |
| **Balance at 31st March, 2024** | **18.57** | **4.32** | **0.50** | **50.57** | **73.96** |
| Additions | - | - | - | - | **-** |
| Disposals/ Adjustments | - | - | - | - | **-** |
| **Balance at 31st March, 2025** | **18.57** | **4.32** | **0.50** | **50.57** | **73.96** |
| **Accumulated depreciation and impairment** | | | | | |
| **Balance at 31st March, 2023** | **-** | **3.87** | **0.37** | **5.58** | **9.82** |
| Depreciation expense | - | 0.12 | 0.03 | 6.00 | **6.15** |
| Accumulated depreciation on Disposals/ Adjustments | | - | - | - | **-** |
| **Balance at 31st March, 2024** | **-** | **3.99** | **0.40** | **11.58** | **15.97** |
| Depreciation expense | - | - | 0.02 | 6.01 | **6.03** |
| Accumulated depreciation on Disposals/ Adjustments | | - | - | - | **-** |
| **Balance at 31st March, 2025** | **-** | **3.99** | **0.42** | **17.59** | **22.00** |
| **Carrying amount (Net Block)** | | | | | |
| **Balance at 31st March, 2023** | **18.57** | **0.45** | **0.13** | **44.99** | **64.14** |
| Additions | - | - | - | - | **-** |
| Disposals/ Adjustments (W.D.V.) | - | - | - | - | **-** |
| Depreciation expense | - | 0.12 | 0.03 | 6.00 | **6.15** |
| **Balance at 31st March, 2024** | **18.57** | **0.33** | **0.10** | **38.99** | **57.99** |
| Additions | - | - | - | - | **-** |
| Disposals/ Adjustments (W.D.V.) | - | - | - | - | **-** |
| Depreciation expense | - | - | 0.02 | 6.01 | **6.03** |
| **Balance at 31st March, 2025** | **18.57** | **0.33** | **0.08** | **32.98** | **51.96** |

(₹ in Lakhs)

| | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|
| **Note 4** | | |
| **Intangible assets** | | |
| **Carrying amounts of:** | | |
| Computer Software | 13.13 | 17.09 |
| | **13.13** | **17.09** |

| **Cost or deemed cost (Gross Block)** | **Computer Software** |
|---|---|
| **Balance at 31st March, 2023** | **-** |
| Additions | 25.00 |
| Disposals/ Adjustments | - |
| **Balance at 31st March, 2024** | **25.00** |
| Additions | - |
| Disposals/ Adjustments | - |
| **Balance at 31st March, 2025** | **25.00** |
| | |
| **Accumulated depreciation and impairment** | |
| **Balance at 31st March, 2023** | **3.95** |
| Depreciation expense | 3.96 |
| Accumulated depreciation on Disposals/Adjustments | |
| **Balance at 31st March, 2024** | **7.91** |
| Depreciation expense | 3.96 |
| Accumulated depreciation on Disposals/Adjustments | |
| **Balance at 31st March, 2025** | **11.87** |
| | |
| **Carrying amount (Net Block)** | |
| **Balance at 31st March, 2023** | **21.05** |
| Additions | - |
| Disposals/ Adjustments (W.D.V.) | - |
| Depreciation expense | 3.96 |
| **Balance at 31st March, 2024** | **17.09** |
| Additions | - |
| Disposals/ Adjustments (W.D.V.) | - |
| Depreciation expense | 3.96 |
| **Balance at 31st March, 2025** | **13.13** |

| | As at 31st March, 2025 | (₹ In Lakhs) As at 31st March, 2024 |
|---|---|---|
| **Note 5** | | |
| **Other Non-current assets** | | |
| **Loans & Advances- Non Current** | | |
| Unsecured, considered good | | |
| Capital Advance | 5.00 | - |
| Loans and Advances to Employees & Others | 19.63 | 10.05 |
| | **24.63** | **10.05** |
| **Non-financial Assets - Others - Non-current** | | |
| VAT Refund | 63.71 | 63.71 |
| | **63.71** | **63.71** |
| **Total other Non-current assets** | **88.34** | **73.76** |
| **Note 6** | | |
| **Inventories (At lower of cost and net realizable value)** | | |
| Stock in Trade (acquired for trading) | 6,326.70 | 11,982.69 |
| | **6,326.70** | **11,982.69** |
| Goods in transit included in the above stock | - | 6,614.70 |

**Note 7**

**Financial Assets - Investments - Current**

| Investments in Mutual Funds | As at 31st March, 2025 | | As at 31st March, 2024 | |
|---|---|---|---|---|
| | Qty. | (₹ In Lakhs) | Qty. | (₹ In Lakhs) |
| **Un-quoted** | | | | |
| **Other investments** | | | | |
| ABSL Arbitrage Fund-Growth Fund | 60,09,280 | 1,689.61 | 4,27,346 | 1,301.08 |
| ABSL Money Manager Fund-Growth Fund | 6,31,283 | 2,321.04 | 8,65,821 | 2,950.64 |
| ICICI Overnight Fund- Growth Fund | 54,548 | 750.55 | - | - |
| ICICI Prudential-Money Market-Growth Fund | 5,49,984 | 2,071.61 | 4,27,346 | 1,492.41 |
| | | **6,832.81** | | **5,744.13** |

| | As at 31st March, 2025 | (₹ In Lakhs) As at 31st March, 2024 |
|---|---|---|
| **Note 8** | | |
| **Financial Assets - Trade Receivables - Current** | | |
| - Unsecured, considered good | 10,478.49 | 10,625.16 |
| - Considered doubtful | - | - |
| | **10,478.49** | **10,625.16** |
| Less: Provision for doubtful receivables | - | - |
| | **10,478.49** | **10,625.16** |

Before accepting any new customer, the Company uses an 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.

**Trade Receivables aging schedule is given below:**

**(A) Particulars (including Group Companies)**

(₹ In Lakhs)

| | Outstanding as on 31.03.2025 from due date of payment | | | | | | | Outstanding as on 31.03.2024 from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Not Due | Less than six months | 6 months - 1 year | 1-2 years | 2-3 years | More Than 3 years | **Total** | Not Due | Less than six months | 6 months - 1 year | 1-2 years | 2-3 years | More Than 3 years | **Total** |
| (i) Undisputed Trade receivables – considered good | 10,361.86 | 116.63 | – | – | – | – | **10,478.49** | 10,625.16 | – | – | – | – | – | **10,625.16** |
| | | | | | | | | | | | | | | |
| (ii) Undisputed Trade receivables – considered doubtful | – | | – | – | – | – | – | – | | – | – | – | – | – |
| | | | | | | | | | | | | | | |
| (iii) Disputed Trade receivables – considered good | – | | – | – | – | – | – | – | | – | – | – | – | – |
| | | | | | | | | | | | | | | |
| (iv) Disputed Trade receivables – considered doubtful | – | | – | – | – | – | – | – | | – | – | – | – | – |

**(B) Particulars (excluding Group Companies)**

| | Outstanding as on 31.03.2025 from due date of payment | | | | | | | Outstanding as on 31.03.2024 from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Outstanding for less than 6 months | Not Due | 6 months - 1 year | 1-2 years | 2-3 years | More Than 3 years | **Total** | Outstanding for less than 6 months | Less than six months | 6 months - 1 year | 1-2 years | 2-3 years | More Than 3 years | **Total** |
| (i) Undisputed Trade receivables – considered good | 1,189.40 | 116.63 | – | – | – | – | **1,306.03** | 1,644.88 | – | – | – | – | – | **1,644.88** |
| | | | | | | | | | | | | | | |
| (ii) Undisputed Trade receivables – considered doubtful | – | | – | – | – | – | – | – | | – | – | – | – | – |
| | | | | | | | | | | | | | | |
| (iii) Disputed Trade receivables – considered good | – | | – | – | – | – | – | – | | – | – | – | – | – |
| | | | | | | | | | | | | | | |
| (iv) Disputed Trade receivables – considered doubtful | – | | – | – | – | – | – | – | | – | – | – | – | – |

| | As at 31st March, 2025 | (₹ In Lakhs) As at 31st March, 2024 |
|---|---|---|
| **Note 9** | | |
| **Cash and Cash Equivalents** | | |
| Cash on Hand | - | 0.05 |
| **Balance with banks** | | |
| In Current Account (including Remittance In Transit) | 996.81 | 100.71 |
| In Fixed Deposit Account | - | 370.00 |
| | **996.81** | **470.76** |
| **Note 10** | | |
| **Bank Balances other than Cash and Cash Equivalents** | | |
| **Other Bank Balances** | | |
| **Earmarked Account** | | |
| In unpaid dividend accounts | 160.03 | 148.25 |
| | **160.03** | **148.25** |
| **Note 11** | | |
| **Loans - Current** | | |
| Unsecured, considered good | | |
| Loans and Advances | - | - |
| | **-** | - |
| **Note 12** | | |
| **Financial Assets - Others - Current** | | |
| **Security deposit** | | |
| Unsecured, Considered good | 0.15 | 0.15 |
| Derivative asset | - | 25.11 |
| | **0.15** | **25.26** |
| **Note 13** | | |
| **Non financial Assets - Others - Current** | | |
| Prepaid Expenses | 8.87 | 4.98 |
| Advances given to Suppliers/Others | 3.21 | - |
| Others | 1,237.10 | 1,374.60 |
| | **1,249.18** | **1,379.58** |
| **Note 14** | | |
| **Share Capital** | | |
| **Authorised Capital:** | | |
| 3,49,66,001 Equity Shares of ₹ 1 each | 349.66 | 349.66 |
| (3,49,66,001 Equity Shares of ₹ 1 each as at 31st March, 2024) | | |
| | **349.66** | **349.66** |
| **Issued Capital:** | | |
| 1,83,43,984 Equity Shares of ₹ 1 each, fully paid-up | 183.44 | 183.44 |
| (1,83,43,984 Equity Shares of ₹ 1 each as at 31st March, 2024) | | |
| | **183.44** | **183.44** |
| **Subscribed and Paid up Capital:** | | |
| 1,83,37,111 Equity Shares of ₹ 1 each, fully paid-up | 183.37 | 183.37 |
| (1,83,37,111 Equity Shares of ₹ 1 each as at 31st March, 2024) | | |
| Add: Amount received on 6,873 forfeited Equity Shares | 0.07 | 0.07 |
| (6,873 forfeited Equity Shares as at 31st March, 2024) | | |
| | **183.44** | **183.44** |

**Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

| Particulars | Number of Shares | As at 31st March, 2025 (₹ In Lakhs) | Number of Shares | As at 31st March, 2024 (₹ In Lakhs) |
|---|---|---|---|---|
| Balance | 1,83,37,111 | 183.44 | 1,83,37,111 | 183.44 |

**Terms/Rights attached to equity shares**

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 31st March, 2024, the Company had paid Dividend of ₹ 10 per equity share of ₹ 1 each (Normal Dividend of ₹ 5 & Special Dividend of ₹ 5 per equity shares) for the Financial Year 2022-23.

During the Financial Year ended 31st March, 2025, the Company had paid Dividend of ₹ 6.75 per equity share of ₹ 1 each for the Financial Year 2023-24.

On 5th May 2025, the Board of Directors of the Company have proposed a Dividend of ₹ 7 per equity share of ₹ 1 each in respect of the Financial Year ended 31st March, 2025, subject to the approval of shareholders at the Annual General Meeting. If approved, the Dividend would result in a cash outflow of ₹ 1,283.59 Lakhs.

**Details of shareholders holding more than 5% shares in the Company:**

| Particulars | As at 31st March,2025 | | As at 31st March,2024 | |
|---|---|---|---|---|
| | 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% |

**Shareholding of Promoters/Promoter Group Members:**

**Details of Equity Shares held by Promoters/Promoter Group Members at the end of the Financial Year 2024-25 are given below:**

| S.No | Promoter Name | No. of Shares | % of total shares | % Change during the year |
|---|---|---|---|---|
| 1 | Mala Madhukar Parekh | 1,25,500 | 0.68 | - |
| 2 | Madhukar Balvantray Parekh | 1,24,763 | 0.68 | - |
| 3 | Ajay Balvantray Parekh | 94,583 | 0.52 | - |
| 4 | Narendrakumar Kalyanji Parekh | 75,951 | 0.41 | - |
| 5 | Bharati Narendrakumar Parekh | 42,750 | 0.23 | - |
| 6 | Jasna Raoul Thackersey | 42,750 | 0.23 | - |
| 7 | Ami Ajay Parekh | 35,650 | 0.19 | - |
| 8 | Apurva Narendrakumar Parekh | 28,500 | 0.15 | - |
| 9 | Darshana Bimal Mody | 21,575 | 0.12 | - |
| 10 | Kalpana Apurva Parekh | 21,502 | 0.12 | - |
| 11 | Rashmikant Himatlal Parekh | 1,001 | 0.01 | - |
| 12 | Mrudula Sushilkumar Parekh | 14,401 | 0.08 | - |
| 13 | Harish Himatlal Parekh | 22 | * | - |
| 14 | Harshada Harvadan Vakil | 8,245 | 0.04 | - |
| 15 | Parul Harish Parekh | 5,505 | 0.03 | - |
| 16 | Panna Deepak Sanghavi | 3,545 | 0.02 | - |
| 17 | Pidilite Industries Ltd. | 74,51,540 | 40.64 | - |
| 18 | Parekh Marketing Ltd. | 4,30,200 | 2.34 | - |
| 19 | Kalva Marketing And Services Ltd. | 3,93,770 | 2.14 | - |
| 20 | Pidichem Pvt. Ltd | 1,33,175 | 0.73 | - |
| 21 | Ishijas Chemicals Pvt. Ltd. | 64,550 | 0.35 | - |
| 22 | Harton Pvt. Ltd. | 47,000 | 0.26 | - |
| 23 | The Vacuum Forming Company Pvt. Ltd. | 40,000 | 0.22 | - |
| 24 | Parkem Dyes & Chemicals Pvt. Ltd. | 38,100 | 0.21 | - |

* Negligible

| | As at 31st March, 2025 | (₹ In Lakhs) As at 31st March, 2024 |
|---|---|---|
| **Note 15** | | |
| **Other Equity** | | |
| Capital Reserve | 54.47 | 54.47 |
| General Reserve | 1,173.40 | 1,173.40 |
| Surplus in Statement of Profit and Loss | 11,255.38 | 10,266.28 |
| | **12,483.25** | **11,494.15** |
| **a. Capital Reserve** | | |
| Balance as per last financial statements | 54.47 | 54.47 |
| | **54.47** | **54.47** |
| **b. General Reserve** | | |
| Balance as per last financial statements | 1,173.40 | 1,173.40 |
| **Closing Balance** | **1,173.40** | **1,173.40** |
| **c. Surplus in Statement of Profit and Loss** | | |
| Balance as per last financial statements | 10,266.28 | 9,920.15 |
| Add: Profit for the year | 2,233.34 | 2,184.39 |
| Less: Equity Dividend of 2023-24 paid in 2024-25 & of 2022-23 paid in 2023-24 | (1,237.75) | (1,833.72) |
| Add/(Less): Other comprehensive income | (6.49) | (4.54) |
| **Closing Balance** | **11,255.38** | **10,266.28** |
| **Note 16** | | |
| **Financial Liabilities - Borrowings -Non-current** | | |
| Deferred sales tax loan (unsecured) | 49.47 | 49.47 |
| | **49.47** | **49.47** |
| **Note 17** | | |
| **Provisions - Non Current** | | |
| Provision for leave benefits (long term) | 19.90 | 12.55 |
| Provision for gratuity (long term) | 5.55 | 8.78 |
| | **25.45** | **21.33** |
| **Note 18** | | |
| **Deferred Tax (Liabilities)/Assets (Net)** | | |
| Tax effect of items constituting Deferred Tax Liabilities | (53.32) | (14.24) |
| Tax effect of items constituting Deferred Tax Assets | 72.73 | 14.27 |
| | **19.41** | **0.03** |
| **Note 19** | | |
| **Financial Liabilities - Trade Payables - Current** | | |
| **Trade Payables** | | |
| Total outstanding dues of micro enterprises and small enterprises | 1.97 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 12,514.17 | 18,088.58 |
| | **12,516.14** | **18,088.58** |

**Trade Payables aging schedule is given below:**

**(A) Particulars (including Group Companies)**

(₹ In Lakhs)

| | Outstanding as on 31.03.2025 from due date of payment | | | | | | | Outstanding as on 31.03.2024 from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | **Total** | Not Due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | **Total** |
| (i) MSME | 1.97 | – | – | – | | | **1.97** | – | – | – | – | | | – |
| | | | | | | | | | | | | | | |
| (ii) Others | 12,514.17 | – | – | – | | | **12,514.17** | 18,088.58 | – | – | – | | | **18,088.58** |
| | | | | | | | | | | | | | | |
| (iii) Disputed Dues - MSME | - | – | – | – | | | – | – | – | – | – | | | – |
| | | | | | | | | | | | | | | |
| (iii) Disputed Dues - Others | - | – | – | – | | | – | – | – | – | – | | | – |

**(B) Particulars (excluding Group Companies)**

| | Outstanding as on 31.03.2025 from due date of payment | | | | | | | Outstanding as on 31.03.2024 from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | **Total** | Not Due | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | **Total** |
| (i) MSME | 1.97 | – | – | – | | | **1.97** | - | - | – | – | | | – |
| | | | | | | | | | | | | | | |
| (ii) Others | 12,514.17 | – | – | – | - | - | **12,514.17** | 18,088.58 | - | – | – | | | **18,088.58** |
| | | | | | | | | | | | | | | |
| (iii) Disputed Dues - MSME | - | – | – | – | | | - | - | - | – | – | | | – |
| | | | | | | | | | | | | | | |
| (iii) Disputed Dues - Others | - | – | – | – | | | - | - | - | – | – | | | – |

| | As at 31st March, 2025 | (₹ In Lakhs) As at 31st March, 2024 |
|---|---|---|
| **Note 20** | | |
| **Financial Liabilities - Others - Current** | | |
| Unpaid Dividend | 160.03 | 148.25 |
| Accrued liabilities for expenses | 116.54 | 162.84 |
| Employee related liabilities | 180.31 | 161.77 |
| Derivative Liability | 250.59 | - |
| | **707.47** | **472.86** |
| **Note 21** | | |
| **Non financial Liabilities - Others - Current** | | |
| Statutory remittances | 13.09 | 12.28 |
| Advances from customers | 0.23 | 13.86 |
| | **13.32** | **26.14** |
| **Note 22** | | |
| **Provisions - Current** | | |
| Provision for gratuity (short term) | 12.04 | 9.58 |
| Provision for leave benefits (short term) | 0.89 | 4.27 |
| | **12.93** | **13.85** |
| **Note 23** | | |
| **Current Tax Liabilities** | | |
| Provision for Tax (Net of Advance Tax) | 225.54 | 174.88 |
| | **225.54** | **174.88** |
| **Note 24** | | |
| **Revenue from operations** | | |
| **Sale of products (traded goods)** | | |
| Vinyl Acetate Monomer | 59,686.50 | 57,025.76 |
| **Other operating revenue** | | |
| Discount received | 2,764.60 | 2,633.82 |
| Insurance claims received | 73.90 | 41.55 |
| | **62,525.00** | **59,701.13** |
| **Note 25** | | |
| **Other income** | | |
| Interest income on Deposit | 23.34 | 7.08 |
| Net gain arising on financial assets/liabilities designated as at FVTPL | | |
| - Current Investment | 156.08 | 38.33 |
| - Derivative Asset/Liabilities | - | 22.94 |
| Net gain on sale of current investments | 307.29 | 351.66 |
| Miscellaneous income | 13.88 | 24.76 |
| | **500.59** | **444.77** |

| | As at 31st March, 2025 | (₹ In Lakhs) As at 31st March, 2024 |
|---|---|---|
| **Note 26** | | |
| **Purchase of traded goods** | | |
| Vinyl Acetate Monomer | 53,478.15 | 59,659.36 |
| | **53,478.15** | **59,659.36** |
| **Note 27** | | |
| **(Increase)/Decrease in inventories of traded goods** | | |
| Inventories at the beginning of the year | 11,982.69 | 8,462.39 |
| Less: Inventories at the end of the year | 6,326.70 | 11,982.69 |
| Less: Insurance claim against materials | 370.00 | - |
| | **5,285.99** | **(3,520.30)** |
| **Note 28** | | |
| **Employee benefits expenses** | | |
| Salary,wages,allowances, bonus etc. | 563.76 | 492.96 |
| Contribution to provident and other funds | 25.42 | 19.74 |
| Staff welfare expenses | 1.55 | 3.79 |
| | **590.73** | **516.49** |
| **Note 29** | | |
| **Finance costs** | | |
| Interest expense | 0.13 | 2.27 |
| Bank charges | 3.87 | 2.61 |
| | **4.00** | **4.88** |
| **Note 30** | | |
| **Depreciation & amortization** | | |
| a) On tangible assets | 6.03 | 6.15 |
| b) On intangible assets | 3.96 | 3.96 |
| | **9.99** | **10.11** |
| **Note 31** | | |
| **Other expenses** | | |
| Insurance | 18.97 | 6.97 |
| Rent | 0.53 | 0.53 |
| Rates & Taxes | 0.03 | 0.06 |
| Repairs to others | 0.34 | 0.23 |
| Printing and stationery | 0.21 | 0.18 |
| Postage and telephone | 0.29 | 0.91 |
| Travelling and conveyance | 3.93 | 3.22 |
| Motor car expenses | 6.06 | 5.36 |
| Directors' sitting fees | 8.53 | 10.20 |
| Commission to Non-Executive Directors | 30.00 | 25.00 |
| Payments to Auditors (refer details below) | 6.80 | 7.54 |
| Exchange loss on foreign currency transaction and translation (net) | 102.82 | 262.83 |
| Net loss arising on financial assets/liabilities designated as at FVTPL: | | |
| -Derivative Asset/Liabilities | 275.70 | - |
| Contribution towards Corporate Social Responsibility (CSR) | 78.00 | 70.00 |
| Professional fees | 60.61 | 89.28 |
| Miscellaneous expenses | 23.78 | 26.34 |
| | **616.60** | **508.65** |

| | As at 31st March, 2025 | (₹ In Lakhs) As at 31st March, 2024 |
|---|---|---|
| **Payment to Auditors:** | | |
| **As Auditors** | | |
| Audit fee | 5.00 | 4.00 |
| Tax audit fee | - | 0.60 |
| **In other capacity** | | |
| For other services (Limited Review & Certification fees) | 1.80 | 2.94 |
| | **6.80** | **7.54** |

**Note 32**

**Other Comprehensive Income**

| | | |
|---|---|---|
| Actuarial (gains)/losses | 8.67 | 6.07 |
| Less: Tax effect on Other Comprehensive Income | 2.18 | 1.53 |
| | **6.49** | **4.54** |

**Note 33**

**Contingent liabilities not provided for**

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 | 644.72 | 644.72 |
| | **644.72** | **644.72** |

**Note 34**

**Details of dues to micro and small enterprises**

The Company did not have any time during the year, amount due to small and medium enterprises (SME) which is outstanding for more than 45 days. Further, no interest is paid/payable to such SME creditors. The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Note 35**

**Related party disclosure:**

i. Names of related parties and relationship:

| | |
|---|---|
| Pidilite Industries Ltd. | - Promoter Company (holds 40.64 % of equity shares of the Company) |
| Pidilite Speciality Chemicals Bangladesh Pvt. Ltd. | - Subsidiary of Promoter Company |
| Pidilite Lanka Pvt. Ltd. | - Subsidiary of Promoter Company |

ii. Key Managerial Personnel - Shri M.B.Parekh, Chairman and Managing Director
Shri P.C.Patel, President & Company Secretary (till 4th November 2024)
Ms. Aarti Falorh, Company Secretary (w.e.f. 4th November 2024)
Shri M.S.Gayatonde, Chief Financial Officer (till 30th October 2024)
Shri Sayantan Mallick, Chief Financial Officer (w.e.f. 4th November 2024)

iii. Other Directors - Shri N.K.Parekh, Shri A.B. Parekh, Shri L. Viswanathan, Shri P.D.Shah and Smt. Shailashri Bhaskar

(₹ In Lakhs)

| iv. Transactions with related party are as follows: | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|
| a. Sales and related income (excluding tax) | | |
| i) Pidilite Industries Ltd. | 55,518.69 | 50,985.14 |
| ii) Pidilite Speciality Chemicals Bangladesh Pvt Ltd. | 60.81 | 59.20 |
| iii) Pidilite Lanka Pvt. Ltd. | - | 34.12 |
| b. Sitting fees to Directors | 8.53 | 10.20 |
| c. Commission to Directors | 30.00 | 25.00 |
| d. Commission to Managing Director | 152.00 | 136.00 |
| e. Payment to Chief Financial Officers/Officer | 56.89 | 42.11 |
| f. Payment to Company Secretary | 18.14 | - |
| g. Outstanding balance: | | |
| **Trade Receivables** | | |
| i) Pidilite Industries Ltd. | 9,172.45 | 8,886.96 |
| ii) Pidilite Speciality Chemicals Bangladesh Pvt. Ltd. | - | 59.20 |
| iii) Pidilite Lanka Pvt. Ltd. | - | 34.12 |

**Trade Payables**

Except 35(iv)(b),(c),(d), (e) & (f),the rest of the above transactions are with Pidilite Industries Ltd. and 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 36**

**Earnings Per Share (EPS)**

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

| | | |
|---|---|---|
| a. Profit as per statement of profit & loss available for equity shareholders (₹ In Lakhs) | 2,233.34 | 2,184.39 |
| 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 in ₹ | 12.17 | 11.91 |

**Note 37**

**Segment information**

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

**Note 38**

**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.

(₹ In Lakhs)

| | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|
| **The Company has recognised the following amounts in the Statement of Profit and Loss:** | | |
| (i) Contribution to Provident Fund | 15.91 | 11.69 |
| (ii) Contribution to Employees' Pension Scheme, 1995 | 1.63 | 1.43 |
| (iii) Contribution to National Pension Scheme | 2.07 | 1.27 |
| | **19.61** | **14.39** |

**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 | |
|---|---|---|---|
| | | As at 31st March, 2025 | As at 31st March, 2024 |
| (i) | Discount Rate (per annum) | 6.73% | 7.20% |
| (ii) | Rate of increase in Compensation levels (per annum) | 6.50% | 6.50% |
| (iii) | Expected Rate of Return on Assets | 6.73% | 7.20% |
| (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.

(₹ In Lakhs)

| | Gratuity Funded | |
|---|---|---|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| **Changes in Present value of Obligation** | | |
| (a) Opening Present value of Obligation | 76.64 | 62.83 |
| (b) Interest Cost | 5.52 | 4.64 |
| (c) Service Cost | 2.62 | 2.46 |
| (d) Liability Transferred In/ Acquisitions | 1.87 | |
| (e) Benefits Paid | (14.31) | - |
| (f) Actuarial (Gains)/Loss | 8.55 | 6.71 |
| (g) Closing Present value of Obligation | 80.88 | 76.64 |
| **Changes in Fair value of Plan Assets** | | |
| (a) Opening Fair value of Plan Assets | 58.28 | 40.64 |
| (b) Expected Return on Plan Assets | (0.13) | 0.64 |
| (c) Actuarial Gain/(Loss) | - | - |
| (d) Employer's Contributions | 15.25 | 14.00 |
| (e) Interest income | 4.20 | 3.00 |
| (f) Benefits Paid | (14.31) | - |
| (g) Closing Fair value of Assets | 63.29 | 58.28 |

(₹ In Lakhs)

| | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|
| **Actual Return on Plan Assets** | | |
| (a) Expected Return on Plan Assets | (0.13) | 0.64 |
| (b) Actuarial Gains/(Losses) on Plan Assets | - | - |
| (c) Actual Return on Plan Assets | (0.13) | 0.64 |
| **Percentage of each category of Plan Assets to total closing fair value** | | |
| Administered by Life Insurance Corporation of India | 63.29 | 58.28 |
| **Reconciliation of the Present Value of Defined Present Obligations and Fair Value of Assets** | | |
| (a) Closing Present value of Funded Obligation | 80.88 | 76.64 |
| (b) Closing Fair value of plan Assets | 63.29 | 58.28 |
| (c) Funded Asset / (Liability) recognised in the Balance Sheet (b-a) | (17.59) | (18.36) |
| **Amounts recognized in the Balance Sheet** | | |
| (a) Closing Present value of Obligation | (80.88) | (76.64) |
| (b) Closing Fair value of Plan Assets | 63.29 | 58.28 |
| (c) Asset / (Liability) recognized in the Balance Sheet (a+b) | (17.59) | (18.36) |
| **Expenses recognized in the Statement of Profit and Loss and OCI** | | |
| (a) Service Cost | 2.62 | 2.46 |
| (b) Interest Cost | 1.32 | 1.64 |
| (c) Total Expenses recognized in the Statement of Profit and Loss | 3.94 | 4.09 |
| (d) Expected Return on Plan Assets | 0.13 | (0.64) |
| (e) Net Actuarial (Gain) / Loss recognised in OCI | 8.55 | 6.71 |
| (f) Total Expenses recognized in Comprehensive Income | 8.67 | 6.07 |
| (g) Total Expenses recognized in Profit & Loss & OCI (c+f) | **12.61** | **10.16** |
| **Sensitivity Analysis** | | |
| Defined Benefit Obligation | | |
| **Discount Rate** | | |
| Discount Rate - 1% | 3.93 | 3.16 |
| Discount Rate + 1% | (3.51) | (2.87) |
| **Salary Increase Rate** | | |
| Rate - 1% | (2.90) | (2.21) |
| Rate + 1% | 3.23 | 2.42 |

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.

(₹ In Lakhs)

| | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|
| **Note 39** | | |
| **Current Tax & Deferred taxation** | | |
| **Current Tax** | | |
| Current Tax for current year | 823.99 | 775.00 |
| Current Tax for earlier years-write off/(write back) | - | 3.00 |
| | **823.99** | **778.00** |
| **Deferred tax liability** | | |
| Balance as per last financial statement | 0.03 | 2.82 |
| Due to depreciation on fixed assets | 0.20 | (0.62) |
| Provision for leave encashment | 1.00 | 1.32 |
| Provision for gratuity | (7.80) | 4.62 |
| Due to Ind AS adjustments | 23.80 | (9.65) |
| Net (debit)/credit to Profit & Loss | 17.20 | (4.32) |
| Net (debit)/credit to Other Comprehensive Income | 2.18 | 1.53 |
| **Closing balance** | **19.41** | **0.03** |

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

**Note 40**

**Details of Option/Forward Contracts and Unhedged foreign currency exposure**

a. Details of option/forward contracts outstanding as at the balance sheet date:

(₹ In Lakhs)

| Particulars | Purpose | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|---|
| US$ 146,66,464.99 (previous year US$ 95,24,456.58) | Import of trading goods | 12,824.82 | 7,925.77 |

b. Details of unhedged foreign currency exposure as at the balance sheet date

(₹ In Lakhs)

| Particulars | Purpose | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|---|
| US$ NIL (previous year US$ 1,20,32,262.20) | Import trade payables | - | 10,042.95 |

(₹ In Lakhs)

| | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|
| **Note 41** | | |
| **Expenditure in foreign currency** | | |
| C.I.F. value of traded goods | 57,701.50 | 56,312.72 |
| **Note 42** | | |
| **Earnings in foreign exchange** | | |
| Export of goods on Free on Board (FOB) basis | 60.81 | 93.32 |
| Insurance claims received | 73.90 | 41.55 |
| Rebate/Price adjustment received | 2,764.60 | 2,633.82 |
| | **2,899.31** | **2,768.69** |

**Note 43**

**Financial Instruments**

i. **Capital Management**

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. **Categories of financial instruments**

(₹ In Lakhs)

| | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|
| **Financial assets** | | |
| Measured at Fair Value Through Profit or Loss (FVTPL) | | |
| (i) Investments in Mutual funds | 6,832.81 | 5,744.13 |
| (ii) Foreign exchange option/forward contracts | - | 25.11 |
| Measured at amortised cost | | |
| (i) Trade Receivables | 10,478.49 | 10,625.16 |
| (ii) Cash and cash equivalents | 996.81 | 470.76 |
| (iii) Bank balances other than (ii) above | 160.03 | 148.25 |
| (iv) Loans | - | - |
| (iii) Security deposits* | 0.15 | 0.15 |
| | **18,468.29** | **17,013.56** |

*Included in other Current Assets

| | | |
|---|---|---|
| **Financial liabilities** | | |
| Measured at FVTPL | | |
| (i) Foreign exchange option/forward contracts | 250.59 | - |
| Measured at amortised cost: | | |
| i) Borrowings | 49.47 | 49.47 |
| ii) Trade payables | 12,514.17 | 18,088.58 |
| iii) Other financial liabilities | 707.47 | 468.90 |
| | **13,521.70** | **18,606.95** |

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.

**(₹ in Lakhs)**

| Particulars | Forward contract value in Foreign Currency | | Value in INR | |
|---|---|---|---|---|
| | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2025 | As at 31st March, 2024 |
| Amounts payable in foreign currency on account of the following: USD | 1,46,66,465 | 95,24,457 | 12,824.82 | 7,925.77 |
| Average Exchange Rate USD Buy (₹ per USD) | | | 87.44 | 82.80 |

The Company is mainly exposed to the USD

The following table details the Company's sensitivity to a 2% increase and decrease in the ₹ 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 ₹ weakens 2% against USD. For a 2% strengthening of the Rs. against USD, there would be a comparable impact on the profit or equity, and the balances below would be positive:

**(₹ in Lakhs)**

| Particulars | USD Impact | |
|---|---|---|
| | As at 31st March, 2025 | As at 31st March, 2024 |
| Impact on profit or loss for the year | (250.69) | (156.20) |

The aggregate amount of MTM loss/gain under options/forward foreign exchange contracts recognised in profit or loss for the year, is Loss of ₹ 250.59 Lakhs (Gain of ₹ 25.11 Lakhs in 2023-24).

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.

In addition, the Company is exposed to credit risk in relation to guarantees given by banks on behalf of the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on & the bank recovers the amount from the Company.

These financial guarantees have been issued by banks on behalf of the Company, to Sales Tax Department.

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

**(₹ in Lakhs)**

| Financing facilities | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|
| Secured Bank Overdraft/WCDL facility/Term Loan | | |
| - amount used | - | - |
| - amount unused | 900 | 900 |
| | **900** | **900** |

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

| Financial Assets / Financial Liabilities | Fair Value as at | | Fair Value | Valuation technique(s) and key input(s) |
|---|---|---|---|---|
| | As at 31st March, 2025 | As at 31st March, 2024 | | |
| Foreign currency option/ forward contracts | ₹ 12824.82 Lakhs (Liability) net of MTM Loss of ₹ 250.59 Lakhs | ₹ 7925.77 Lakhs (Liability) net of MTM Gain of ₹ 25.11 Lakhs | Level 2 | Mark to market values acquired from banks, with whom the Company contracts. |
| Investment in Mutual Funds | 6,832.81 | 5,744.13 | Level 1 | Unquoted bid prices in active market |

**Note 44**

**Taxes**
**Deferred Tax**

i. **2024 - 2025**

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

**(₹ in Lakhs)**

| Particulars | Opening Balance | Recognised in Profit or loss | Closing Balance |
|---|---|---|---|
| Investments (FVTPL) | (11.65) | (39.28) | (50.93) |
| Derivatives (FVTPL) | - | 63.08 | 63.08 |
| Provision for leave encashment | 4.23 | 1.00 | 5.23 |
| Provision for gratuity | 4.62 | (7.80) | (3.18) |
| Property, plant and equipment | (2.60) | 0.20 | (2.40) |
| | **(5.40)** | **17.20** | **11.80** |

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

(₹ in Lakhs)

| Particulars | Opening Balance | Recognised in Other Comprehensive Income | Closing balance |
|---|---|---|---|
| Gratuity (expected to be recognised in OCI as per Actuarial Valuation) | 5.42 | 2.18 | 7.60 |
| | **5.42** | **2.18** | **7.60** |

ii. **2023 - 2024**

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

(₹ in Lakhs)

| Particulars | Opening Balance | Recognised in Profit or loss | Closing balance |
|---|---|---|---|
| Investments (FVTPL) | (2.00) | (9.65) | (11.65) |
| Provision for leave encashment | 2.91 | 1.32 | 4.23 |
| Provision for gratuity | - | 4.62 | 4.62 |
| Property, plant and equipment | (1.98) | (0.62) | (2.60) |
| | **(1.07)** | **(4.33)** | **(5.40)** |

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

(₹ in Lakhs)

| Particulars | Opening Balance | Recognised in Other Comprehensive Income | Closing balance |
|---|---|---|---|
| Gratuity (expected to be recognised in OCI as per Actuarial Valuation) | 3.89 | 1.53 | 5.42 |
| | **3.89** | **1.53** | **5.42** |

iii. **Income taxes relating to continuing operations Income tax recognised in profit or loss**

(₹ in Lakhs)

| | For year ended 31st March, 2025 | For year ended 31st March, 2024 |
|---|---|---|
| **Current tax** | | |
| In respect of the current year | 823.99 | 775.00 |
| Prior years' tax expenses | - | 3.00 |
| **Deferred tax** | | |
| In respect of the current year | (17.20) | 4.32 |
| **Total income tax expense recognised in the current year relating to continuing operations** | **806.79** | **782.32** |

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

(₹ in Lakhs)

| Particulars | For year ended 31st March, 2025 | For year ended 31st March, 2024 |
|---|---|---|
| **Profit before tax from continuing operations** | **3,040.13** | **2,966.71** |
| Income tax expense calculated at 25.17% (2023-2024: 25.17%) | 765.20 | 746.72 |
| (Effect of expenses that are not deductible in determining taxable profit) | | |
| Corporate Social Responsibility expenses | 19.63 | 17.62 |
| Prior years' tax expenses | - | 3.00 |
| Additional provision made during the year | 21.96 | 14.98 |
| **Income tax expense recognised in profit or loss (relating to continuing operations)** | **806.79** | **782.32** |

**Note 45**

The ratios as required under Schedule III are given below:

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 | % Change | Reasons for variations above 25% |
|---|---|---|---|---|
| Current Ratio | 1.93 | 1.62 | 19% | |
| Debt Service Coverage Ratio | 23,850.82 | 1,306.92 | 1725% | Decrease in interest expenses due to lower loans in 2024-25 |
| Return on Equity Ratio | 0.18 | 0.19 | (3%) | |
| Inventory turnover ratio | 6.42 | 5.49 | 17% | |
| Trade Receivables turnover ratio | 5.66 | 8.30 | (32%) | Higher sales in 2024-25 as compared to 2023-24 & higher average receivables. |
| Trade payables turnover ratio | 3.84 | 4.73 | (19%) | |
| Net capital turnover ratio | 4.75 | 4.92 | (3%) | |
| Net profit ratio | 5.09% | 5.20% | (2%) | |
| Return on Capital employed | 24.88% | 25.70% | (3%) | |
| Return on investment | 6.69% | 7.15% | (6%) | |

**Note 46**

Details of expenditure related to Corporate Social Responsibility (CSR) as required under Schedule III is given below:

**(₹ In Lakhs)**

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 |
|---|---|---|
| Amount required to be spent by the Company during the year | 76.98 | 69.86 |
| Amount of expenditure incurred | 78.00 | 70.00 |
| Shortfall at the end of the year | - | - |
| Total of previous year's shortfall | - | - |
| Reason for shortfall | - | - |
| Nature of CSR activities | * | * |
| Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard | N.A. | N.A. |
| Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. | N.A. | N.A. |

*In discharge of its CSR obligations, the Company has made contribution of the required amount to Trivenikalyan Foundation, a registered public trust (Implementing Agency) for undertaking projects which are in line with the Company's CSR Policy and Annual Action Plan.

**Note 47**

**Events after the 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 proposed dividend of ₹ 7 per equity share of ₹ 1 each recommended by Board of Directors at its meeting held on 5th May 2025. The proposed dividend amounting to ₹ 1,283.59 Lakhs is subject to approval at the ensuing Annual General Meeting of the Company and hence, is not recognised as a liability.

**Note 48**

There are no cases of any undisclosed income in the financial statements.

**Note 49**

The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**Note 50**

The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note 51**

There are no registrations of any charges or satisfactions pending with Registrar of Companies.

**Note 52**

The Company has not traded or invested in crypto currency or virtual currency during the current year and previous year.

**Note 53**

The Company has not entered any transactions in companies that were struck off under the relevant sections of the Companies Act, 2013.

**Note 54**

The Company has utilized borrowings from Banks for the specific purpose for which it was taken. There are no borrowings from financial institutions. Quarterly returns or statements of current assets filed by the Company with Banks are in agreement with the Books of accounts.

**Note 55**

The Company has not given any loans and advance to Promoters, Directors, KMPs or related parties.

**Note 56**

No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions Act, 1988 and the Rules made thereunder.

**Note 57**

The Company is not declared wilful defaulter by any bank or financial institution or other lender.

**Note 58**

These financial statements have been approved by the Board of Directors of the Company in the meeting held on 5th May, 2025.

**Note 59**

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 60**

Previous year's figures have been regrouped to make them comparable with those of current year, wherever necessary.

# CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) read with Schedule V of Securities and 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 2024-2025, four Board Meetings were held on 3rd May, 2024, 5th August, 2024, 21st October, 2024 and 17th January, 2025.

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 & last Annual General Meeting (AGM), details of other Directorships & Committee positions held in other Listed Companies as on 31st March, 2025 are given below:

| Sr. No. | Name & Director Identification Number (DIN) | Category | No. of Board Meetings attended | Attendance at last AGM | No. of Directorships held in other companies* | No. of Committee positions held in other companies@ | | Directorship in other Listed Companies & category of Directorship |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Memberships | Chairmanships | |
| 1 | Shri M.B. Parekh (DIN: 00180955) | ED(P) | 4 | Yes | 6 | 1 | - | • Pidilite Industries Ltd. (Executive Chairman) |
| 2 | Shri N.K. Parekh (DIN: 00111518) | NED(P) | 4 | Yes | 7 | - | - | Nil |
| 3 | Shri A.B. Parekh (DIN: 00035317) | NED(P) | 3 | Yes | 13 | 2 | - | • Pidilite Industries Ltd. (Non-Executive Vice Chairman) |
| 4 | Shri P.D. Shah (DIN: 00286277) | NED(I) | 4 | Yes | 2 | 1 | - | • Concord Enviro Systems Ltd. (Independent Director) |
| 5 | Shri L. Viswanathan (DIN: 00193056) | NED(I) | 4 | Yes | 1 | - | 1 | • Indo Count Industries Ltd. (Independent Director) |
| 6 | Smt. Shailashri Bhaskar (DIN: 08071081) | NED(I) | 3 | Yes | - | - | - | Nil |

* Includes Directorships in Private Limited Company, Foreign Company and Company incorporated under Section 8 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.

Shri M.B. Parekh and Shri A.B. Parekh are related to each other. None of the other Directors are related to each other.

The number of equity shares of face value of ₹ 1 each of the Company held by Non-Executive Directors as on 31st March, 2025 are as follows:

Shri N.K. Parekh - 75,951*; Shri A.B. Parekh - 94,583; Shri P.D. Shah – Nil, Shri L. Viswanathan- Nil and Smt. Shailashri Bhaskar - Nil.

* Includes 28,500 shares held as Trustee of Jessica Benefit Trust.

The familiarisation programme for Independent Directors in terms of the provisions of the Listing Regulations is uploaded on the Company's website https://vinylchemicals.com/pdf/policies/familiarisation-programme-new.pdf.

**Core skills/expertise/competencies identified by the Board of Directors:**

The core skills/expertise/competencies as required in the context of the Company's business for effective functioning, which are available with the Board, are given below:

| Sr. No. | Name of the Director | General Management & Business Leadership | Strategic Thinking & Governance | Experience at Senior Level | Risk Management | Finance & Accounts | Legal & Regulatory Matters |
|---|---|---|---|---|---|---|---|
| 1 | Shri M.B. Parekh | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2 | Shri N.K. Parekh | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3 | Shri A.B. Parekh | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4 | Shri P.D. Shah | | ✓ | ✓ | ✓ | | ✓ |
| 5 | Shri L. Viswanathan | | ✓ | ✓ | ✓ | ✓ | |
| 6 | Smt. Shailashri Bhaskar | | ✓ | ✓ | ✓ | | ✓ |

**3. Independent Directors' Meeting:**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, a meeting of the Independent Directors of the Company was held on 21St March, 2025.

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 has received declarations from 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 at https://vinylchemicals.com/pdf/agm/misc/vcil-appointment-letter-for-independent-directors.pdf.

**4. Audit Committee:**

The composition of the Committee, its powers and terms of reference are in conformity with the provisions of Section 177 of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 18 of the Listing Regulations. The terms of the Committee, inter alia, includes review of financial statements of the Company and Auditors Report thereon, to recommend appointment, remuneration and terms of appointment of Statutory Auditors and Internal Auditors, review the performance of Statutory Auditors and Internal Auditors, review and approve related party transactions entered into by the Company (including modifications) and evaluation of internal financial controls and risk management systems, review of management discussion and analysis report and internal audit report. 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 2024-2025, four meetings of the Committee were held on 3rd May, 2024, 5th August, 2024, 21st October, 2024 and 17th January, 2025.

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

| Sr. No. | Name of the Member | Designation | Category | No. of Meetings attended |
|---|---|---|---|---|
| 1 | Shri L. Viswanathan | Chairman | NED(I) | 4 |
| 2 | Shri M.B. Parekh | Member | ED(P) | 4 |
| 3 | Smt. Shailashri Bhaskar | Member | NED(I) | 3 |

NED(I) - Non-Executive Director, Independent; ED(P) - 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 Audit Committee was present at 38th Annual General Meeting of the Company held on 8th August, 2024.

**5. Nomination & Remuneration Committee:**

The constitution 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 and Part D of Schedule II of the Listing Regulations. The terms of reference of the Committee, inter alia, includes identification of persons who are qualified to become Directors and appointment at Senior Management level and to recommend to the Board their appointment and removal, evaluate the balance of skills, knowledge and experience required for Independent Directors, specify the manner for evaluation of performance of the Board, its Committees and Individual Directors, recommend to the Board Remuneration Policy and devise a policy on diversity of Board. The Remuneration Policy for Directors, Key Managerial Personnel (KMPs) and all Senior Management Personnel is available on the website of the Company at https://vinylchemicals.com/pdf/policies/remuneration-policy.pdf.

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 2024-2025, three meetings of the Committee were held on 3rd May, 2024, 21st October, 2024 and 21st March, 2025.

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

| Sr. No. | Name of the Member | Designation | Category | No. of Meetings attended |
|---|---|---|---|---|
| 1 | Shri L. Viswanathan | Chairman | NED(I) | 3 |
| 2 | Shri N.K. Parekh | Member | NED(P) | 3 |
| 3 | Shri P.D. Shah | Member | NED(I) | 3 |
| 4 | Smt. Shailashri Bhaskar | Member | NED(I) | 3 |

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

**Remuneration of Directors:**

The Commission payable to Shri M.B. Parekh for the Financial Year 2024-2025 is ₹ 1,52,00,000. 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 of the Company.

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 2024-2025 was completed and summary of the findings and recommendations were discussed by the Directors.

The details of sitting fees paid for attending the Board/Committee meetings and commission payable to the Non-Executive Directors for the Financial Year ended 31st March, 2025 are as follows:

| Sr. No. | Name of the Director | Sitting Fees (₹) | Commission Payable (₹) | Total (₹) |
|---|---|---|---|---|
| 1 | Shri N.K. Parekh | 1,25,000 | 6,00,000 | 7,25,000 |
| 2 | Shiri A.B. Parekh | 1,40,000 | 6,00,000 | 7,40,000 |
| 3 | Shri P.D. Shah | 2,15,000 | 6,00,000 | 8,15,000 |
| 4 | Shri L. Viswanathan | 2,15,000 | 6,00,000 | 8,15,000 |
| 5 | Smt. Shailashri Bhaskar | 1,57,500 | 6,00,000 | 7,57,500 |

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 the Non-Executive Directors.

In terms of Special Resolution passed by the Members at the Annual General Meeting held on 12th August, 2021, 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.

**6. Stakeholders Relationship Committee:**

The composition and role of the Committee are in compliance 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 2024-2025, twelve meetings of the Share Transfer Committee were held and one meeting of the Stakeholders Relationship Committee was held on 21st March, 2025, which was attended by all the members of the Committee.

The details of composition of the Committee are as follows:

| Sr. No. | Name of the Member | Designation | Category |
|---|---|---|---|
| 1 | Smt. Shailashri Bhaskar | Chairperson | NED(I) |
| 2 | Shri A.B. Parekh | Member | NED(P) |
| 3 | Shri P.D. Shah | Member | NED(I) |
| 4 | Shri L. Viswanathan | Member | NED(I) |

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

The Committee is empowered to look into redressal of Shareholders'/Investors' grievances such as complaints relating to transfer/transmission of shares, non-receipt of declared dividends and Annual Reports, effective exercise of voting rights by shareholders, service standards of the Company's Registrar & Transfer (R & T) Agents etc.

The Secretarial Department of the Company, under the supervision of Ms. Aarti Falorh, Company Secretary and Compliance Officer as required by Securities & Exchange Board of India (SEBI)/Listing Regulations and M/s. MUFG Intime India Private Limited (formerly Link Intime India Private Limited), the Company's R & T 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/R & T Agents have attended to all the shareholders/investor grievances/ correspondence generally within a period of 15 days from the date of receipt. Except where the matter required detailed investigation, coordination with the shareholders due to discrepancies/deficiencies in the documents submitted, requiring submission of additional documents or rectification by shareholders etc.

The total number of letters received from the shareholders were 1,264 out of which 6 were in the nature of complaints. All the letters have been replied to and all the complaints have been resolved to the satisfaction of the shareholders. 1 request for name change and 4 requests for dematerialisation of shares were pending for approval as on 31st March, 2025, which were disposed off by 2nd April, 2025 and 3rd April, 2025 respectively.

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a Code of Conduct for Prevention of Insider Trading. All the Directors and other Designated Persons specified therein are governed by the Code. Ms. Aarti Falorh, Company Secretary, is the Compliance Officer for the purpose of the Code.

**7. 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 2024-2025, two meetings of the Committee were held on 3rd May, 2024 and 21st October, 2024.

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

| Sr. No. | Name of the Member | Designation | Category | No. of Meetings attended |
|---|---|---|---|---|
| 1 | Shri N. K. Parekh | Chairman | NED(P) | 2 |
| 2 | Shri M.B. Parekh | Member | ED(P) | 2 |
| 3 | Shri P.D. Shah | Member | NED(I) | 2 |

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

The Company Secretary is the Secretary of the Committee.

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

(a) Formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company.

(b) Recommend to the Board Annual Action Plan in pursuance of CSR Policy.

(c) Recommend to the Board the amount of expenditure to be incurred on CSR activities.

(d) Monitor implementation of the CSR Policy.

The composition of the Committee, details of the projects being undertaken by the Implementing Agency on behalf of the Company and CSR Policy of the Company are uploaded on the Company's website https://vinylchemicals.com/pdf/policies/VCIL-CSR-Policy.pdf.

**8. General Body Meetings:**

The details of location, date and time of the Annual General Meeting (AGM) held during the last three years are given below:

| Financial Year | Venue | Date & Time | Details of Special Resolution passed, if any |
|---|---|---|---|
| 2023-2024 | Through Video Conferencing/Other Audio Visual Means | 8th August, 2024 at 12:00 noon | Re-appointment of Shri N.K. Parekh as a Director. |
| 2022-2023 | Through Video Conferencing/Other Audio Visual Means | 8th August, 2023 at 3:00 p.m. | Nil |
| 2021-2022 | Through Video Conferencing/Other Audio Visual Means | 12th August, 2022 at 12:00 noon | (a) Re-appointment of Shri N.K. Parekh as a Director.<br>(b) Appointment of Shir P.D. Shah as an Independent Director for a period of 5 years. |

**Postal Ballot**

Information relating to Postal Ballot conducted by the Company (which commenced in March, 2024 and concluded in April, 2024) was given in the Corporate Governance Report for the Financial Year 2023-2024 and the same is reproduced below once again for information of the shareholders.

During the year 2024-2025, the Company passed the following Special Resolutions by postal ballot:

| Description of the Resolution | Particulars of Votes cast | | | | | | Results declared |
|---|---|---|---|---|---|---|---|
| | Electronic Voting | | | | | | |
| | Votes cast in favour of the resolution | | Votes cast against the resolution | | Invalid Votes | | |
| | No. of Shares | %age | No. of Shares | %age | No. of Shares | %age | |
| Special Business | | | | | | | |
| Appointment of Shri L. Viswanathan as Non-Executive Director (Independent) of the Company | 93,01,110 | 99.99 | 725 | 0.01 | - | - | Approved by requisite majority |
| Appointment of Smt. Shailashri Bhaskar as Non-Executive Director (Independent) of the Company | 93,01,600 | 99.99 | 735 | 0.01 | - | - | Approved by requisite majority |

The Company successfully completed the process of obtaining approval of shareholders by passing Special Resolutions on the items detailed above vide Postal Ballot, the results of which were declared on 25th April, 2024.

Shri Mitesh Dhabliwala of M/s. Parikh & Associates, Company Secretaries, was appointed as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

**Procedure for Postal Ballot:**

In compliance with Regulation 44 of the Listing Regulations, Section 108,110 and other applicable provisions of the Act read with Rules framed thereunder and the General Circulars issued in this regard by the Ministry of Corporate Affairs ("MCA"), the Company provided electronic voting facility to all its Members.

The Company engaged the services of National Securities Depository Limited ("NSDL") for the purpose of providing e-voting facility to all its Members. The Postal Ballot Notice were sent to Members in electronic form at their email addresses registered with the Depositories/Link Intime India Private Limited, the Company's Registrar and Transfer Agents. The Company also published Notice in the newspapers giving the details of completion of despatch, e-voting details and other requirements in terms of the Act and Rules framed thereunder and the Secretarial Standards issued by the Institute of Company Secretaries of India. Voting rights were reckoned on the paid up value of the shares of the Company registered in the names of the shareholders as on the cut-off date.

The Scrutinizer submitted his report to the Chairman or the person authorised by the Chairman after completion of scrutiny of the votes cast by the Members. The results of the Postal Ballot were announced by the Chairman or the person authorised by the Chairman. The results were also displayed at the Registered Office of the Company, intimated to NSDL and the Stock Exchanges and also displayed, along with the Scrutinizer's Report, on the Company's website at www.vinylchemicals.com.

There is no immediate proposal for passing of any resolution through postal ballot.

**9. Particulars of Senior Management and changes therein since the close of the previous Financial Year:**

The details of Senior Management Personnel of the Company and changes therein during the Financial Year are given below:

| Sr. No. | Name | Designation |
|---|---|---|
| 1 | Shri A. D. Ubhayakar | President (Corporate Affairs & Special Projects) |
| 2 | Ms. Aarti Falorh<br>(Appointed w.e.f. 4th November, 2024) | Company Secretary & Compliance Officer |
| 3 | Shri Sayantan Mallick<br>(Appointed w.e.f. 4th November, 2024) | Chief Financial Officer |
| 4 | Shri P.C. Patel<br>(Relinquished office w.e.f. 4th November, 2024) | Company Secretary |
| 5 | Shri Mahendra Gayatonde<br>(Retired w.e.f. 30th October, 2024) | Chief Financial Officer |

**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 at https://vinylchemicals.com/financials.php.

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

The Annual Report alongwith Audited Financial Statements of the Company are available on the Company's website at www.vinylchemicals.com. The Annual Report with Audited Financial Statements of the Company are also available on the website 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 2024-2025:

- The Company has entered into material Related Party Transactions with Pidilite Industries Limited (its Promoter Company). 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 Note No. 35 to Financial Statements which forms 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 and regulations and Code of Conduct. During the year, no employee was denied access to the Chairman of the Audit Committee.
- The Company has paid total fees of ₹ 6.80 lakhs to the Statutory Auditors for all the services rendered by them to the Company.
- The Company has complied with all the applicable mandatory requirements of the Listing Regulations.
- There are no instances of non-compliance of any requirement of the Corporate Governance Report as per Sub-Paras (2) to (10) of Schedule V Part C of the Listing Regulations.
- The Company's Policy on Related Party Transactions is uploaded on its website https://vinylchemicals.com/pdf/policies/Policy-on-Related-Party-Transaction.pdf.
- The Company has not given any loans or advances in the nature of loans to firms/Companies in which the Directors of the Company are interested.
- The Company does not have any Subsidiary.
- The Company has complied with all the requirements of Corporate Governance as specified in Regulation 17 to 27 (wherever applicable) and Clauses (b) to (i) and (t) of Regulation 46(2) and Paras C, D and E of Schedule V 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.
- There are no instances wherein the Board has not accepted 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 of the Company are published in the newspapers and also uploaded 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 31st March, 2025 does not contain any modified audit opinion.

(d) Shri M.B. Parekh is the Chairman and Managing Director of the Company.

(e) The Internal Auditor reports to the Audit Committee of the Company.

**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 39th AGM.

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

Certificate as required under Part C of Schedule V of Listing Regulations from M/s. Parikh & Associates, Practicing Companies 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 the Company by the SEBI/Ministry of Corporate Affairs or any such Statutory Authority was received by the Company which is annexed as Annexure 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 31st March, 2025."

**ANNEXURE**

## 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**

We 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, 7th Floor, 208, Nariman Point, Mumbai 400021 (hereinafter referred to as 'the Company'), produced before us 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.

In our opinion and to the best of our information and according to the verifications including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to us by the Company & its officers we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 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.

| S. No. | Name of Director | DIN | Date of Appointment in Company* |
|---|---|---|---|
| 1 | Narendrakumar Kalyanji Parekh | 00111518 | 15.05.1986 |
| 2 | Madhukar Balvantray Parekh | 00180955 | 15.05.1986 |
| 3 | Ajay Balvantray Parekh | 00035317 | 28.01.2020 |
| 4 | Prakash Dharshibhai Shah | 00286277 | 06.10.2021 |
| 5 | Shailashri Bhaskar | 08071081 | 06.03.2024 |
| 6 | Viswanathan Lakshmanan | 00193056 | 06.03.2024 |

*Date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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 Parikh & Associates**
**Company Secretaries**

**Sarvari Shah**
**Partner**

FCS No: 9697 CP No: 11717
UDIN:F009697G000269429
PR No.: 6556/2025

Place : Mumbai
Date : May 5, 2025

# PRACTISING COMPANY SECRETARIES CERTIFICATE ON CORPORATE GOVERNANCE

**To,**

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

We have examined the compliance of the conditions of Corporate Governance by Vinyl Chemicals (India) Limited ('the Company') for the year ended on March 31, 2025, as stipulated under Regulations 17 to 27, Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2025.

We further state that such compliance 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 **Parikh & Associates**
**Company Secretaries**

**Sarvari Shah**
**Partner**
FCS No.9697 CP No. 11717
UDIN: F009697G000269431
PR No: 6556/2025

Place : Mumbai
Date : May 5, 2025

# INFORMATION FOR SHAREHOLDERS

1. **Annual General Meeting:**

| | | |
|---|---|---|
| **Day, Date & Time** | : | Wednesday, 30th July, 2025 at 3:30 p.m. |
| **Venue** | : | Through Video Conferencing/Other Audio Visual Means, as permitted under Circulars issued by the Ministry of Corporate Affairs |

2. **Financial Year** : 1st April, 2024 to 31st March, 2025

3. **Record Date** : Tuesday, 15th July, 2025

4. **Dividend Payment:**

Credit for dividend will commence on or after 4th August, 2025, subject to the approval of payment of dividend by the shareholders at 39th Annual General Meeting of the Company.

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 2024-2025 has been paid to BSE & NSE.

**Stock Codes:**

| Name of Stock Exchanges | Stock Codes |
|---|---|
| BSE Limited | 524129 |
| National Stock Exchange of India Limited | VINYLINDIA |

**Address of Stock Exchanges:**

| | |
|---|---|
| **BSE Limited**<br>Phiroze Jeejeeboy Tower<br>Dalal Street<br>Mumbai - 400 001 | **National Stock Exchange of India Limited**<br>Exchange Plaza, C-1, Block G<br>Bandra Kurla Complex, Bandra (E)<br>Mumbai – 400 051 |

6. **Registrar and Share Transfer Agents:**

MUFG Intime India Private Limited
(formerly Link Intime India Private Limited)
Unit: Vinyl Chemicals (India) Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai 400 083
Tel: 810 811 8484
Fax: (022) 6656 8494
E-mail: csg-unit@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

7. **Share Transfer System:**

SEBI has mandated that all requests for transfer of shares shall be processed in dematerialised form only. Further, SEBI has vide its Circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 mandated issue of securities in demat form only while processing various service requests viz. issue of duplicate share certificates, renewal/exchange of share certificates, consolidation of shares, sub-division of share certificates, transmission of shares and transposition. Accordingly, shareholders are required to make service requests in Form ISR-4, the format of which is available on the Company's website at www.vinylchemicals.com and on the website of MUFG Intime India Private Limited at www.in.mpms.mufg.com. After processing such requests, the R & T Agents shall issue a Letter of Confirmation (LOC) in lieu of share certificates to the shareholder for submission to their Depository Participant (DP) for dematerialisation of the shares within a period of 120 days from the date of issue

of the LOC. In case the shareholder fails to submit the said LOC to their DP within the aforesaid period, the Company/R & T Agents shall credit the shares of such shareholders to Suspense Escrow Demat Account of the Company.

In view of the above and with a view to eliminate risks associated with holding of shares in physical form and avail the benefits of dematerialisation, Members who are holding shares in physical form are advised to dematerialise the shares held by them.

**8. Details of Demat/Unclaimed Suspense Account:**

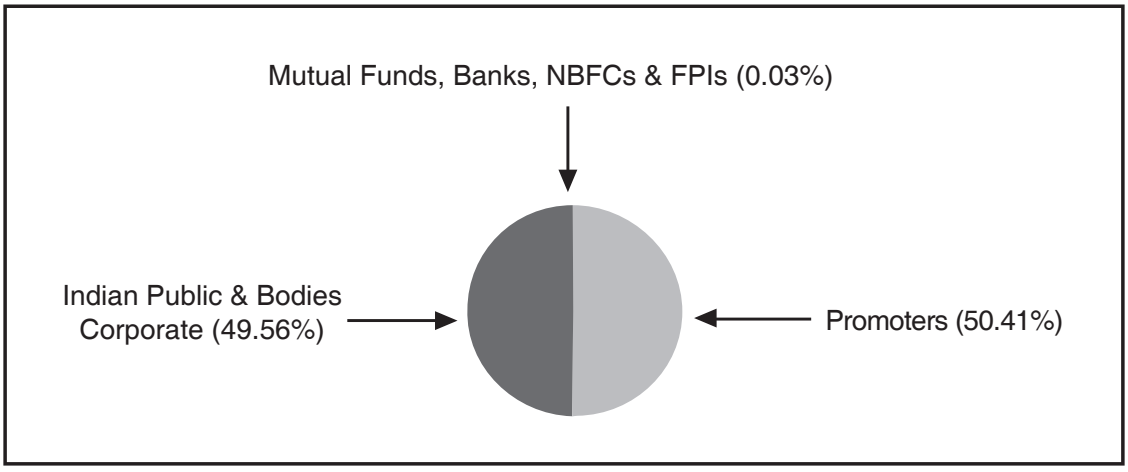
SEBI vide Circular dated 25th January, 2022, mandated that the Company/RTA shall verify and process the Investor service requests and thereafter issue a 'Letter of Confirmation (LOC)' in lieu of physical share certificate(s). The LOC shall be valid for a period of one hundred twenty days from the date of issuance within which the Member/ Claimant shall make a request to the DP for dematerialising the said shares. In case, the demat request is not submitted within the aforesaid period, the shares shall be credited to the Company's Suspense Escrow Demat Account.

During the year, the Company has transferred 1,000 equity shares pertaining to 5 shareholders to its Suspense Escrow Demat Account. 450 shares pertaining to 2 claimants were released to their demat account on receipt of appropriate documents and 1,136 equity shares are lying in the Company's Suspense Escrow Demat Account as at 31st March, 2025. The Member/Claimant can claim back the said shares by submitting the required documents to the Company's R & T Agents as per SEBI Advisory dated 30th December, 2022.

**9. Distribution of Shareholding as on 31st March, 2025:**

| No. of Equity Shares held | No. of Folios | % age | No. of Shares | % age |
|---|---|---|---|---|
| Upto 5,000 | 42,747 | 99.66 | 68,74,323 | 37.49 |
| 5,001 – 10,000 | 78 | 0.18 | 5,51,702 | 3.01 |
| 10,001 – 20,000 | 36 | 0.08 | 5,28,092 | 2.88 |
| 20,001 – 30,000 | 11 | 0.03 | 2,66,198 | 1.45 |
| 30,001 – 40,000 | 9 | 0.02 | 3,19,110 | 1.74 |
| 40,001 – 50,000 | 4 | 0.01 | 1,81,373 | 0.99 |
| 50,001 – 1,00,000 | 4 | 0.01 | 2,75,696 | 1.50 |
| 1,00,001 and above | 6 | 0.01 | 93,40,617 | 50.94 |
| **Total** | **42,895** | **100.00** | **1,83,37,111** | **100.00** |
| No. of shareholders and shares in physical form | 2,784 | 6.49 | 4,72,834 | 2.58 |
| No. of beneficial owners and shares in electronic form | 40,111 | 93.51 | 1,78,64,277 | 97.42 |
| **Total** | **42,895** | **100.00** | **1,83,37,111** | **100.00** |

**10. Shareholding Pattern as on 31st March, 2025:**



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

As on 31st March, 2025, 1,78,64,277 (97.42%) 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 only. The shares are available for dematerialisation under ISIN INE250B01029**.** Requests 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. During the year, the shares of the Company were not suspended from trading on stock exchanges.

**12. Employee Stock Option Scheme:**

The Company does not have any Employees Stock Option Scheme.

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

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

**14. 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 option for import of Vinyl Acetate Monomer (VAM) to overcome the risk of adverse exchange fluctuations.

**15. Plant Locations:** Nil

**16. CEO & CFO Certification:**

In terms of Regulation 17(8) of the Listing Regulations, the Managing Director and Chief Financial Officer of the Company have given a Certificate to the Board of Directors for the Financial Year ended 31st March, 2025, which was reviewed by the Audit Committee and taken on record by the Board.

**17. Address for Correspondence:**

**Registered Office:**
Regent Chambers, 7th Floor, Jamnalal Bajaj Marg,
208, Nariman Point, Mumbai - 400 021.
Tel: 022 22822708, 022 69829000
E-mail: cs.vinylchemicals@pidilite.com
Website: www.vinylchemicals.com
CIN: L24100MH1986PLC039837

**Corporate Office:**
Ramkrishna Mandir Road,
Off. Mathuradas Vasanji Road,
Andheri (E), Mumbai – 400 059
Tel No : 022-28357000/7949
E-mail: cs.vinylchemicals@pidilite.com
Website: www.vinylchemicals.com

**18. Credit Rating:**

The Company has obtained credit rating from India Ratings and Research Private Limited which has affirmed long term issuer rating of 'IND A+'. There was no revision in the ratings during the Financial Year 2024-2025.

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

The Company's Secretarial Department, headed by Ms. Aarti Falorh, Company Secretary, is situated at the Corporate Office of the Company as mentioned above. Investors may contact Ms. Aarti Falorh at the Corporate Office of the Company for any assistance they may need.

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

There are no equity shares lying in Unclaimed Suspense Account of the Company as on 31st March, 2025.

**21. 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 2024-2025, the Company has sent notices to the concerned shareholders and also published advertisement in newspapers seeking necessary action from the shareholders in this regard. Subsequently, the Company has transferred unpaid/unclaimed dividends of ₹ 18,94,367 and corresponding 26,945 shares pertaining to the Financial Year 2016-2017 to the IEPF Authority. The Company has uploaded the above details on its website at www.vinylchemicals.com and also on the website of IEPF Authority at 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 website of Ministry of Corporate Affairs at www.iepf.gov.in. The Company has appointed Ms. Aarti Falorh, Company Secretary, as the Nodal Officer in this regard.

## NOTES