



NOTICE

Notice is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the members of the Company will be held on Thursday, the 1st September, 2016 at 11.00 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamanalal Bajaj Marg, Nariman Point, Mumbai 400 021 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2016 together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Shri N.K. Parekh (DIN: 00111518), who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of Audit Committee of the Board of Directors and the resolution passed by the Members at the 28th Annual General Meeting held on 24th September, 2014, the appointment of M/s. Khanna and Panchmia, Chartered Accountants, Mumbai (Firm Registration No.136041W) as auditors of the Company to hold office till the conclusion of the 33rd Annual General Meeting to be held in calendar year 2019 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the Financial Year ending 31st March, 2017 as may be determined by the Audit Committee in consultation with the auditors, in connection with statutory audit and charges in respect of services rendered by them, if any, in any other capacity."

Special Business:

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for the continuation of the appointment of Shri M.B. Parekh (DIN: 00180955) as Managing Director of the Company on attaining the age of 70 years on 26th August, 2016 for the remaining period of his term of 5 years i.e. until 31st March, 2017 on the same terms of appointment and remuneration as approved by the shareholders at the 25th Annual General Meeting of the Company held on 28th July, 2011."

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

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

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of Company, the consent of the Company be and is hereby accorded for the re-appointment of Shri M.B. Parekh (DIN: 00180955) as the Managing Director of the Company for a further period of 5 (five) years, with effect from 1st April 2017, as per terms of appointment and payment of remuneration as set out in the Explanatory Statement attached to this Notice."



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

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

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

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

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

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

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

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as may be required and to delegate all or any of the powers herein conferred to any Committee of Directors.”

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

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, a sum by way of commission not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of Sections 197 and 198 of the Companies Act, 2013 be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director of the Company) in such amounts, subject to such ceiling/s and in such manner and in all respects as may be decided and directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year for a period of five years commencing from 1st April, 2017.”

BY ORDER OF THE BOARD OF DIRECTORS

P.C. PATEL
PRESIDENT & SECRETARY

Registered Office:

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

CIN: L24100MH1986PLC039837

Date: 18th May, 2016



Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 19th August, 2016 to Thursday, 1st September, 2016 (both days inclusive).
4. The dividend on equity shares as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those Shareholders whose names appear on the Register of Members of the Company on 1st September, 2016. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
5. Members may note that vide circular dated 21st March, 2013, Securities and Exchange Board of India (SEBI) has mandated all listed Companies to use electronic mode of payments such as LECS/RECS/NECS/NEFT etc. for making payment of dividends and other cash payments to investors, wherever possible. In other cases, the Company shall despatch dividend warrants for making payment of dividends.
6. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in *electronic form* are required to submit their PAN to their Depository Participants and Members holding shares in *physical form* shall submit their PAN to the Company/Registrar and Transfer Agents (R & T Agents).
7. Members are requested to inform the R & T Agents (*in case of shares held in Physical Form*) or Depository Participants (*in case of shares held in Demat Form*) any change in their address immediately.
8. Non-resident Indian (NRI) shareholders are requested to inform the Company/R & T Agents regarding :
 - a. Change in the Residential status on return to India for permanent settlement.
 - b. Indian address and the particulars of Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
9. The members can avail facility of nomination in terms of extant legal provisions in this regard. The necessary form can be obtained from the R & T Agents.
10. Members/Proxies are requested to bring the Attendance Slips, duly filled & signed, which is enclosed herewith. Members are requested to sign and hand it over at the entrance.
11. Members are requested to bring the Annual Report with them as additional copies of the same will not be provided at the meeting.
12. Members are requested to send their queries, if any, atleast ten days in advance to the Registered Office address of the Company, so that the information can be made available at the meeting, subject to permission of the Chairman.
13. A. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in prescribed Form No. II to the Registrar of Companies, Maharashtra, C.G.O. Bldg., A-Wing, 2nd Floor, C.B.D. Belapur, Opp. Police Commissioner's Office, Belapur 400 614.



- B. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 (corresponding to Section 124 of the Companies Act, 2013), the amount of dividends remaining unclaimed for a period of seven years is required to be transferred to the Investor Education and Protection Fund (the Fund).

Accordingly, the Company has transferred all unclaimed/unpaid dividends upto the Financial Year ended 31st March, 2001 to the Fund.

- C. Members who have not yet encashed their Dividend Warrants for the Financial Years ended 31st March, 2010 to 31st March, 2015 are requested to contact the R & T Agents for claiming the unclaimed amount. It may be noted that once the unclaimed dividends are transferred to the Fund, no claim shall lie in respect thereof against the Company or the Fund.
- D. Members may note that pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2010, the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on the date of the last Annual General Meeting i.e. 2nd September, 2015 on the websites of the Company and the Ministry of Corporate Affairs.

14. Relevant documents referred to in the accompanying Notice is open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays upto the date of the Annual General Meeting.

15. Voting through electronic means:

- A. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility to the members to exercise their right to vote by electronic means through e-voting services provided by National Securities Depository Limited (NSDL) on all the resolutions set out in the Notice of Annual General Meeting.

The instructions for e-voting are as under:

- I. In case the Member receives email from NSDL (for those members whose e-mail IDs are registered with the Company/Depository Participants):
- (i) Open the e-mail and open PDF file viz. "remote e-voting.pdf" with your client ID or Folio No. as password. The said PDF file contains your USER ID and PASSWORD/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL <https://www.evoting.nsdl.com/>.
 - (iii) Click on "Shareholder – Login".
 - (iv) Enter USER ID and PASSWORD as mentioned in (i) above and click "Login".
 - (v) "Password change" menu will appear. Change the Password/PIN with a new password of your choice with minimum 8 digits/characters or a combination thereof. Note the new password. It is strongly recommended that you should not share the Password/PIN with any other person and take utmost care to keep it confidential.
 - (vi) Home page of remote e-voting will then open. Click on remote "E-voting - Active Voting Cycles".
 - (vii) Select "EVEN" (Electronic Voting Event No.) of Vinyl Chemicals (India) Limited.
 - (viii) Now you are ready for remote e-voting and "Cast Vote" page will open.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to change or modify your vote.



- (xii) The corporate and institutional shareholders (i.e. companies, trusts, societies etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter along with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to shethmm_cs@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
- II. In case the member receives only physical copy of the Notice of Annual General Meeting (for those members whose e-mail IDs are not registered with the Company/Depository Participants):
- (i) The initial USER ID & PASSWORD is provided at the bottom of the Attendance Slip for Annual General Meeting being sent alongwith this Notice.
- (ii) Please follow all the steps from Sl. No.(ii) to (xii) above to cast your vote.
- B. In case of any queries, please refer to "Frequently Asked Questions (FAQs) for Shareholders" and "e-voting user manual for Shareholders" available at the "Downloads" section of the website www.evoting.nsdl.com or contact NSDL on their toll free No. 1800-222-990.
- C. If you are already registered with NSDL for e-voting, you can use your existing USER ID and PASSWORD/PIN for casting your vote.
- D. Members whose names appear in the Register of Members/List of Beneficial owners as on 25th August, 2016 (cut-off date) are entitled to vote on the resolution set out in this Notice through remote e-voting or Ballot Paper facility provided at the meeting.
- E. The remote e-voting period will commence from Monday, 29th August, 2016 at 9.00 a.m. and end on Wednesday, 31st August, 2016 at 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on cut-off date may cast their vote by remote e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast, the Member shall not be allowed to change or modify it subsequently or cast their vote again.
- F. The voting rights of shareholders shall be in proportion to the share in the paid up equity share capital of the Company as on the cut-off date.
- G. Any person who acquires shares of the Company and becomes a member after despatch of the Notice and hold shares as on the cut off date (i.e. 25th August, 2016) may obtain the USER ID and PASSWORD by sending email to evoting@nsdl.co.in quoting the Folio No. (*if shares are held in Physical Form*) or DP Id & Client Id (*if shares are held in Demat Form*). However, if such members are already registered with NSDL for remote e-voting, they can use the existing USER ID and PASSWORD for casting their vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL on their toll free No.1800-222-990.
- H. A member may participate in the meeting after casting his vote through remote e-voting but shall not be allowed to vote once again at the meeting.
- I. Mr. M.M. Sheth, Practising Company Secretary, Mumbai (Membership No. FCS 1455, CP No. 729) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- J. The scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer shall within 3 working days of the conclusion of the meeting submit a consolidated Scrutinizer's Report of the total votes cast in favour or against the resolution to the Chairman or a person authorised by him in writing, who shall countersign the same.
- K. The Results along with the Scrutinizer's Report shall be placed on the Company's website www.vinylchemicals.com and on the website of NSDL and communicated to the stock exchanges.
16. In compliance with the provisions of Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, the Company shall provide Ballot Paper facility at the meeting for the benefit of Members attending the meeting and who have not cast their vote earlier through remote e-voting facility.



EXPLANATORY STATEMENT

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

Item No. 5

Shri M.B. Parekh was appointed as Managing Director of the Company by the members at the 25th Annual General Meeting held on 28th July, 2011 for a period of 5 years from 1st April, 2012 to 31st March, 2017. He will attain the age of 70 years on 26th August, 2016. As a matter of abundant caution, it is proposed to obtain approval of members by way of Special Resolution as per the provisions of Section 196(3) of Companies Act, 2013 for continuation of his employment as Managing Director, on the same terms of appointment and remuneration as approved by members earlier on 28th July, 2011.

Shri M.B. Parekh is a Promoter Director of the Company and has been serving as a Director of the Company since 1986. He has been actively involved in the operations of the Company. He has a rich and varied experience of over 45 years, It would be in the interest of the Company to continue the employment of Shri M.B. Parekh as the Managing Director of the Company. Shri M.B. Parekh is a qualified Chemical Engineer [B.Chem. Engg. (Bom), M.S.Chem.Engg. (U.S.A)]. A brief profile of Shri M.B. Parekh as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given separately in this Notice.

Except Shri M.B. Parekh, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, in this resolution.

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

Item No. 6

The present term of Shri M.B. Parekh as Managing Director is valid upto 31st March, 2017. The Board of Directors at their meeting held on 18th May, 2016 have re-appointed him, subject to approval of members, as Managing Director of the Company for a further period of 5 years with effect from 1st April, 2017.

Shri M.B. Parekh is a qualified Chemical Engineer [B.Chem Engg. (Bom), M.S. Chem. Engg. (U.S.A.)] and has experience in the industry for over 45 years. He has been associated with the Company since its inception and is instrumental in its progress. It would be in the interest of the Company to continue to avail the services of Shri M.B. Parekh as Managing Director. A brief profile of Shri M.B. Parekh as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given separately in this Notice.

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

Subject to the limits prescribed in Section I of Part II of Schedule V of the Companies Act, 2013, the Managing Director shall be paid the following remuneration effective from 1st April, 2017.

Remuneration:

At present, it is proposed not to pay any salary/perquisites to the Managing Director, but he will be entitled to receive commission, the amount of which shall be determined by the Board of Directors each year based on the net profits of the Company for the year, subject to the overall ceiling laid down in Section 197 of the Companies Act, 2013.

Further, it is provided that based on the overall performance of the Company, in future the Board of Directors may decide to pay Salary/Perquisites to the Managing Director within the overall ceiling of Section I Part II of Schedule V of the Companies Act, 2013.

Shri M.B. Parekh is a fit and proper person for the post of Managing Director. His re-appointment and payment of remuneration has been approved by the Nomination & Remuneration Committee at its meeting held on 18th May, 2016.



Members' approval by way of Special Resolution is required for the same under Schedule V and other applicable provisions of the Companies Act, 2013. This shall be treated as written Memorandum setting out the terms of appointment of Shri M.B. Parekh u/s 190 of the Companies Act, 2013.

Except Shri M.B. Parekh, none of the other Directors or Key Managerial Personnel and their relatives are interested or concerned in this resolution.

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

Item No. 7

Section 197 of the Companies Act, 2013 permits payment of remuneration to the Non-Executive Directors of a Company by way of commission not exceeding 1% of the net profits of the Company, if members of the Company approves such payment by passing a Special Resolution.

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

It is, therefore, proposed to renew the Special Resolution passed earlier on 28th July, 2011 for a further period of 5 years from 1st April, 2017 for payment of commission not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of the Companies Act, 2013 and subject to further appropriate ceiling/s which shall be paid and distributed amongst the Non-Executive Directors of the Company in accordance with the decision of the Board. Such payment of commission will be in addition to the sitting fees paid for attending Board/ Committee meetings provided the Company has earned adequate profits in that year.

All the Directors of the Company except Shri M.B. Parekh may be deemed to be concerned or interested in the resolution to the extent of the commission that may be received by them.

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

**ADDITIONAL INFORMATION ON THE DIRECTOR SEEKING RE-APPOINTMENT
AT THE ANNUAL GENERAL MEETING**

(under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Shri N.K. Parekh is a Promoter Director of the Company and has been serving as a Director since 1986. He is qualified Technologist for Dyes and Intermediates and qualified Chemical Engineer [B.Sc., B.Sc (Tech), M.S. Chem. Engg. (USA)] and has experience in the industry for over 51 years. With effect from 1st April, 2015, he is the Vice-Chairman of Pidilite Industries Ltd. He is a member of the Stakeholders Relationship Committee of Pidilite Industries Ltd. and the Company. He holds 75,951 equity shares in the Company as on 31st March, 2016. Shri N.K. Parekh is not related to any Directors of the Company.

Shri M.B. Parekh is a Promoter Director of the Company and has been serving as a Director since 1986. He is a qualified Chemical Engineer [B. Chem. Engg. (Bom), M.S. Chem Engg. (U.S.A)] and has experience in the industry of over 45 years. He is a Whole Time Director designated as Executive Chairman of Pidilite Industries Ltd. and a Director of Excel Industries Ltd. He holds 1,24,763 equity shares in the Company as on 31st March, 2016. Shri M.B. Parekh is not related to any Directors of the Company.



Route Map of the venue of Annual General Meeting:

