



**V-GUARD**

The name you can trust

**Charting new paths**

**Scaling new heights**



**V-GUARD INDUSTRIES LIMITED**  
**Annual Report 2015-16**

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### Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

## Our Vision

Let us endeavour to make  
V-Guard a trusted household name

## Our Mission

To offer a range of products at  
affordable prices, which add to comfort  
of life through saving in manual labour,  
time and energy or for entertainment

To make our products meet international  
quality standards and provide trouble  
free performance

To adopt designs, which support timely  
and efficient post sale service

To continuously innovate and add value  
to our products, if needed with technical  
collaboration

To continuously assess and improve  
customer care

# CHARTING NEW PATHS SCALING NEW HEIGHTS



Having a multi pronged, integrated business strategy and meticulously perusing business growth is akin to rock climbing. Both are about making breakthroughs while pushing against point of failures and challenges. Things get intensely demanding on a rock - an ultimate test of physical and mental limits.

Setting the route, having a long term as well as short term goal, agility to keep the balance, a good grip and last but not least knowing how to use the safety gear and tying the knot before making the climb are essentials to be successful.

At V-Guard, the management strategies are aimed at achieving the Company's business goals while pushing against multifaceted external challenges such as competition, markets, volatile consumer sentiments and commodity prices. The company is able to surmount many of these challenges by skillfully deploying technology enabled operational improvement processes, product innovation, people development, market expansions and customer care. At V-Guard we believe in the spirit of a successful rock climber in our quest for charting new paths and scaling new heights .

## KEY PERFORMANCE INDICATORS AND GOALS

Key Priorities	Strategies	Achievements during the year
Revenue Growth	<p>Revenue growth from premium as well as mass market products</p> <p>Expand product mix to mitigate revenue volatilities</p> <p>Continued expansion in Non-south markets</p>	<p>Increased revenue</p> <p>Expanded EBIDTA margins progressively to high double digits, by Q4 of Financial Year</p>
Operations	<p>Improving process efficiency in supply chain for better inventory management</p> <p>IT enabled value chain</p> <p>Improving the manufacturing logistics</p>	<p>Flagship SCM programme Udaan started yielding benefits</p> <p>Stable working capital cycle</p> <p>Commenced stabilizer manufacturing in Sikkim</p>
Products & Brands	<p>Enhance Research &amp; Development</p> <p>Introduction of premium and mass market products</p> <p>Technology upgradation of existing products</p> <p>Aggressive yet prudent marketing /advertising outlay</p>	<p>Launched Inverter AC Stabilizers</p> <p>V-Guard Stabilizers awarded Superbrand status</p> <p>Premium models in Fans</p>
Customers	<p>Product responsibility - quality</p> <p>After Sales Service</p>	<p>Increased efforts towards quality improvement in all our product verticals</p> <p>Rolled out ASP model across India</p>
Investing in People, People Development	<p>HR Automation, Learning and Development, Performance Management</p>	<p>Initiated learning &amp; development vertical</p> <p>Automation of employee services</p>

KPIs	Plans for FY 17 and beyond
<p>y-o-y revenue growth of 7%</p> <p>Growth correcting for copper price erosion impact on wire revenues and non- focus categories 12.3 %</p> <p>CAGR of 22% during 2011-16</p>	<p>About 15% y-o-y revenue growth for FY 17</p> <p>Increasing revenue per distributor by increasing retailers in non South markets</p> <p>Explore inorganic growth opportunities</p>
<p>y-o-y EBIDTA growth of 35%</p> <p>PAT increased by 58%</p> <p>Strong cash from operations, Rs.131 Cr. for full year practically debt free</p> <p>ROCE improved from 26 to 33% and EPS from Rs.23.66 to Rs. 37.22</p>	<p>EBIDTA margins of above 10%</p> <p>Continued focus on creating operational efficiencies</p>
<p>New products grew 17% y-o-y</p> <p>Better y-o-y growth among products like Switchgears 49.6%, Fans 28.5%</p>	<p>Launch of nextgen internet enabled Electrical Water Heaters in Q1 of FY 17</p>
<p>Reduction in customer complaints and better acceptance of newly introduced models</p> <p>Service delivery strengthened</p>	<p>Sustained efforts to improve quality in new products</p> <p>Customer feedback on service through happy calls and corrective measures to enhance customer delight</p>
<p>Capacity building and productivity improvement</p> <p>HR Automation to improve productivity and transparency in the organization</p> <p>Increased employee satisfaction</p>	<p>Mentoring employees to improve productivity</p>

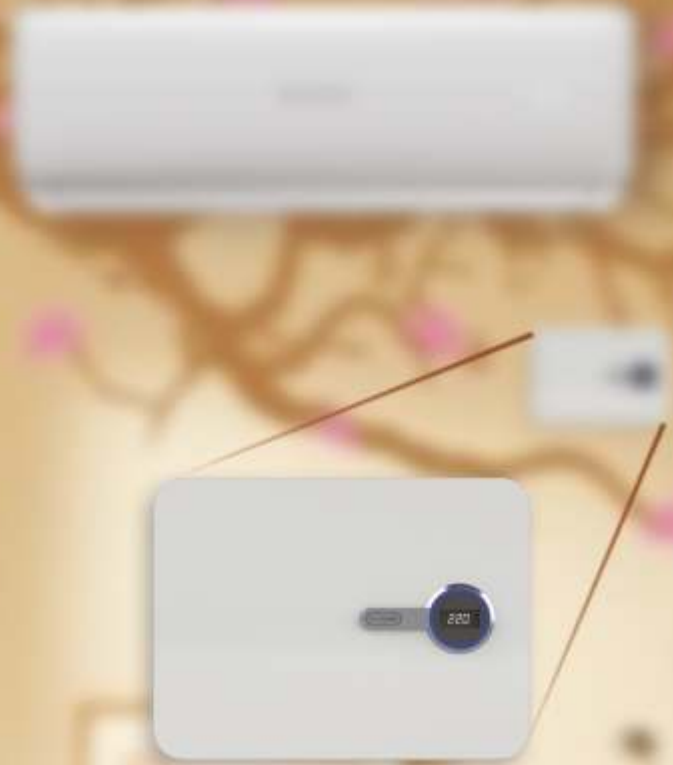
## HIGHLIGHTS 2015-16



During the year the company launched its new ceiling fan - 4 Air. Its dual tone vibrant colour combination gives the ceiling a premium look and blends perfectly with the interiors. The V-Guard 4 Air fan is a unique fan armed with four blades providing superior performance on air delivery and effective cooling for larger rooms. It is complemented with an exotic body ring giving it a classy finish.



Launched Envy, a great looking, sophisticated hands-free mixer grinder. Powered by a high speed, high torque 600 W motor, Envy offers superior grinding performance with the specially designed SS 304 blades. Envy caters to all grating, blending and pureeing needs. Envy is available in three colour variants - brown, lavender and white.



Launched an exclusive variant of stabilizers catering to the new segment of inverter ACs. This model has redefined the aesthetics in the category. Specially crafted to protect inverter AC's from hazardous voltage fluctuations, this model has been created keeping in mind consumers of today who seek superior aesthetics in all the products they use.

## HIGHLIGHTS 2015-16



V-Guard Voltage Stabilizer has been conferred the prestigious "Superbrand" status. Selected after a five month long evaluation process involving the opinion of more than 17,000 customers and an elite panel of marketing professionals. V-Guard Stabilizer was ranked amongst the top brands across all categories

Kashipur factory was felicitated as the Bronze Winner in National Awards for Manufacturing Competitiveness (NAMC) instituted by International Research Institute for Manufacturing (IRIM)





## BREAKING NEW GROUNDS: 2016-17



Verano -India's first ever 'Internet of Things' (IoT) enabled premium water heater is scheduled to be launched in early FY 17.

A first-of-its-kind product. This new model can be controlled by a smartphone (from anywhere in the world) and also controlled with an infrared (IR) remote. The Verano water heater is controlled with a simple app that needs to be downloaded on smartphones equipped with a WiFi. From anywhere in the world, the geyser can be switched off or on. It is also equipped with a unique automatic failure notification sending mechanism in case of any failure of water heater components, to the customer through the app. Complaints can be registered through the app by a single click which will notify the V-Guard customer service centre who will attend the problem immediately. Available in 25 Ltrs and 15 Ltrs capacities.

## FROM THE DESK OF THE CHAIRMAN

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Various organizational transformation initiatives touching upon our supply chain management and customer care have started yielding returns in terms of improved margins as well as better customer loyalty.

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### Dear Shareholders

Welcome to your FY15-16 Annual Report. Thank you for taking the time to read this report and for your enduring interest and investment in V-Guard.

At the outset I would like to reflect on our vision, which is to make V-Guard a trusted household name. Since our humble beginnings in 1977, we have crossed many milestones towards our vision and today we are a renowned national brand with an expanded product mix - patronised by millions of customers across the country. We have been adding new products into our portfolio almost on a yearly basis. While we introduced our technologically advanced inverter AC Stabilizers during the year, I am happy to inform you that by the time this annual report reaches you, our nextgen internet enabled water heaters would have been launched. Going forward, I am sure our increasing product portfolio will help drive growth and better our balance sheet.

During the year we launched our new Stabilizer manufacturing unit in Sikkim. The unit is eligible for benefits under North East Industrial & Investment Promotion Policy (NEIIPP), 2007. We are also enhancing capacity of our house wiring factory at Chavadi, Coimbatore, Tamil Nadu.

## Performance

Various organizational transformation initiatives touching upon our supply chain management and customer care have started yielding returns in terms of improved margins as well as better customer loyalty. We managed our working capital better thus improving the cash flows and reducing our debts. The Board is confident that the structural and operational changes, increased focus on working capital management and improved cash flows resulting from these initiatives will strengthen our business further.

Our top line improved by 7% y-o-y basis. During the year under review we achieved a total revenue of Rs. 1,862 Cr as against Rs. 1,746 Cr in the previous year. Our gross profit increased by 20.6%, EBIDTA by 34.7% and PAT by 57.9%. The growth in revenue was propelled by increased sales from Fans, Stabilizers, Water Heaters and Pumps.

Consistent with our progressive dividend policy, the Board declared an interim dividend of Rs. 4.50 per share, and have recommended a final dividend of Rs. 2.50 per share for FY15-16.

## Business Responsibility

I personally believe that the twin purpose of our business is to generate sustainable financial value for all stakeholders and create direct and indirect social benefits. At V-Guard, Governance and social compliance are critical business issues and we consider both as seriously as our business. During the year we implemented various social development programmes touching upon health, education, women empowerment and also extended our helping hand in relief and development activities. An amount of Rs. 1.88 crores was spent towards these initiatives.

## Awards & Recognitions

During the year V-Guard Voltage Stabilizer has been conferred

the prestigious “Superbrand” status. Selected after a five month long evaluation process, involving the opinion of more than 17,000 customers and an elite panel of marketing professionals, V-Guard Stabilizers were ranked as one of the top brands amongst all categories.

Our team from Wires & Cables Division won Silver for the case studies presented on V-Guard's year long Employee Engagement programme, 'Lean Focus 2014-15', on implementation of Lean Principles in the manufacturing and supply chain processes. I congratulate our team for this remarkable achievement.

Let me conclude by saying that market conditions will remain challenging but your Board and management are focused on improving the performance of your Company. Despite challenging market conditions and declines in consumer sentiments, we will strive our best to improve our revenue as well as margins in FY 17 and beyond. Our priorities are firmly focused on increasing financial strength, by improving performance, thereby maximising shareholder value.

I would like to express my sincere thanks and gratitude to

all stakeholders including our esteemed shareholders, valued customers, vendors, banks, Central and various State Governments for the faith reposed by them in the Company.

With Best Wishes

**Kochouseph Chittilappilly**

Chairman

**I personally believe that the twin purpose of our business is to generate sustainable financial value for all stakeholders and create direct and indirect social benefits. At V-Guard, Governance and social compliance are critical business issues and we consider both as seriously as our business.**

## Q & A WITH THE MANAGING DIRECTOR

Despite subdued revenue growth of wires and cables, which is our largest revenue contributing product segment, we were able to deliver a top line growth of 7% year on year basis. Our margins improved considerably y-o-y basis, on account of increased sales of higher margin products and reduced financial costs. By improving cash flows from operations, we have practically achieved debt free status.

In continuation of our strategy to increase footprints in non-South markets, we added 80 new channel partners across non-South markets during the year. Aiming to increase brand pull across our product lines, we enhanced our advertising outlay from 69 Cr in the previous year to 80 Cr in the current year.

In the emerging energy efficient inverter air conditioner market, our inverter ac stabilizers have been well accepted due to their functional superiority, enhanced features and aesthetic looks. In pumps category, to meet the emerging demand, we have expanded the portfolio with higher HP varieties through our pumps R&D Centre based in Ahmedabad.

While we expect to be a 2000 Cr+ turnover company by end of FY 17, we already command market leadership among many of our product segments. Apart from being the only pan Indian player in stabilizers, we are the second largest national player in the combined water heater segment (First in Solar, third in electric water heaters). Our new range of stabilizers for inverter ACs are being well-received by the market. We are a top-5 player in branded house wiring cables and single phase pumps. We also have 7% share of the South Indian fans market. Among the top performing product segments, Switchgears registered a y-o-y revenue growth of 50%, followed by Fans 28.5%, Water Heaters 12% and Pumps, 11%.

Our supply chain project, code named “Udaan”, which commenced during the last financial year, has presented various benefits like better demand and supply planning, inventory reduction, employee capability building, realigning of vendors,

suppliers, warehouses and channel partners etc. Our margins have also gone up due to project related focus on cost efficiencies like consolidation of purchases across divisions, value engineering activities and use of alternative suppliers.

### Product Strategies and Opportunity Spectrum

Our product strategies are aimed at reducing the impact of volatile external market environment on our revenue. While we continue to be in an overall weak consumer spending environment, our key focus remains as process and product innovation. Our product mix includes mass market as well as niche market products. We continue to technologically upgrade our products, as well as launch new energy efficient, smart and more durable household solutions, so as to retain our competitive advantage. Apart from withstanding the unfavorable market conditions, many recently launched state-of-the-art products helped us in improving our top line as well as bottom line. Due to low copper price, cables and wires have been negatively impacted last year. DUPS was also impacted mainly due to the improving power availability in many states. In other product fronts we have performed well.

The normal monsoon predicted, is going to be crucial for the rural demand to come back. In the medium term, in alignment with the India growth story and increasing per capita urban as well as rural incomes, we foresee better markets for Stabilizers, Pumps, Water Heaters, Fans, Switch Gears and Kitchen appliances. Our readiness to capitalize on the emerging opportunities are further enhanced by product innovation across our product mix as well as strengthening our marketing, sales, channel, supply chain and service networks.

### Next Gen Products & Ecommerce

In a virtually connected world even the products need to be virtually connected with its user. In June'16 V-Guard launched India's first ever 'Internet of things' (IOT) enabled premium water heaters 'Verano'. An outcome of our sustained R&D

**Our product strategies are aimed at reducing the impact of volatile external market environment on our revenue. While we continue to be in an overall weak consumer spending environment, our key focus remains as process and product innovation**

efforts, it can be controlled by a smart phone from anywhere in the world and also by an infrared remote control. A simple app needs to be downloaded to one's wifi enabled smartphone. Verano is also equipped with an Automatic Failure notification sending mechanism to the customer through the App, in case of any failure of its components. Complaints can be registered through the App by a single click which will notify our customer service centre who will attend the problem immediately.

We are also in the process of finalizing an ecommerce strategy to take advantage of growing online sales through various e com portals.

#### Goals FY 17 & beyond

While remaining cautiously optimistic, our focus will be on strengthening nationwide presence and thereby drive profitable growth from our healthy product mix. Increased cash flows by further reducing working capital turnover days will remain as our key financial goal.

While the revenue growth will be driven by product innovation and marketing initiatives, our endeavor to create value will be strengthened by innovative process management initiatives and technology enabled customer care.

Q4 FY 16 saw the revenue from south increasing by 18.1% as against Q4 FY 15. We expect the growth to gain further momentum in Andhra Pradesh and Telangana fueled by developmental initiatives post state bifurcation and new capital construction for AP. Demand from Karnataka and Kerala is also growing resulting in an overall favorable growth in Southern markets.

We are also exploring inorganic expansion opportunities, in companies with product range having synergy with V-Guard, manufacturing capabilities and network strength in geographies where we are yet to penetrate fully. A consultancy firm has been appointed to assist the company in identifying and evaluating potential opportunities.

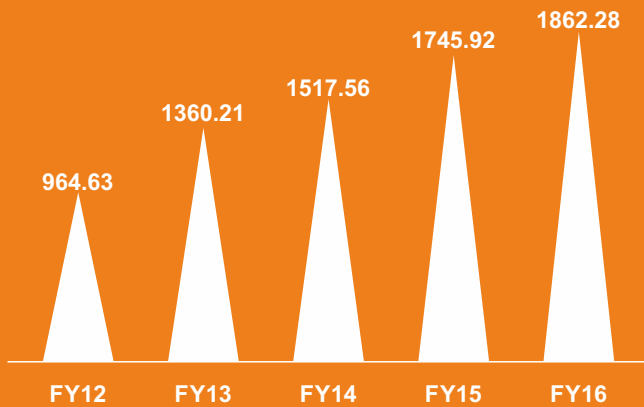
In FY 17, our focus will be on strengthening our nationwide presence, driving profitable growth, margins and cash flows. We expect to deliver top line growth of ~ 15% and an EBITDA margin of about 10%.



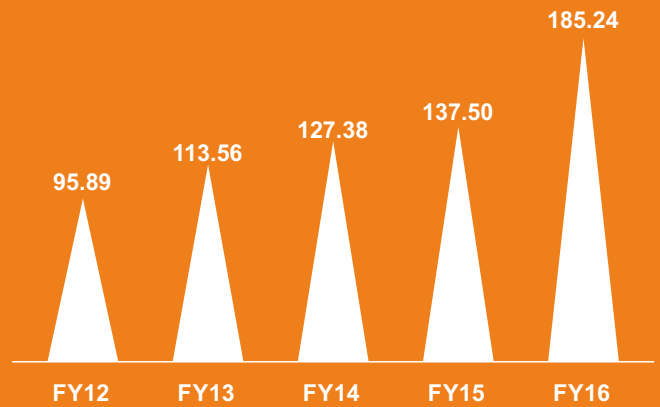


# HIGHLIGHTS 2015-16 (₹ in crores)

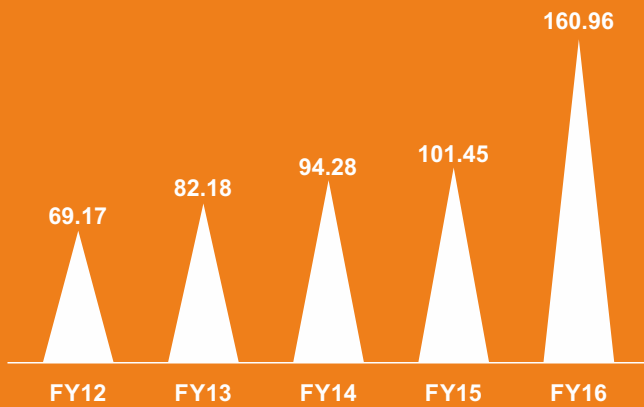
## Revenue



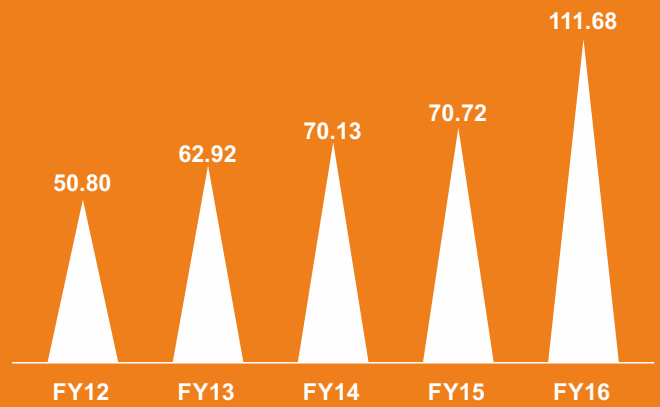
## EBIDTA



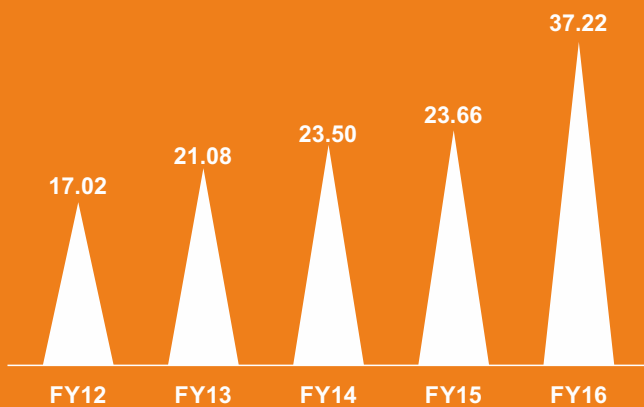
## PBT



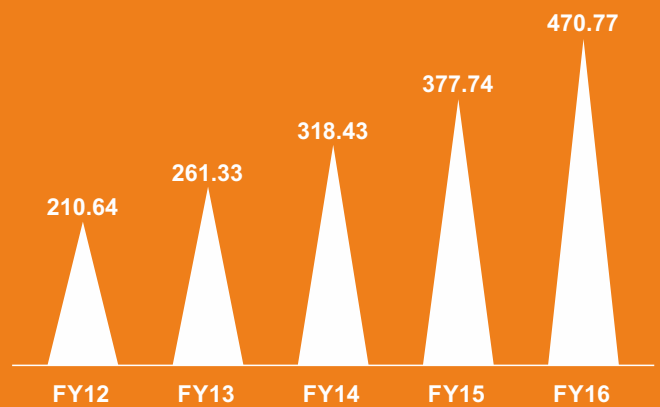
## PAT



## EPS (₹)



## Networth



## SNAPSHOT OF A DECADE

( ₹ in crores )

Statement of Profit and Loss	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Total revenue	210.85	263.82	301.21	430.04	698.60	964.63	1,360.21	1,517.56	1,745.92	1,862.28
EBIDTA	27.29	30.82	35.06	51.79	74.74	95.89	113.56	127.38	137.50	185.24
Profit before tax	20.70	22.73	26.28	39.51	55.47	69.17	82.18	94.28	101.45	160.96
Profit after tax	13.50	14.64	17.35	25.47	39.70	50.80	62.92	70.13	70.72	111.68
Earnings per share - ₹	6.34	6.53	5.81	8.53	13.30	17.02	21.08	23.50	23.66	37.22
Dividend per share - ₹	4.00	2.50	2.50	3.00	3.50	3.50	3.50	4.50	4.50	7.00

## FIVE YEARS AT A GLANCE

Key Ratios	2011-12	2012-13	2013-14	2014-15	2015-16
EBIDTA / Revenue	9.9%	8.3%	8.4%	7.9%	9.9%
PBT / Revenue	7.2%	6.0%	6.2%	5.8%	8.6%
PAT / Revenue	5.3%	4.6%	4.6%	4.1%	6.0%

( ₹ in crores )

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Share capital	29.85	29.85	29.85	29.97	30.09
Reserves & Surplus	180.79	231.48	288.58	347.76	440.69
<b>Net worth</b>	<b>210.64</b>	<b>261.33</b>	<b>318.43</b>	<b>377.74</b>	<b>470.77</b>
Borrowings:					
Long term borrowings	23.94	39.70	40.17	31.00	8.85
Short term borrowings	85.21	125.39	68.18	36.77	1.54
<b>Total Borrowings</b>	<b>109.15</b>	<b>165.09</b>	<b>108.35</b>	<b>67.77</b>	<b>10.39</b>
Current Liabilities	137.12	214.21	235.70	261.90	213.58
Fixed Assets	134.13	146.97	169.66	163.58	161.09
Current Assets	330.16	489.16	496.29	542.54	535.31

## CAGR FY 2011-16

TURNOVER	EBIDTA	PBT	EPS
<b>+22%</b>	<b>+20%</b>	<b>+24%</b>	<b>+23%</b>

## BOARD OF DIRECTORS



**Cherian N Punnoose**  
Vice-Chairman

**A K Nair**  
Director

**Joshna Johnson Thomas**  
Director

**Kochouseph Chittilappilly**  
Chairman



Mithun K Chittilappilly  
Managing Director

Ramachandran Venkataraman  
Director & COO

Ullas K Kamath  
Director

C J George  
Director

## BOARD OF DIRECTORS

Shri. Kochouseph Chittilappilly	Chairman
Shri. Cherian N Punnoose	Vice Chairman
Shri. Mithun K Chittilappilly	Managing Director
Shri. Ramachandran Venkataraman	Director & Chief Operating Officer
Shri. C J George	Director
Shri. A K Nair	Director
Shri. Ullas K Kamath	Director
Smt. Joshna Johnson Thomas	Director

## BOARD COMMITTEES

### AUDIT COMMITTEE

Shri. Cherian N Punnoose	Chairman
Shri. Mithun K Chittilappilly	Member
Shri. C J George	Member
Shri. A K Nair	Member
Shri. Ullas K Kamath	Member

### NOMINATION & REMUNERATION COMMITTEE

Shri. C J George	Chairman
Shri. Cherian N Punnoose	Member
Shri. A K Nair	Member
Smt. Joshna Johnson Thomas	Member

### STAKEHOLDERS RELATIONSHIP & SHARE TRANSFER COMMITTEE

Shri. C J George	Chairman
Shri. Cherian N Punnoose	Member
Shri. Mithun K Chittilappilly	Member

### CSR COMMITTEE

Shri. Kochouseph Chittilappilly	Chairman
Shri. Cherian N Punnoose	Member
Shri. Mithun K Chittilappilly	Member

## BANKERS

HDFC Bank Ltd.  
State Bank of India  
Citi Bank Ltd.  
ICICI Bank Ltd.  
Yes Bank Ltd.  
DBS Ltd.  
The Federal Bank Ltd.  
Standard Chartered Bank Ltd.  
Dhanlaxmi Bank Ltd.  
Axis Bank Ltd.

## REGISTRAR & SHARE TRANSFER AGENTS

### Link Intime India Private Limited

Surya, 35, Mayflower Avenue  
Behind Senthil Nagar, Sowripalayam Road  
Coimbatore-641028  
Phone: 0422-2314792  
Email: coimbatore@linkintime.co.in

# CORPORATE INFORMATION



## CHIEF FINANCIAL OFFICER

Shri. A Jacob Kuruvilla

## COMPANY SECRETARY

Smt. Jayasree K

## AUDITORS

M/s S. R. Batliboi & Associates LLP  
Chartered Accountants

## LISTED AT

BSE Ltd.  
The National Stock Exchange of India Ltd.

## PLANT LOCATIONS

### WIRES AND CABLE DIVISION

K G Chavady, Survey No. 569/ 2A, 566/2  
Ettimadai Village, Coimbatore - 641105

6th K M Stone, Moradabad Road  
Khasra No. 86, Village Basai  
Kashipur, Udhamasingh Nagar Dist.

### PUMP DIVISION

2/113 E, Karayampalayam Road  
Mylampatti Post, Coimbatore - 641014

### WATER HEATER & FAN DIVISION

Vill. Bankebada, P.O., Moginand  
Tehsil Nahan, District Sirmour  
Himachal Pradesh - 173030

### SOLAR WATER HEATER DIVISION

KK 12,13,14,15,  
Sipcot Industrial Growth Centre  
Perundurai, Erode - 638052

### STABILIZER DIVISION

Plot No.2240/5424, West Pendam  
Duga Ilaka, Majhitar, East Sikkim  
Sikkim- 737136

## CORPORATE SOCIAL RESPONSIBILITY

V-Guard since its inception has taken corporate citizenship as an important business responsibility - integrated to its business model. The company in association with charitable organizations and NGOs has been undertaking various social and charitable activities across the country. The company has identified four core areas of social interventions under its ongoing CSR initiative:

**Edu-care & Skill Development:** V-Guard Edu-care & skill development aims at promoting education and skill development of children & youth from the under privileged strata of the society. Under this programme, we have adopted and given aids to Government Schools. From time to time the company also provides education sponsorships and distributes various educational aids. The company has also been conducting Skill development training for visually challenged and tribal youth.

**Health care:** V-Guard Health care program visualizes a society

with access to basic & critical healthcare facilities. Under V-Guard Health Care Programme major initiatives are dialysis for poor patients, renovation of Government & charitable hospitals, ambulance for health care Institutions and lifestyle disease awareness programmes.

**Build India:** V-Guard Build India focuses on building basic amenities for communities, disaster relief projects, and conservation of environment. Under this program, the major recent initiatives were Disaster relief activities during Chennai floods, support to orphanages, contribution to Prime Minister's National Relief Fund and renovations of public libraries.

**Women & Community Empowerment:** Our major initiative under women & community empowerment is Women Entrepreneurship Development Project at various states in South India, Promoting employment enhancing vocation skills especially among women, elderly, and differently abled so as to enhance their livelihood options .



# MANAGEMENT DISCUSSION & ANALYSIS

## 1. Economic Review & Outlook

In the latest edition of the World Economic Outlook published in April 2016, the International Monetary Fund (IMF) has lowered the forecast for global growth to 3.2% in 2016 and 3.5% in 2017. Both advanced economies and emerging markets are expected to grow slower than previous projections. In an otherwise gloomy global situation, India is estimated to remain the fastest growing major economy in the world with projected growth of 7.5% driven by rising real incomes and domestic demand. This is despite the impact of two consecutive years of unfavorable monsoon. Growth may accelerate further if this year's above average monsoon predictions turn out to be accurate and external demand picks up.

The government has undertaken several positive initiatives to boost the business climate and improve the ease of doing business. This includes simplifying business procedures and tax rules, relaxing FDI policy in many sectors, and committing more public investment and developing innovative funding avenues for infrastructure expansion. Key projects such as 'Make in India', 'Start up India', 'Digital India' and 'Skill India' seek to encourage investments and improve the ecosystem at various levels of business activity. Aggressive roll-out of the financial inclusion program has made banking services accessible to millions of previously unbanked people. Planned consolidation has reduced India's fiscal deficit to 3.9% in 2015-16, which is expected to further reduce to 3.5% in 2016-17. Even the current account deficit has been contained at 1.1% in 2015-16, and is expected to further rationalize next year. Inflation is expected to be around 5.5% and will further decline to less than 5%.

These initiatives are already resulting in improving metrics across a range of key economic parameters, including production data for electricity and cement, volumes at major ports and two-wheeler sales. As movement of goods accelerates, pick up in heavy commercial vehicles, light and medium truck sales is expected. Construction equipment sales, oil consumption, retail demand, road traffic trends and merchandise imports are moving into positive territory. Domestic consumption demand could find stronger support following the implementation of the Seventh Pay Commission recommendations and One Rank One Pension scheme that will likely increase discretionary spending. The Indian parliament's legislative backlog is expected to dissipate with clearer consensus emerging across political parties. India has also emerged as the world's foremost destination for foreign direct investment.

Based on these trends and developments, it is evident that India is rising as an important beacon of hope for the global economy with the attributes for sustained growth momentum that could potentially bring vast improvements in the lives of hundreds of millions of people in our country.

## 2. Sector Overview

In the past three years, while there have been expectations of demand turnaround, we are yet to see a pick-up in consumers' discretionary spending. FY16, mirroring this trend, was highlighted by several factors like subdued demand, including deflationary movement across commodity sectors, weak monsoon impacting rural spending, flat industrial production

Key ratios (%)	FY16	FY15
Gross Margin	29.5%	26.1%
Staff Cost/ Total Operating Income	6.0%	5.4%
EPS (₹)	37.2	23.7

Key Ratios	31 March 2016	31 March 2015
Inventory (days)	57	74
Debtor (days)	55	51
Creditor (days)	42	55
Working Capital Turnover (days)	70	70
RoE (%)	24%	19%
RoCE (%)	33%	26%
Debt / Equity (x)	0.02	0.18

trends with period of fluctuating growth and another disappointment in corporate earnings expansion.

Usage patterns in the segments in which the company has presence are influenced by variables such as discretionary spending, inflation, interest rates, rural demand, agricultural growth, construction activity and weather patterns. India has the potential to become a leading global player in the electrical equipment sector depending on its ability to improve competitiveness, upgrade technology regularly, enhance skill availability, develop export markets and optimize demand potential. Demand for the company's range of stabilizers and inverter is linked to power availability in the country and spending patterns in consumer electronics.

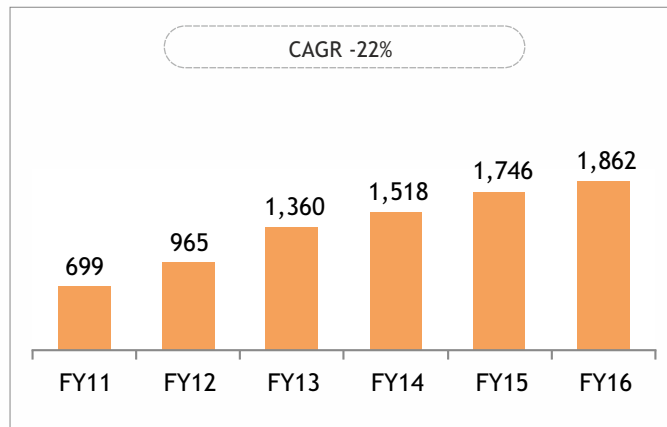
During the year 2015-16, consumers' discretionary spending remained weak as a result of a further push back to the expected economic momentum. While inflation saw a declining trend, the complete benefit in terms of interest rate transmission has taken longer and may be expected to materialize only in 2016-17. As a consequence, housing demand and construction activity remained muted with potential consumers choosing to defer their decision making cycles. Another weak monsoon was a dampener on rural demand and spending capabilities.

Weather patterns, however, have been a support for demand in the company's key segments as the year 2015 has turned out to be hottest year in recorded history, and 2016 is expected to be another year of high temperatures. Power availability rebounded in a year of elections and the integration of the southern region to the national grid improved supply in the south states.

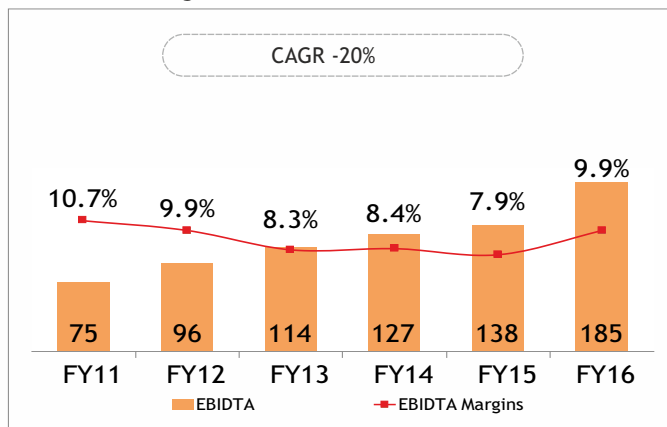
The sub-par growth in agriculture, owing to two successive years of deficit monsoons, has impacted the growth of the economy. Based on the latest weather updates, the country is likely to see normal monsoons this year which will aid agricultural output and thereby rural demand.

In this backdrop, the company has adopted a cautious approach to the business. The focus is on pursuing profitable growth opportunities, with working capital management and cash flow generation being important considerations. While expanding into new markets and regions, we have walked away from business that does not meet our credit benchmarks. Revenues were also impacted by weakness in commodity prices that reduced our raw material costs and were partly passed through to customers. As a consequence, topline growth at 7% was lower than our historical trends. However, these same initiatives allowed us to expand margins by 207 basis points from 7.89% to 9.96%, resulting in Rs. 131 crores of cash from operation, which was used to reduce debt by Rs. 57 crores.

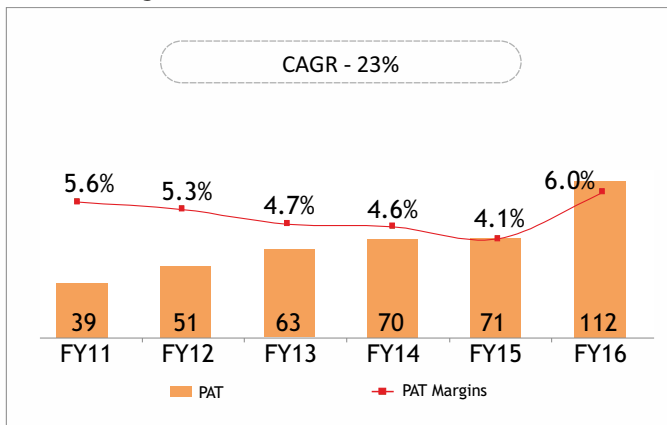
#### Revenue



#### EBIDTA and Margins



#### PAT and Margins

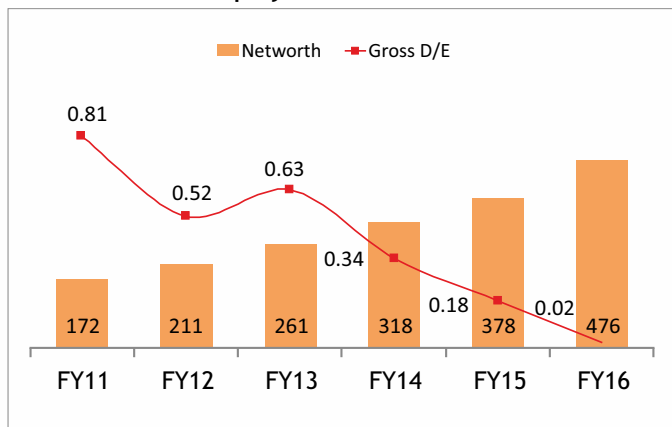




Revenues increased by 6.6% from Rs. 1745.92 crores to Rs. 1862.28 crores, earnings before interest, taxes, depreciation and amortization (EBIDTA) grew by 35% from Rs. 137.49 crores to Rs. 185.24 crores and profit after taxes (PAT) was higher by 58% from Rs. 70.72 crore to Rs. 111.68 crores.

Revenue growth was impacted by the substantial weakness in the price of copper that had to be passed on to customers in the cables and wires segment in line with industry practice, whereas our conversion margin was maintained. The other key impact was from weak sales in the DUPS segment due to improved power supply in many regions across the country. These two segments contribute 39% of the company's revenues, therefore their impact on overall growth was significant. Here, it is pertinent to mention that the management has successfully focused on reducing revenue concentration from specific products and markets.

#### Net worth & Debt-Equity Ratios



In a weak growth environment, the company has maintained pricing discipline by leveraging customers' growing preference for the V-Guard brand. As a consequence, margin contribution from our product lines has expanded based on our ability to retain the benefit accruing from the decline in prices of other input commodities such as steel, plastics and, outside the cables and wires segment, copper as well. Now, with the brand more firmly established in many of our key non-South markets, our focus on pricing discipline has also been extended to limiting the discount previously offered in these markets.

Taking forward the focus on building a sustainable business model, we continue to invest judiciously in building our competitive strengths. During the year 2015-16, we have expanded our channel network considerably.

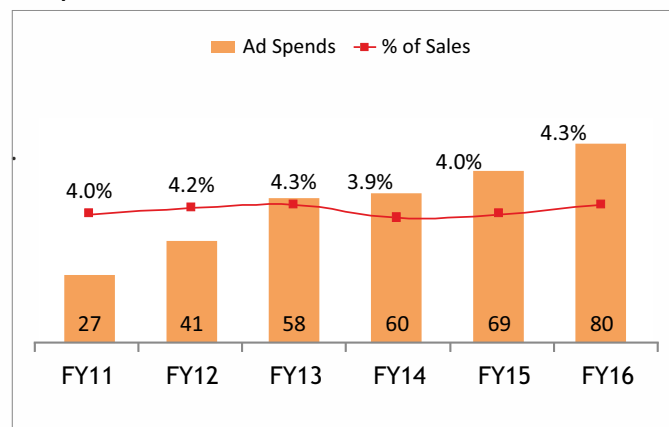
During 2015-16, we have also expanded some of our regional offices by adding to the sales teams. V-Guard is attracting quality talent and we can see the results on the ground in terms of improving sales productivity. We have also added to the sales

teams supporting our new and nascent product categories.

During the year we completed the pan India roll out of ASP (Authorized service providers) network. The new system has immensely contributed in building our after sale service network and customer confidence. Though the cost of warranty has shown an increase of 26% from last year, this is to be viewed as an investment in building on our USP of strong after sales services.

V-Guard's brand visibility and customer recall is supported by our sales and marketing investments. In 2015-16, advertising and promotion spend stood at Rs. 80.31 crores (4.30% of revenues) as compared to Rs. 69 crores (4% of revenues) in 2014-15. We expect to maintain ad spends at 3.5-4% in the foreseeable future but with the business gaining further scale over the medium to long term and the brand getting established nationwide, this percentage could reduce over time.

#### Ad Spends and as a % of Sales



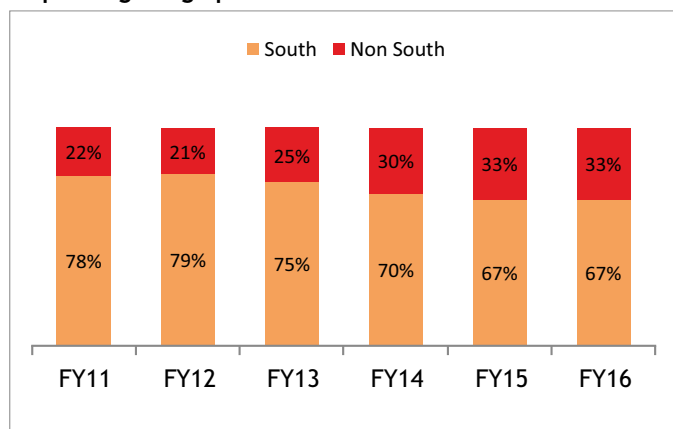
During the year 2015-16, our business grew by 7% in south markets. While other south markets continued to expand, Kerala was impacted due to the state's close correlation with the rubber economy and expatriate inflows from the Gulf region. V-Guard is a leader in south markets and continues with the practice of launching new products in this region before their introduction into the rest of the country.

Non-south market revenues grew by 6%, with western markets seeing some weakness. At present, non-south contributes 33% to revenues and there is scope for further expanding revenues from these markets. Some large markets outside the south still need to be penetrated deeper. We already have a large distributor base in non-south regions and the number of retailers within these markets is being expanded. Growing brand visibility and recognition is allowing us to bring pricing parity by reducing discounts. We are seeing improving profitability in non-south markets which turned to positive contribution at profit before tax level in 2015-16 for the first time.



The company continues to operate in a prudent manner. Quality of revenues is viewed to be as important as revenue growth with focus on inventory and debtor management. Channel financing initiatives are already well-percolated in south markets and will be replicated in non-south markets as some of these states gain scale of operations and the V-Guard brand sees greater traction. As discussed earlier, strong cash flows generated from these initiatives have been deployed to debt repayment. As a consequence, our debt to equity ratio now stands at 0.02:1, making us virtually a debt-free company and providing the framework for more growth opportunities.

#### Expanding Geographic Presence



### 3. Dividend

The Board has recommended final dividend of Rs. 2.50 per equity share for the financial year ended on 31<sup>st</sup> March, 2016, payable subject to approval at the ensuing annual general meeting.

This with the interim dividend declared earlier will result in a total payout for the year 2015-16 (including dividend distribution tax) of Rs. 25.33 crores (Rs. 16.23 crore in 2014-15) translating into a dividend payout of 22.7% (compared to 22.9% in the previous year) on consolidated net profit.

V-Guard believes in maintaining a fair balance between

dividend distribution and cash retention. Cash retention is required for future growth, probable acquisitions and to meet any unforeseen contingencies.

## 4. Segment-wise Review

### a. Electronics

V-Guard's electronics segment comprises voltage stabilizers and UPS systems (both digital and standalone). This segment grew at 2.50% in 2015-16 and contributed 30.20% to revenues. Our sales in the electronics segment are largely dependent on the power situation in the country and the demand for consumer electronics such as air conditioners, refrigerators and televisions. V-Guard is the market leader in the voltage stabilizer segment across the country. The company competes with locally dominant players in many states and has been gaining share in the organized market. Growth has been driven by expansion into non-South markets and due to consolidation of demand to the organized sector, which may gain further momentum once GST is implemented. Another demand driver is our greater penetration into Tier II and III cities that still have less reliable power availability. Hotter weather conditions are also supporting the sales of white goods, and of voltage stabilizers.

The UPS segment saw a decline in revenues in 2015-16 due to two reasons. One, the power situation in many states saw an improvement and two, we had some initial post-launch teething issues in non-south markets that have since been resolved. Sales were also impacted due to aggressive pricing tactics adopted by competition in weak market conditions.

### b. Electricals

V-Guard's electricals segment comprises house wiring cables, LT Cables, Pumps, Electric Water Heaters, Fans, Switchgears, Induction Cooktops and Mixer Grinder. Electricals revenues grew at 8.1% in 2015-16 and contributed 66.5% to total revenues. Drivers for growth are home construction activity, weather conditions, consumption spending and interest rates.

Construction activity in some of the south markets remained subdued, impacting growth in the cables and wires segment. Growth was also achieved from markets we have entered recently and which are less mature from our perspective. While

Products	FY2016	Revenue Contribution (%)	FY2015	Revenue Contribution (%)	YoY growth (%)
Electronics	562.75	30.2%	548.87	31.4%	2.5%
Electrical/ Electro mechanical	1,238.78	66.5%	1,146.06	65.6%	8.1%
Others	60.74	3.3%	50.98	2.9%	19.1%
GRAND TOTAL	1,862.28	100.0%	1,745.92	100%	6.7%

pass through to customers of declining copper prices reduced value growth, volumes grew by 12% and margins were maintained. Our focus is on retail sales of wiring cables to individual home owners. Institutional sales to developers are limited.

Sale of pumps is linked to agricultural activity, monsoon season and changes in the water table. Recent trend of water shortages has lead to stronger demand after a period of stagnation.

In the electric water heaters segment, there was some impact of the weak winter this year. However, the launch of new and innovative models is resulting in improving acceptance among customers.

Growth in the fans category has been relatively strong. V-Guard's product range includes ceiling fans as well as table, pedestal and wall fans. Currently, the company is a smaller player and ongoing growth in this category may be supported by expectations of warm weather conditions and expansion into new markets.

New product categories like Switchgears, Induction Cooktops and Mixer Grinders continue to deliver growth. Combined revenue from these products increased by 16.8% to Rs. 68.81 crores in 2015-16 from Rs. 58.9 crore last year. These products now account for 3.7% of total sales from 3.0% in 2014-15.

In the domestic Switchgears segment, V-Guard's strong brand and new technology adopted has allowed the category to turnaround at a relatively early stage of growth. The product has strong adjacency to key electrical segments such as wires and fans and there is an overlap with the wires distribution network, allowing positive leverage for growth.

Our appliances business currently comprises two products - induction Cooktops and Mixer Grinders. Induction Cooktops were launched in Kerala initially and subsequently in Tamil Nadu and Karnataka.

Mixer grinders as a category is the company's latest introduction, [currently available in Kerala and Karnataka]. The product derives leverage from a common distribution channel for Induction Cooktops.

In the appliances category, we plan to introduce more products within a common distribution network after growing in existing products for a few years. Currently available in South India, we plan to extend availability to non-South geographies after attaining some further critical mass. Such a methodology has worked efficiently for the company in the past, allowing deep brand entrenchment in a highly competitive market.

### c. Other Products

This segment comprises of Solar Water Heaters and Solar Inverters. V-Guard is focused on the market for rooftop residential solar water heaters that are sold through marketing agents. Improving technology is cutting down payback period

for customers in this segment. Growing environmental concerns may also drive demand growth. Over the longer term, demand drivers could remain strong with more customers' opting for Solar Water Heaters.

## 5. Outlook

### Industry Drivers

- Strong demand from housing construction activity all across the country with increased penetration in Tier II and III cities
- Easy access to credit and a rising middle class population with increasing levels of disposable income will fuel the demand for the industry
- Roll out of GST will enable shift from unorganized to organized and also substantially reduce warehousing and logistics costs, and facilitate faster movement of goods across the country

### Distribution Network

- Current network of over 624 distributors and 5562 direct dealers
- Plan to increase more retailers working under existing distributors, thereby increasing revenue contribution per distributor, providing significant scope for expansion of returns on existing investments
- Selectively expanding distribution network for some specific products in high potential markets in non-south states

### Advertising Expenditure

- Continued investments in advertising and marketing to enhance brand visibility in order to facilitate pan-India expansion
- Advertisement spends to be maintained between 3.5-4% of revenues, with disproportionate spending to expand non-South markets

### Bridging Gaps in Non-South Markets

- Pricing parity to be achieved across the country over next few years by scaling down of discounts and favourable payment terms
- Focus on consolidating position in performing states while resolving product mismatches and adding sales manpower in underperforming states

### Working Capital Management

- Expanding proportion of channel financing in south markets and selectively introducing similar arrangements in non-south markets going forward
- Ensuring better control over the entire supply chain from procurement, planning, distribution and inventory management

### Financial Performance

- Expect topline growth of above 15% in 2016-17 based on

rebounding demand after two years of weakness in consumer spending activity marked by decision deferment

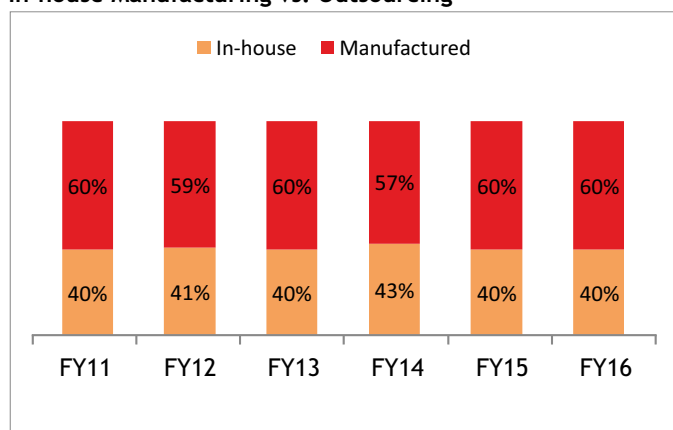
- Growth to be driven by Electric Water Heater, Stabilizer, Fan, Pump and Digital UPS segments and consolidation in House-Wiring Cable
- Expect EBIDTA margins to move marginally higher over the next 2-3 years, leveraging the company's growing position as a nationwide player allowing efficient absorption of overhead costs

## 6. Strengths, Opportunities and Threats

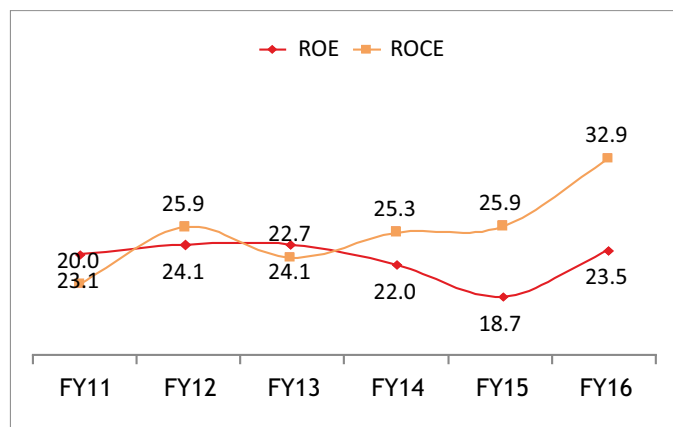
### Strengths

- Strong brand equity and investments in a well-entrenched distribution network are key differentiators, in a sector influenced by intermediaries, and is aiding expansion in non-south markets

### In-house Manufacturing vs. Outsourcing



### ROE & ROCE



- Competitive positioning in flagship product - stabilizers -

with unique outsourcing model supplemented by new manufacturing unit

- Comprehensive portfolio catering to the mass consumption market with presence across highly scalable categories
- Asset light production model enables the Company to focus on product development and utilize cash flows for brand building activities, resulting in reduced working capital requirement and higher return ratios

### Opportunities

- Strong construction demand driven by Government ambitious target of housing for all by 2022 will require 111 million housing units, increase penetration into Tier II and III cities and add to the demand
- Shortening renovation cycles for wires, fans and heaters segments due to increased disposable income and easy availability of credit
- Roll-out of GST will accelerate a shift from the unorganized segment to organized players and drive consolidation
- Further cuts in interest rates will help stimulate demand for household electricals
- Perception about electrical products changing rapidly from a mere utility to an object of home décor
- Non-South markets account for only 33% of the Company's current revenues providing significant scope to expand and gain market share
- New product categories like kitchen appliances, switchgears and solar water heaters offer promising growth prospects

### Threats

- Seasonality in revenues since sales of several product categories dependent on summer months
- Impacted by weakness in economic cycle and slowdown in demand for consumer durables
- Slowdown in the real estate market could impact sales of several product segments
- Volatility in raw material prices could impact margins in case cost escalations cannot be passed on to consumers
- Increase in competitive intensity with the entry of MNC players
- Expanding into new markets, where success requires understanding different cultures and consumer behaviour

## 7. Human Resources

The Company has the vision to establish a reputation for being a people-centric organization in all the regions it operates in and has provided an invigorating work environment, marked by teamwork, respect for merit and an emphasis on knowledge accretion. The Company recognizes the need for change management and talent management throughout the business and just how critical these aspects are to its future growth and success as any other element of its commercial strategy.

The Company has reinforced the capabilities of its workforce through the launch of numerous in-house training programmes and job-specific training drills throughout the year. With several new products categories recently launched and the rapid expansion into the non-South markets, the Company has hired several senior and mid-level resources to support the next level of growth.

As of 31st March, 2016, V-Guard had 1823 employees on its payroll as compared to 1900 a year earlier, an decrease of 4.05% year on year.

## 8. Audit & Internal Control System

Company is committed to good corporate governance practices and have well defined systems and processes covering all corporate functions and units. The company also have an

Internal Audit function to provide reasonable assurance regarding the effectiveness and efficiency of operations, safe guarding of assets, reliability of financial records and reports and compliance with applicable laws and regulations. The Audit Committee of the Board oversees the Audit function through regular reviews of the audit findings and observations and monitoring actions taken.

## 9. Risks and Risks Mitigation

V-Guard recognizes that every business have its inherent risks and what is required is a proactive approach to identify and mitigated them in time, so that they do not impact the business negatively. We have embedded an efficient Enterprise Risk Management System (ERMS) which regularly scans the internal and external environment to identify risks and decide on possible mitigation measures and costs for overcoming them and incorporate them in company's strategic, business and operational plans. Over the years, ERMS has evolved as an important function adding value to the business. The company have developed systems and processes to map the risks across segments, products and geographies and respond effectively to counter them and achieve the organizational goals. Sustained action is taken to further strengthen the system. The major risks identified and mitigation measures taken during the year is summarized below.

Risk Type	Risk Probability	Risk Impact	Risk Mitigation
Seasonality in revenues since sales of few product categories dependent on summer/ winter season.	High	High	Monitoring seasonal impacts and controlling production and inventory in order to avoid stock pileup/stockout situations. Material also moved to places where demand exists.
Volatility in commodity prices especially copper.	Medium	Medium	Closely monitoring price movements and making appropriate correction in selling price to protect margins.
Uncertainties in economic situation.	High	High	Activities planned considering the situations. Using the period to prepare for boom that may follow, building capabilities and developing new SKUs.
Increase in competitive intensity with entry of new players.	High	Medium	Closely monitoring competitor activities and implementing aggressive marketing strategies.
Depreciation of INR against USD - Impact on imports.	Medium	Medium	Monitoring currency movement closely. Hedging risk through forward cover. Pricing also adjusted to factor cost increase.
Slowdown in construction/ realty sector impacting sales of few products.	Medium	High	Closely monitoring business trends, sales and inventory for reducing impact. Focussing on products not directly linked with new constructions and on replacement demand

# DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the Twentieth Annual Report of the Company on the business and operations together with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2016.

## 1. Financial Summary

(₹ in crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Revenue from operations (Gross)	1,877.11	1,759.95
Less : Excise Duty	14.83	14.03
<b>Revenue from operations (Net)</b>	<b>1,862.28</b>	<b>1,745.92</b>
Operating expenditure	1,684.27	1,612.91
Operating profit before Depreciation, Interest, Tax & Exceptional Item	178.01	133.01
Finance Cost	8.92	20.61
Depreciation and amortization expense	15.36	15.44
Other Income	7.23	4.49
<b>Profit Before Tax &amp; Exceptional Item</b>	<b>160.96</b>	<b>101.45</b>
Exceptional Item	-	-
<b>Profit Before Tax</b>	<b>160.96</b>	<b>101.45</b>
Tax Expense:		
a) Current Tax	51.05	30.48
b) Deferred Tax	(1.77)	0.24
<b>Profit After Tax</b>	<b>111.68</b>	<b>70.72</b>
Balance in Profit & Loss account brought forward	231.99	186.57
Adjustment on account of change in useful life of fixed assets	-	(1.06)
Profit available for appropriation	343.67	256.23
<b>Appropriations</b>		
a) Transfer to General Reserve	10.00	8.00
b) Interim Dividend paid	13.53	-
c) Tax on Interim Dividend	2.75	-
d) Final Dividend Proposed	7.52	13.49
e) Tax on Final Dividend Proposed	1.53	2.75
f) Balance carried to Balance Sheet	<b>308.34</b>	<b>231.99</b>

## 2. Company's Performance

During the Financial Year 2015-16, the Company has registered net revenue from operations of ₹1,862 crores, as compared to ₹1,746 crores in the previous year, an increase of 7% year-on-year. Profit Before Tax for the year under review was ₹161 crores, higher by 59%, as compared to ₹101 crores in the previous year. Profit After Tax for the year under review was ₹112 crores, grown by 58% over ₹71 crores of the previous year. Segment wise performance of products of the Company is detailed under the Section Management Discussion and Analysis which forms part of this Annual Report.



### 3. Details of New Projects

During the year under review, the Company has set up a production unit to manufacture Electronic Voltage Stabilizers at Rangpo in Sikkim, mainly to cater to the requirements of Non-South markets. The said unit is eligible for tax exemption under North East Industrial & Investment Promotion Policy (NEIIPP).

Considering the increased demand for House Wiring Cable, especially in South markets, the Company is expanding the production capacity of the product at its facility at Chavady, Coimbatore. As part of backward integration, the Company has initiated steps for setting up a facility for PVC compounding at Chavady, Coimbatore.

### 4. Changes to the Share Capital

During the year under review, the Company has vested 55,507 and 1,80,294 number of options of ₹10/- and ₹485/- respectively to eligible employees under ESOS 2013. The employees have exercised 48,942 and 63,161 number of options of ₹10/- and ₹485/- respectively. The options exercised were allotted and the paid-up capital of the Company as on 31<sup>st</sup> March, 2016 has increased to ₹30,08,52,440/-.

### 5. Appropriations made from the profits

#### a) Transfer to Reserves

Your Directors proposes to transfer an amount of ₹ 10.00 crores to the General Reserve out of the profits available for appropriation during the year.

#### b) Interim and Final Dividend

Considering the improved profits, your Directors had declared an interim dividend of ₹4.50 per share (45% on par value of ₹10/- per share) on 09<sup>th</sup> March, 2016 and the amount was paid before 31<sup>st</sup> March, 2016 to all those shareholders whose name appeared in the Register of Members on 19<sup>th</sup> March, 2016. Outflow on account of payment of interim dividend was ₹13.53 crores and corporate dividend tax paid on the interim dividend was ₹2.75 crores.

In addition to the interim dividend, the Board of Directors are pleased to recommend a final dividend of ₹2.50 per share (25% on par value of ₹10/- per share). The final dividend, if declared as recommended, would involve an outflow of ₹7.52 crores and corporate dividend tax of ₹1.53 crores towards dividend tax, resulting in a total outflow of ₹9.05 crores. If approved by the shareholders at the ensuing Annual General Meeting, the dividend would be payable to all the shareholders / beneficial owners whose names appear in the Register of Members as on 19<sup>th</sup> July, 2016.

The Register of Members and Share Transfer Books will remain closed from 20<sup>th</sup> July, 2016 to 26<sup>th</sup> July, 2016 (both days inclusive).

### 6. Transfer of Unpaid Dividend to Investor Education Protection Fund (IEPF)

Pursuant to the provisions of Section 205C of the Companies Act, 1956, your Company has transferred an amount of ₹3,68,705/-, during the year under review to IEPF. The said amount was lying unclaimed or unpaid in Dividend Account for a period of seven years after declaration of dividend for the Financial Year 2007-08.

### 7. Fixed Deposit

The Company has not accepted any fixed deposits during the year under review.

### 8. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of report.

### 9. Change in the Nature of Business, if any

There was no change in the nature of business of the Company during the Financial Year 2015-16.

### 10. Significant or Material Orders passed by Regulators / Courts / Tribunals

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### 11. Board of Directors and its Committees

#### A. Composition of the Board of Directors

The Board of Directors of the Company comprises eight Directors, of which three are Executive and five are Non-Executive Directors, which include, four Independent Directors. The composition of the Board of Directors is in compliance with the provisions of Regulation 17 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and Section 149 of the Companies Act, 2013.

#### B. Change in Office of Directors and Key Managerial Personnel of the Company during the year under review and details of Directors seeking appointment / re-appointment in the 20<sup>th</sup> Annual General Meeting

The members of the Company in their 19<sup>th</sup> Annual General Meeting held on 03<sup>rd</sup> August, 2015, approved the re-appointment of Mr. Kochouseph Chittilappilly and Mr. Mithun K Chittilappilly, to the offices of Chairman and Managing Director of the Company respectively, for a period of three years with effect from 01<sup>st</sup> April, 2015. In the said meeting, the members also approved the re-appointment of Mr. Ramachandran Venkataraman, as a Director, liable to retire by rotation.

The Board of Directors in their meeting held on 04<sup>th</sup> May, 2016, have re-appointed Mr. Ramachandran Venkataraman, as Whole-time Director of the Company, under the designation Director and Chief Operating Officer, for a period of four years, effective from 01<sup>st</sup> June, 2016, subject to the approval of the members in the ensuing Annual General Meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Joshna Johnson Thomas, Non-Executive Director, is liable to retire by rotation in the ensuing Annual General Meeting and being eligible offers for re-appointment.

The Notice dated 27<sup>th</sup> June, 2016 of the ensuing Annual General Meeting includes the proposals for re-appointment of the Directors and their brief resume and also specific information about the nature of their expertise and the names of the Companies in which they hold directorship and membership / chairmanship of the Board Committees, as stipulated in Listing Regulations.

#### **C. Declaration by Independent Directors**

The Company has received necessary declarations from the Independent Directors stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and qualify to act as Independent Director of the Company.

#### **D. Number of Meetings of the Board of Directors**

During the Financial Year 2015-16, the Board of Directors of the Company, met seven times, on 04<sup>th</sup> May, 2015, 03<sup>rd</sup> August, 2015, 15<sup>th</sup> October, 2015, 04<sup>th</sup> November, 2015, 29<sup>th</sup> January, 2016, 09<sup>th</sup> March, 2016 and 22<sup>nd</sup> March, 2016.

A separate meeting of the Independent Directors of the Company was also held on 22<sup>nd</sup> March, 2016, and the Directors reviewed and assessed the matters enumerated under Schedule IV(VII)(3) to the Companies Act, 2013 and Regulation 25(4) of the Listing Regulations. All the Independent Directors of the Company attended the said meeting.

#### **E. Committees of the Board**

The Sub-Committees of the Board comprises of Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship and Share Transfer Committee and Corporate Social Responsibility (CSR) Committee.

The terms of reference of Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship and Share Transfer Committee were aligned with the requirements of the Companies Act, 2013 and Listing Regulations. A detailed note on the said Committees of the Board of Directors is given in the section, 'Corporate Governance Report' forming part of this Annual Report.

The CSR Committee of the Company comprises of three members, Mr. Kochouseph Chittilappilly, Mr. Cherian N Punnoose and Mr. Mithun K Chittilappilly. Mr. Kochouseph Chittilappilly, is the Chairman of the Committee and the members of the Committee met three times during the year under review, on 04<sup>th</sup> May, 2015, 03<sup>rd</sup> August, 2015 and 22<sup>nd</sup> March, 2016. The Committee recommended to the Board, the various CSR programs / activities to be carried out by the Company, for its consideration and approval.

#### **F. Performance Evaluation**

Pursuant to the provisions of Companies Act, 2013 and Listing Regulations, the Board of Directors, have carried out an annual performance evaluation of Board, Sub-Committees of Board and individual directors, based on the criteria laid down in the Nomination Remuneration and Evaluation Policy of the Company.

The performance evaluation of the Board was carried out on a questionnaire template on the basis of criteria such as effective role played by the Board in decision making, evaluating strategic proposals, discussing annual budgets, assessing the adequacy of internal controls, review of risk management procedures etc.

The performance evaluation of various Sub-Committees of the Board were carried out on the basis of criteria such as constitution of the Sub-Committees in accordance with the provisions of the Companies Act, 2013 and Listing Regulations, effective functioning of the committees as per the terms of reference, periodical suggestions and recommendations given by the Sub-Committees to the Board etc.

The performance evaluation of individual Directors was carried out both by the Nomination and Remuneration Committee and the Board on the basis of criteria such as active participation in the Board deliberations, role played in evaluation of strategic proposals, contributions made for adoption of better corporate governance practices by the Company etc.

A separate meeting of Independent Directors of the Company was held during the year under review, in which the members evaluated the performance of the Chairman on the basis of criteria such as giving guidance to the Board and ensuring the independence of the Board etc. The performance of the Non-Independent Directors was also evaluated on the basis of their contribution made to the growth of the Company, strategic initiatives and Board deliberations.

#### **G. Directors' Responsibility Statement**

In terms of the requirements of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, Board of Directors of the Company, hereby state and confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed. Proper explanation relating to material departures, if any, is provided wherever applicable;
- ii) such accounting policies were selected and applied consistently and had 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 at the end of the financial year and of the profit of the Company for the period;
- iii) proper and sufficient care were taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts were prepared on a going concern basis;
- v) the internal financial controls to be followed by the Company were laid down and such internal financial controls were adequate and were operating effectively; and
- vi) proper systems to ensure compliance with the provisions of all applicable laws were devised and such systems were adequate and operating effectively.

## **12. Audit Related Matters**

### **A. Statutory Auditors**

M/s. S R Batliboi & Associates LLP, Chartered Accountants, Kochi, with firm registration number - 101049W/E300004, were appointed as Statutory Auditors of the Company, by the members in the 19<sup>th</sup> Annual General Meeting to hold office till the conclusion of 21<sup>st</sup> Annual General Meeting. In terms of provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors shall be placed at every Annual General Meeting convened during the tenure of appointment for ratification. Accordingly, the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants, as Statutory Auditors of the Company is placed for ratification by the members.

### **B. Cost Auditors**

M/s. Ajeesh & Associates, Cost Accountants, Ernakulam, were appointed as the Cost Auditors of the Company for the Financial Year 2015-16 and the Audit Report will be considered by the Board of Directors.

The Board of Directors in their meeting held on 04<sup>th</sup> May, 2016, have approved the appointment of M/s. Ajeesh & Associates, Cost Accountants, Ernakulam, as the Cost Auditors of the Company for the Financial Year 2016-17 and also fixed the audit fee payable to them. As per the provisions of the Section 148 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, audit fee payable to the Cost Auditors is to be ratified by the members of the Company. Your Directors have proposed a resolution in item no. 7 of the Notice dated 27<sup>th</sup> June, 2016 for the ensuing Annual General Meeting, for approval of the audit fee.

### **C. Secretarial Auditors**

The Board of Directors, pursuant to the provisions of Section 204 of the Companies Act, 2013, appointed M/s. Keyul M Dedhia & Associates, Company Secretaries, Mumbai, as the Secretarial Auditor of the Company, to carry out the Secretarial Audit of the Company for the Financial Year 2015-16.

## **Secretarial Audit Report**

Secretarial Audit Report, issued by M/s. Keyul M Dedhia & Associates, Auditors in Form No. MR -3 forms part of this Board Report and is annexed herewith as Annexure 1.

While confirming that the company has complied with the provisions of applicable acts, rules, etc., the auditors made an observation. Board's clarifications for the same are as follows.

Delay in submitting the disclosures received under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 from designated employees of the Company at some instances: The delay in filing was due to oversight and Company has filed requisite disclosures to the Stock Exchanges subsequently.

### 13. Policy Matters

#### A. Nomination Remuneration and Evaluation Policy

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company has formulated and recommended to the Board a policy containing the criteria for determining qualifications, positive attributes and independence of a director and it highlights the remuneration for the Directors, Key Managerial Personnel and other employees, ensuring that it covers the matters mentioned in Section 178(4) of the Act. Nomination Remuneration and Evaluation Policy approved by the Board is given in Annexure 2 to this Report.

#### B. Vigil Mechanism / Whistle Blower Policy

Your Company had, before coming into force of Companies Act, 2013, voluntarily adopted a Whistle Blower Policy, to enable its employees and Directors to report any genuine grievances, illegal or unethical behavior, suspected fraud or violation of laws, rules and regulations, conduct, to the Ombudsman or Vigil Officer. The Whistle blower also has access to the Audit Committee Chairman. The policy has been circulated among the employees of the Company working at various locations, divisions / units. During the year under review, the Company has not received any instances of genuine concerns from Directors or employees.

The said policy has been amended in line with the provisions of Companies Act, 2013 and Listing Regulations and it provides for adequate protection to the whistle blower against victimization or discriminatory practices. The Policy is available on the website of the Company at [www.vguard.in](http://www.vguard.in) in the page 'Investor Relations'.

#### C. Corporate Social Responsibility Policy

The Board of Directors of the Company has adopted a policy on Corporate Social Responsibility, pursuant to the provisions of Section 135 of the Companies Act, 2013, read with The Companies (Corporate Social Responsibility Policy) Rules, 2014. The said policy is posted on the web site of the Company [www.vguard.in](http://www.vguard.in).

In terms of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on Corporate Social Responsibility activities of the Company is given in Annexure 3 to this report.

#### D. Risk Management Policy

The Company has developed and implemented a risk management framework detailing various risks associated with the business of the Company, the process of identification, monitoring and mitigation of risks etc. As per the risk profile, the various risks associated with the Company are classified as marketing risks, product risks, inventory risks, compliance risks, financial risks, project risks and organizational risks. The Board has constituted a Risk Management Committee to review the risks identified by various product risk groups and also suggest/ monitor measures to mitigate the risks identified. A detailed note on Risk Management is given under the section Management Discussion and Analysis, which forms part of this Annual Report.

### 14. Other Matters

#### A. Internal Controls

The Company has Internal Control Systems commensurate with the nature of its business, size and complexities. The Audit committee from time to time reviews its adequacy and effectiveness and monitors the implementation of the audit recommendations. During the year under review, the Internal Audit Division of the Company, has tested the key controls towards assurance for compliance with the policies and standard operating procedures etc. and no significant weaknesses/ deviations were identified in design or operations of the controls.

Further, the Statutory Auditors of the Company also carried out audit of the Internal Financial Controls over Financial Reporting of the Company as of 31<sup>st</sup> March, 2016 and issued their report which forms part of the Independent Auditor's report.

#### B. Financial Position and Performance of Subsidiaries, Joint Ventures and Associates

The Company has no subsidiary, associate or has not entered into any joint venture and hence not required to disclose any information.

#### C. Any revision made in the Financial Statements or Board's Report

The Company has not revised the Financial Statements or Board's Report in respect of any of the three preceding financial years.

**D. Employee Stock Option Scheme 2013**

The Company had, during the Financial Year 2013-14, granted 9,17,322 options to eligible employees to be vested over a period of three years in accordance with the Employee Stock Option Scheme (ESOS) 2013. Out of the total number of options granted, 1,55,263 number of options were cancelled till Financial Year 2015-16.

During the year under review, taking into account the parameters for vesting of options, 2,35,801 number of options were vested during the second year to eligible employees. The employees have exercised 1,12,103 numbers of options during the year under review.

The Nomination and Remuneration Committee in their meeting held on 4<sup>th</sup> May, 2015, had granted 90,628 number of options to eligible employees. Details of options movement during the year under review are given in the Annexure 4, which forms part of this Report.

**E. Code of Conduct**

As prescribed under Regulation 26(3) of the Listing Regulations, a declaration signed by the Managing Director affirming compliance with the Code of Conduct by the Directors and Senior Management of the Company for the Financial Year 2015-16 forms part of the Corporate Governance Report.

**F. Extract of Annual Return**

Extract of the Annual Return in Form No. MGT-9 forms part of the Board's Report and is annexed herewith as Annexure - 5

**G. Management Discussion and Analysis Report**

As per requirements of Listing Regulations, a detailed review of the developments in the industry, performance of the Company, opportunities and risks, internal control systems, outlook etc. of the Company is given under the head Management Discussion and Analysis Report, which forms part of this Annual Report.

**H. Particulars of Loans, Guarantees and Investments**

During the year under review, the Company has not given any loan or guarantee or made any investments in securities of other body corporate.

**I. Corporate Governance**

Your Company has complied with the Corporate Governance norms as stipulated under the Listing Regulations. A detailed report on Corporate Governance forms part of this Annual Report. A certificate of Statutory Auditor confirming compliance of the Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

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

The information pertaining to conversation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is furnished in Annexure 6 and forms part of this Report.

**K. Remuneration Details of Directors, Key Managerial Personnel and Employees**

The details of remuneration of Directors, Key Managerial Personnel and the Statement of employees in receipt of remuneration exceeding the limits prescribed under Section 134 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in Annexure 7 to this Report.

**L. Related Party Transactions**

During the year under review, the Company has not entered into any contract or arrangements with related parties as per the provisions of Section 188(1) of the Companies Act, 2013. Form No. AOC-2 which forms part of the Board's Report is annexed herewith as Annexure - 8.

**M. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed in providing and promoting a safe and healthy work environment for all its employees. It has zero tolerance towards sexual harassment at the workplace and has adopted a policy for 'Prevention and Redressal of Sexual Harassment at the Workplace' in line



with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder for prevention and redressal of complaints of sexual harassment at workplace, along with a structured reporting and redressal mechanism. The Company has also constituted an Internal Complaints Committee, to inquire into complaints of sexual harassment and recommend appropriate action. The policy has been circulated among the employees of the Company and the same is exhibited in the notice Board of all the business locations / divisions of the Company. During the year under review, the Company has not received any complaint of sexual harassment.

#### 15. Acknowledgement

The Board wishes to place on record its sincere appreciation to the Company's customers, vendors, central and state government bodies, auditors, legal advisors, consultants, registrar and bankers for their continued support to the Company during the year under review. The Directors also wish to place on record their appreciation for the dedicated efforts of the employees at all levels. Finally, the Board expresses its gratitude to the members for their continued trust, co-operation and support.

For and on behalf of the Board of Directors

Sd/-  
**Kochouseph Chittilappilly**  
Chairman  
(DIN: 00020512)

Sd/-  
**Mithun K Chittilappilly**  
Managing Director  
(DIN: 00027610)

Place: Kochi  
Date : 04<sup>th</sup> May, 2016

# ANNEXURE - 1

FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[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,  
**V-Guard Industries Limited**  
Corporate Identification Number: L31200KL1996PLC010010  
42/962, Vennala High School Road, Vennala,  
Kochi, Kerala- 682 028.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by V-Guard Industries Limited (hereinafter called "the Company"). The 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 limited verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with applicable regulatory authority(ies) and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended March 31, 2016 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minute Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2016, as per the provisions of:

- |  |   |
|--|---|
| <p>(i) The Companies Act, 1956 / The Companies Act, 2013, to the extent applicable, ('the Act') and the rules made thereunder;</p>                                       | <p>(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;</p> <p>(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;</p> <p>(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;</p> <p>(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-</p> <p>(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;</p> <p>(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (up to 14<sup>th</sup> May, 2015)/ The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (with effect from 15<sup>th</sup> May, 2015);</p> <p>(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (<b>Not applicable to the Company during the Audit period</b>);</p> <p>(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;</p> <p>(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (<b>Not applicable to the Company during the Audit period</b>);</p> <p>(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;</p> <p>(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (<b>Not applicable to the Company during the Audit period</b>);</p> <p>(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (<b>Not applicable to the Company during the Audit period</b>); and</p> <p>(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 with effect from 01<sup>st</sup> December, 2015;</p> |
| <p>(vi) We relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for the compliance</p> |   |

of the following laws applicable specifically to the Company:

1. The Bureau of Indian Standard Act, 1986 and rules made thereunder.
2. The Essential Commodities Act, 1955.
3. Household Electrical Appliances (Quality Control) Order, 1981.

**We have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013 with effect from 01<sup>st</sup> July, 2015; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above and we have not found material observation or instances of non compliance in respect of the same subject to the following observation:

*There was delay in submitting the disclosures received under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 from designated employees of the Company at some instances and the number of shares held by the employees were mentioned without showing the percentage of shareholding.*

**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 about scheduled Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officer, we herewith report that majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the Minutes.

Based on the representation made by the Company and its Officers explaining to us in respect of internal systems and mechanisms established by the Company which ensures compliances of other, Laws and Regulations applicable to the Company, We 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 financial year under audit period, the Company has not undertaken any corporate action having a major bearing on the Company's affairs in pursuance of aforesaid laws, rules and regulations, guidelines, standards etc. as mentioned above.

**For Keyul M. Dedhia & Associates**  
Company Secretaries

Keyul M. Dedhia  
Proprietor  
FCS No: 7756 COP No: 8618

May 04 2016, Mumbai

Note: 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,  
**V-Guard Industries Limited**  
42/962, Vennala High School Road, Vennala,  
Kochi, Kerala- 682 028.

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test-check basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we follow 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 and we rely on Auditors Independent Assessment on the same.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance on test-check 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 Keyul M. Dedhia & Associates**  
Company Secretaries

**Keyul M. Dedhia**  
Proprietor  
FCS No: 7756      COP No: 8618

May 04 2016, Mumbai

## ANNEXURE - 2

### Nomination, Remuneration & Evaluation Policy

#### I. PREAMBLE

As per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Listing Regulations, 2015, every listed company shall constitute a Nomination and Remuneration Committee and such Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

Further Sections 134 & 149 of the Companies Act, 2013 requires every listed company to have a formal evaluation mechanism to evaluate the performance of the Board, its committees and Individual directors. Section 178 of the Companies Act further provides that Nomination & Remuneration Committee of the company shall carry out evaluation of every Director's performance.

In compliance of the above requirements, V-Guard Industries Limited being a Listed Company has constituted a Nomination and Remuneration Committee and the Committee has formulated a Nomination, Remuneration and Evaluation Policy to provide a framework and set standards for the nomination and remuneration of the Directors, Key Managerial Personnel and Other employees and evaluation of the Directors. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

#### II. Definitions

- a) Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time;
- b) Board means Board of Directors of the Company;
- c) Director means a director appointed to the Board of the Company and includes Whole-time Directors, Non-Executive Directors(s) and Independent Directors.

- d) Key Managerial Personnel (KMP) means
  - (i) Managing Director
  - (ii) Whole-time Directors
  - (iii) Chief Financial Officer
  - (iv) Company Secretary and
  - (v) Such other officer as may be prescribed
- e) Nomination & Remuneration Committee of the Company means a sub-committee of the Board constituted in accordance with the provisions of Section 178(1) of the Act and Regulation 19 of Listing Regulations and consists of three Independent Directors and one Non-Executive Director as members.
- f) Senior Management means to include all members other than the Directors and KMPs of the Company who are the members of its core management team excluding the Board of Directors including Functional Heads.

#### III. Objectives of Nomination & Remuneration Committee

The Nomination and Remuneration Committee is responsible for:

- a) Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board.
- b) Identifying individuals suitably qualified to be appointed as Directors, KMPs and Senior Management Personnel of the Company.
- c) Recommending to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- d) Recommending to the Board to provide any kind of reward to KMPs and Senior Management Personnel linked to their performance and achievement relating to the Company's operations.
- e) Ensuring that level and composition of remuneration is reasonable and sufficient and relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- f) Assessing the independence of independent directors.



- g) Evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board members.
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director, subject to the provisions of law and their service contracts.
- i) Devising a policy on Board diversity.
- j) Developing a succession plan for the Board, KMPs and Senior Management and to regularly review the plan.
- k) Such other key issues or matters as may be referred by the Board or as may be necessary in view of the Listing Regulations and provisions of the Act and Rules made thereunder.

#### IV. Policy for appointment, removal and retirement of Director, KMP and Senior Management

##### A) Appointment criteria and qualifications

- i) The Committee shall identify and ascertain the qualification, expertise, industry experience, integrity, back ground and other qualities of the persons for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position concerned.
- ii) The Committee shall assess the criteria of independence fulfilled by the appointee in case of recommending a person for appointment / re-appointment as Independent Director.
- iii) The Committee shall consider the extent to which the person proposed to be appointed as Director, is likely to contribute to the overall effectiveness of the Board and work constructively with the existing directors and enhance the efficiencies of the Company.
- iv) The Committee shall consider the nature of existing positions held by the appointee including directorships or other relationships and the impact it may have on the appointee's ability to exercise independent judgement.
- v) The Committee shall consider the appointment of any person who has attained the age of 70 years as Whole-time Director, only with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice

for such motion indicating the justification for such appointment.

- vi) The Committee shall ensure that the new Directors, KMPs and Senior Management are provided adequate training about the operations of the Company and reviewing the training procedures from time to time.
- vii) The Committee shall ensure that formal letter of appointment is given to the independent directors at time of their appointment.

##### B) Term / Tenure

- i) The Committee shall recommend the appointment or re-appointment of any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time.
- ii) The Committee shall recommend appointment or re-appointment of any person as independent director for a term upto five consecutive years and also ensuring that no independent director is holding office for more than two consecutive terms.
- iii) Recommending to the Board, appointment of KMPs / Senior Management as per the provisions of the Act and policy of the Company.

##### C) Removal

The Committee may recommend, to the Board due to reasons of any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder and the same recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.

##### D) Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position or otherwise, even after attaining the retirement age, for the benefit of the Company.

#### V. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

##### A) Remuneration for Whole-time / Non-Executive / Independent Directors

- i) The remuneration including commission payable to Whole-time Directors will be

determined by the Committee in accordance with the provisions of the Articles of Association of the Company and the Act and recommended to the Board for approval, subject to the approval of the shareholders of the Company and Central Government, wherever required. The Whole-time Directors shall be eligible for a monthly fixed pay which includes HRA and commission on net profits as variable pay and other benefits like employer's contribution to PF, pension scheme etc and other perquisites like LTA, reimbursement of medical expenses, car, use of telephone, club fees etc.

- ii) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- iii) If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act.
- iv) Increments to the existing remuneration structure may be recommended by the Committee to the Board which should be within the limits approved by the shareholders.
- v) Where any insurance is taken by the Company on behalf of its Directors, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to them. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- vi) Non-Executive Directors and Independent Directors may be paid remuneration by way of commission at the rate of not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of the Company.
- vii) Non-Executive and Independent Directors shall receive remuneration by way of fees for attending the meetings of Board and sub-committees of the Board, in which they hold membership / chairmanship as the case may be. Sitting fee payable shall be fixed and approved by the Board within the limits as prescribed in the Act.

- viii) Independent Directors are not entitled to any stock option of the Company.

**B) Remuneration for Key Managerial Personnel and Other Employees**

- i) The Committee shall take into account the qualification, industry experience, integrity of the appointee, existing remuneration level for similar positions in other companies operating in the same sector etc. while fixing the remuneration payable to the KMPs and Senior Management Personnel. The remuneration payable shall be structured in such way that it consists of fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- ii) The Committee may also consider giving ESOP to KMPs & Senior Management.

**VI. Performance Evaluation of Board**

As per the provisions of Sections 134 and 178 of the Companies Act, 2013, the performance of the Board of a Company is to be evaluated annually by the Nomination and Remuneration Committee and a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors shall be mentioned in the Board's report.

The Company's Board consists of optimum combination of Executive and Non-Executive Directors and performance evaluation of the Board as a whole, each individual director and sub-committees of the Board is to be carried out, to ensure that with the efficient performance of the Board, the Company's objectives are achieved and stakeholders' expectations are met.

**A) In each Financial Year the Board will undertake the following activities:**

- i) The Board shall discuss the operating and financial performance, strategic proposals, risk management and key appointments and standards of conduct.
- ii) The Board shall ensure that the Company has adopted best governance practices in all spheres of its operations which results in enhanced value for the stakeholders.
- iii) The Board as a whole will discuss and analyse its own performance during the year.
- iv) The Board shall review the performance of Independent Directors, excluding the Director being evaluated.

- v) The Board shall review from time to time the necessity of forming any sub-committees of the Board and delegating certain of its powers, duties and responsibilities to such sub-committees.
- vi) The Board shall review the terms of reference of the sub-committees to ensure that these are in line with the provisions of the Act, Listing Regulations or such other regulations that may in force.
- vii) The Board shall review the adequacy of number of meetings and provide suggestions for improving Board deliberations.
- viii) The Board shall ensure that minimum information is made available to the Board as specified in Annexure / Schedule to the Listing Regulations.
- ix) The Board shall ensure that as per the provisions of the Act and Listing Regulations, matters which are to be discussed and decided in Board meeting are placed and decided at the Board Meeting.
- x) The Board shall from time to time review those matters which have a bearing on the operations / performance of the Company and needs to be compulsorily informed to the exchange.

**B) Independent Directors of the Company shall hold at least one meeting in a year and consider the following:**

- i) Review the performance of non-independent Directors and the Board as a whole.
- ii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.
- iii) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**C) Criteria for evaluation of the performance of the Board**

The Board will assess its performance with regard to the following aspects:

- i. Analysing the operational activities and financial indicators of the Company.

- ii. Understanding the enterprise risk and suggesting mitigation procedures for the risks identified.
- iii. Analysis of the budgets and strategic proposals of the Company and its periodical review.
- iv. Ability to take appropriate decisions for the proposals placed before the Board.
- v. Reviewing the future roadmap of the Company and giving suggestive measures.
- vi. Awareness about the industry in which the Company operates.
- vii. Monitoring of all statutory compliance.
- viii. Implementation of various policies approved by the Board.
- ix. Preparedness in dealing with unforeseen crises.
- x. Planning for top management succession.
- xi. Contribution to Board deliberations with regard to important policy matters and strategic proposals.

**D) EVALUATION CRITERIA FOR INDEPENDENT DIRECTOR**

- 1. Personal Traits
  - i. Highest personal and professional ethics, integrity, values and Independence.
  - ii. Inquisitive and objective perspective, practical wisdom and mature judgment.
  - iii. Contribution to Board deliberations.
- 2. Other Criteria
  - i. Willingness to devote sufficient time to carry out the duties and responsibilities effectively, including attendance at meetings.
  - ii. To act in the best interest of minority shareholders of the Company.
  - iii. Absence of personal and business relationships that would pose a conflict of interest with the best interests of the Company.
  - iv. Compliance with the definition of Independent Director as provided in the Companies Act 2013 & Listing Regulations.
  - v. Monitoring the implementation of Corporate Governance guidelines and conflict of interest policy adopted by the Company.

**E) EVALUATION CRITERIA FOR INDIVIDUAL DIRECTORS**

Individual Director's performance will be evaluated considering the following:

- i. Active participation in the Board deliberations and attendance in meetings.
- ii. Contribution in practice of Corporate governance by the Company.
- iii. Leadership through vision and values.
- iv. Strategic thinking and decision making.
- v. Providing guidance to the Management.
- vi. Contribution to resolution of divergent views.

**F) EVALUATION CRITERIA FOR CHAIRMAN**

- i. Ensuring effectiveness in conduct of Board Meetings & Share Holder Meetings.
- ii. Ensuring that matters are discussed at the Board Meetings in a structured way in order to achieve a balanced decision.
- iii. Proactive role in the Board & Committee Evaluation.
- iv. Acting as a facilitator of the Agenda for the Board Meetings and monitoring finalisation of Minutes.

For and on behalf of the Board of Directors

Sd/-  
**Kochouseph Chittilappilly**  
Chairman  
(DIN: 00020512)

Sd/-  
**Mithun K Chittilappilly**  
Managing Director  
(DIN: 00027610)

Place: Kochi  
Date : 04<sup>th</sup> May, 2016

## ANNEXURE 3

### ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programmes undertaken or proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:

The Board of Directors has adopted a CSR policy to enable the Company to carry out CSR activities in all the activities that are mentioned in the Schedule VII to the Companies Act, 2013. The CSR initiatives of the Company is mainly focused on activities relating to Education & Skill development, Health & Wellness, Women Empowerment and extending support in relief and developmental activities. The projects undertaken during the Financial Year 2015-16 were within the broad framework of Schedule VII to the Companies Act, 2013.

Details of the CSR policy and projects or programmes undertaken by the Company are available on the website of the Company at [www.vguard.in/csr](http://www.vguard.in/csr)

2. The composition of the CSR committee: The Company's CSR Committee consists of Mr. Kochouseph Chittilappilly, Mr. Cherian N Punnoose & Mr. Mithun K Chittilappilly. The constitution is in line with the provisions of Section 135(1) of the Companies Act, 2013. Mr. Kochouseph Chittilappilly, is the chairman of the Committee.
3. Average net profit of the company for last three financial years for the purpose of computation of CSR: ₹9276.14 Lakhs
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 185.52 Lakhs
5. Details of CSR spent during the financial year:
  - a. Total amount spent for the financial year : ₹187.75 Lakhs
  - b. Amount unspent : Nil



c. Manner in which amount spent during the financial year is detailed below:

Sr. No	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Subheads : (1) Direct Expenditure (2) Overheads (₹)	Cumulative Expenditure upto the reporting period (₹)	Amount Spent : Direct or through implementing agency (₹)
1	<b><u>V-Guard Edu-care and Skill Development Programs</u></b> Providing education support to the students, infrastructure development of Govt. School and technical/vocational training to unprivileged category of persons for building up their own livelihood.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Palakkad, Ernakulam, (Kerala), Coimbatore, (Tamil Nadu), Hubli (Karnataka), Gurgaon (Haryana), Varanasi, Kanpur (UP), Rangpo (Sikkim) Dumk (Jharkhand)	75,04,907.00	75,04,907.00	75,04,907.00	Direct: 55,24,007.00  Agency: 19,80,900.00
2	<b><u>V-Guard Health Care Programs</u></b> Providing medical equipment and Ambulance to Govt. Hospitals. To facilitate medical treatment to poor patients for critical ailments and conducting medical camps.	Promoting preventive health care.	Ernakulam, Kottayam, (Kerala) Kala amb(HP) KSHIPUR (Uttarakhand) Kolkata, (W.Bengal) Delhi, Telagana, Seemandhra, Uttar Pradesh, Maharashtra and Chattisgarh.	57,77,208.00	57,77,208.00	57,77,208.00	Direct: 19,27,208.00  Agency: 38,50,000.00
3	<b><u>V-Guard Build India &amp; Relief</u></b> Support to Orphanages and Libraries, contribution to Prime Minister's National Relief Fund, carried out relief activities in disaster affected areas.	1) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.  2) Contribution to the Prime Minister's Relief Fund or any other fund set up by the Central Government for socio economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.	Ernakulam, Thrissur, (Kerala), Coimbatore (Tamil Nadu) Cuttack (Orissa)	32,98,668.00	32,98,668.00	32,98,668.00	Direct: 23,33,668.00  Agency: 9,65,000.00

4	<b>V-Guard Women Empowerment</b> Entrepreneurship development programmes for women.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Kozhikode (Kerala) Coimbatore (Tamil Nadu) Mangalore & Bangalore (Karnataka)	15,42,040.00	15,42,040.00	15,42,040.00	Agency: 15,42,040.00
	<b>Subtotal</b>			<b>1,81,22,823.00</b>	<b>1,81,22,823.00</b>	<b>1,81,22,823.00</b>	
	<b>Overhead</b>				<b>6,51,641.00</b>	<b>6,51,641.00</b>	
	<b>Total CSR spend</b>				<b>18,774,464.00</b>	<b>1,87,74,464.00</b>	

**Details of Agency :**

- (1) Society for Rehabilitation of the visually challenged, Kochi
- (2) Catholic Health Association of India (CHAI), Telegana, Chattisgarh, Uttar Pradesh
- (3) Manorama Charitable Trust, Kottayam
- (4) Indian Red cross Society, Kottayam
- (5) Pushpvihar Ayyappa Sewa Samithi, New Delhi
- (6) Alzheimer's and Related Disorder Society of India, Kochi (ARDSI)
- (7) Evangelical social action forum (ESAF), Jharkhand
- (8) Bharat Scouts & Guides, West Bengal
- (9) Basic Charitable Trust, Kottayam

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.  
Not Applicable. Please refer to item no. 5(b) above.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Sd/-  
**Kochouseph Chittilappilly**  
Chairman, CSR Committee  
(DIN: 00020512)

Sd/-  
**Cherian N Punnoose**  
Member  
(DIN: 00061030)

Sd/-  
**Mithun K Chittilappilly**  
Member  
(DIN: 00027610)

For and on behalf of the Board of Directors

Sd/-  
**Kochouseph Chittilappilly**  
Chairman  
(DIN: 00020512)

Sd/-  
**Mithun K Chittilappilly**  
Managing Director  
(DIN: 00027610)

Place: Kochi

Date: 04<sup>th</sup> May, 2016

## ANNEXURE - 4

Statement as at 31<sup>st</sup> March, 2016, pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 and under 12(9) of the Companies (Share Capital and Debentures) Rules, 2014

A	Options Movement During the year	ESOP 2013 Grant I	ESOP 2013 Grant II
1	Options Outstanding at the Beginning of the year	5,36,867 number of options @ ₹ 485/- and 1,36,937 number of options @ ₹ 10/-	Nil under Grant II
2	Options Granted during the year	Nil under Grant I	68,447 number of options of ₹ 999/- and 22,181 number of options of ₹ 10/-
3	Options Vested during the year	1,80,294 number of options @ ₹ 485/- and 55,507 number of options @ ₹ 10/-	Nil under Grant II
4	Options Exercised during the year	63,161 number of options were exercised @ ₹ 485/- and 48,942 number of options were exercised @ ₹ 10/-.	Nil under Grant II
5	Total number of shares arising as a result of exercise of options	1,12,103	Nil under Grant II
6	Options Cancelled during the year	28,417 and 8,949 numbers of options granted @ ₹ 485/- and @ ₹ 10/- respectively were cancelled.	Nil under Grant II
7	Options Lapsed during the year	Nil	Nil
8	Options Outstanding at the end of the year	4,45,289 number of options of ₹ 485/- 79,046 number of options of ₹ 10/-	68,447 number of options of ₹ 999/- and 22,181 number of options of ₹ 10/-
9	Options Exercisable at the end of the year	2,38,552	Nil
10	Money realised by exercise of options (₹)	311,22,505	Nil
11	Loan repaid by the trust during the year from the exercise price received	N.A	N.A

B	Employee-wise details of options granted during the financial year 2015-16 to:		
(i)	Senior managerial personnel		
	Name of employee		Number of Options
	No options were granted to senior managerial personnel during the financial year 2015-16		
(ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year		
	Name of employee	Designation	Total Number of Options
	Mr. Nirbhai Kumar Yadavendru	Chief Manager - Marketing	90,628
	Mr. Pradeep Kumar Medhi	Asst. General Manager - Marketing	
	Mr. Biju M V	Dy. General Manager - Water Heater	
	Mr. Sumit Jha	Sr. General Manager - Marketing	
	Mr. Joseph A Selvakumar	Sr. General Manager - Commercial	

(iii)	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.		
	Name of employee		Number of Options
	Nil		

C	A description of the method and significant assumption used during the year to estimate the fair values of options.	
	The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in the model are:	Weighted Average Assumptions
	Price of the underlying shares in market at the time of Option grant (₹)	999.00
	Expected Volatility %	32.20
	Riskfree Rate %	7.72
	Exercise Price (₹)	756.94
	Expected Life (In Years)	5.01
	Expected Dividend %	0.44

For and on behalf of the Board of Directors

Sd/-  
**Kochouseph Chittilappilly**  
 Chairman  
 (DIN: 00020512)

Sd/-  
**Mithun K Chittilappilly**  
 Managing Director  
 (DIN: 00027610)

Place: Kochi  
 Date: 04<sup>th</sup> May, 2016

# ANNEXURE - 5

## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

i) CIN	L31200KL1996PLC010010
ii) Registration Date	12.02.1996
iii) Name of the Company	V-GUARD INDUSTRIES LIMITED
iv) Category	Company limited by shares
v) Sub-Category of the Company	Indian Non Government Company
vi) Address of the Registered office and contact details	42/962, Vennala High School Road, Vennala, Kochi-682028. Ph:0484-3005000; Fax:0484-3005100; e-mail: mail@vguard.in
vii) Whether listed company	Listed at BSE Ltd. and National Stock Exchange of India Ltd.
viii) Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Pvt. Ltd., Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028. Ph: 0422-2314792; e-mail: coimbatore@linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company.

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	House Wiring Cables	31300	30
2	Stabilizer	31901	20
3	Electric Water Heater	29305	10
4	Pump	2812	11

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of shares held	Applicable Section
1	N.A	N.A	N.A	N.A	N.A



**IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS A PERCENTAGE OF TOTAL EQUITY)****(i) CATEGORY - WISE SHAREHOLDING**

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Number of shares held in dematerialized form	Number of shares held in physical form	Total number of shares	% of Total number of shares	Number of shares held in dematerialized form	Number of shares held in physical form	Total number of shares	% of Total number of shares	
<b>(A)</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	10686845	0	10686845	35.65	10686845	0	10686845	35.52	-0.13
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Others - Promoter Group	9080015	0	9080015	30.29	9080015	0	9080015	30.18	-0.11
	<b>Sub Total(A)(1)</b>	<b>19766860</b>	<b>0</b>	<b>19766860</b>	<b>65.95</b>	<b>19766860</b>	<b>0</b>	<b>19766860</b>	<b>65.70</b>	<b>-0.25</b>
<b>2</b>	<b>Foreign</b>									
a	Individuals (Non-Residents Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
c	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e	Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>19766860</b>	<b>0</b>	<b>19766860</b>	<b>65.95</b>	<b>19766860</b>	<b>0</b>	<b>19766860</b>	<b>65.70</b>	<b>-0.25</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	1574958	0	1574958	5.25	2467690	0	2467690	8.20	2.95
(b)	Financial Institutions / Banks	2529	0	2529	0.01	1964	0	1964	0.01	0.00
(c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d)	State Government	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00

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(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Institutional Investors	5583363	0	5583363	18.63	5023219	0	5023219	16.70	-1.93
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1)</b>	<b>7160850</b>	<b>0</b>	<b>7160850</b>	<b>23.89</b>	<b>7492873</b>	<b>0</b>	<b>7492873</b>	<b>24.91</b>	<b>1.01</b>
<b>2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate									
	1) Indian	124981	1800	126781	0.42	88106	1800	89906	0.30	-0.12
	2) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Individuals									
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	2072015	123304	2195319	7.32	1880386	117763	1998149	6.64	-0.68
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	519456	0	519456	1.73	541024	0	541024	1.80	0.07
(c)	Any Other (specify)									
	1) Clearing Member	15769	0	15769	0.05	11852	0	11852	0.04	-0.01
	2) Market Maker	849	0	849	0.00	168	0	168	0.00	0.00
	3) Non-Resident Indians (Repatriable)	159549	0	159549	0.53	157112	0	157112	0.52	-0.01
	4) Non-Resident Indians (Non-Repatriable)	27708	0	27708	0.09	27300	0	27300	0.09	0.00
	5) Trust	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(2)</b>	<b>2920327</b>	<b>125104</b>	<b>3045431</b>	<b>10.16</b>	<b>2705948</b>	<b>119563</b>	<b>2825511</b>	<b>9.39</b>	<b>-0.77</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>10081177</b>	<b>125104</b>	<b>10206281</b>	<b>34.05</b>	<b>10198821</b>	<b>119563</b>	<b>10318384</b>	<b>34.30</b>	<b>0.25</b>
	<b>TOTAL (A)+(B)</b>	<b>29848037</b>	<b>125104</b>	<b>29973141</b>	<b>100.00</b>	<b>29965681</b>	<b>119563</b>	<b>30085244</b>	<b>100.00</b>	<b>0.00</b>
(C)	Shares held by Custodians and against for GDRs and ADRs	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (C )</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>29848037</b>	<b>125104</b>	<b>29973141</b>	<b>100.00</b>	<b>29965681</b>	<b>119563</b>	<b>30085244</b>	<b>100.00</b>	<b>0.00</b>

**(ii) SHAREHOLDING OF PROMOTERS**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Kochouseph Chittilappilly	7366518	24.58	0	7366518	24.49	0	-0.09
2	Sheela Kochouseph	3320327	11.08	0	3320327	11.04	0	-0.04
3	Mithun K Chittilappilly*	5110318	17.05	0	5110318	16.99	0	-0.06
4	Arun K Chittilappilly*	3969697	13.24	0	3969697	13.19	0	-0.05
	<b>TOTAL</b>	<b>19766860.00</b>	<b>65.95</b>	<b>0</b>	<b>19766860.00</b>	<b>65.70</b>	<b>0</b>	<b>-0.25</b>

\*Member of Promoter Group as defined under SEBI(ICDR) Regulations 2009, which is amended from time to time.

**(iii) CHANGE IN SHAREHOLDING OF PROMOTERS**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Kochouseph Chittilappilly				
	At the beginning of the year	7366518	24.58	7366518	24.58
	Increase / Decrease in promoters Shareholding during the year	-	-	-	-
	At the end of the year			7366518	24.49
2	Sheela Kochouseph				
	At the beginning of the year	3320327	11.08	3320327	11.08
	Increase / Decrease in promoters Shareholding during the year	-	-	-	-
	At the end of the year			3320327	11.04
3	Mithun K Chittilappilly*				
	At the beginning of the year	5110318	17.05	5110318	17.05
	Increase / Decrease in promoters Shareholding during the year	-	-	-	-
	At the end of the year			5110318	16.99
4	Arun K Chittilappilly*				
	At the beginning of the year	3969697	13.24	3969697	13.24
	Increase / Decrease in promoters Shareholding during the year	-	-	-	-
	At the end of the year			3969697	13.19

\*Member of Promoter Group as defined under SEBI(ICDR) Regulations 2009, which is amended from time to time.

(iv) **SHAREHOLDING PATTTERN OF TOP TEN SHAREHOLDERS (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>NALANDA INDIA EQUITY FUND LIMITED</b>				
	At the beginning of the year	1304485	4.35	1304485	4.35
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			1304485	4.34
<b>2</b>	<b>ICICI PRUDENTIAL LONG TERM EQUITY FUND (TAX SAVING)</b>				
	At the beginning of the year	533064	1.78	533064	1.78
	Increase on - 10.04.2015 / Transfer	27813	0.09	560877	1.87
	Increase on - 17.04.2015 / Transfer	5288	0.02	566165	1.89
	Increase on - 24.04.2015 / Transfer	7967	0.02	574132	1.91
	Increase on - 01.05.2015 / Transfer	7316	0.02	581448	1.93
	Increase on - 08.05.2015 / Transfer	8461	0.03	589909	1.96
	Increase on - 15.05.2015 / Transfer	218	0.00	590127	1.96
	Increase on - 22.05.2015 / Transfer	309	0.00	590436	1.96
	Increase on - 29.05.2015 / Transfer	101	0.00	590537	1.96
	Increase on - 12.06.2015 / Transfer	1023	0.01	591560	1.97
	Increase on - 19.06.2015 / Transfer	14399	0.04	605959	2.01
	Increase on - 26.06.2015 / Transfer	1911	0.01	607870	2.02
	Increase on - 10.07.2015 / Transfer	49350	0.16	657220	2.18
	Increase on - 17.07.2015 / Transfer	2191	0.01	659411	2.19
	Increase on - 24.07.2015 / Transfer	4200	0.02	663611	2.21
	Increase on - 31.07.2015 / Transfer	912	0.00	664523	2.21
	Increase on - 07.08.2015 / Transfer	3575	0.01	668098	2.22
	Increase on - 14.08.2015 / Transfer	390842	1.30	1058940	3.52
	Increase on - 28.08.2015 / Transfer	6873	0.02	1065813	3.54
	Decrease on - 04.09.2015 / Transfer	-1062	0.00	1064751	3.54
	Decrease on - 09.10.2015 / Transfer	-146677	-0.49	918074	3.05
	Increase on - 16.10.2015 / Transfer	147648	0.49	1065722	3.54
	Increase on - 06.11.2015 / Transfer	1016	0.01	1066738	3.55
	Increase on - 20.11.2015 / Transfer	3189	0.01	1069927	3.56
	Increase on - 27.11.2015 / Transfer	716	0.00	1070643	3.56
	Decrease on - 04.12.2015 / Transfer	-942	0.00	1069701	3.56
	Decrease on - 25.12.2015 / Transfer	-645	-0.01	1069056	3.55
	Decrease on - 31.12.2015 / Transfer	-47542	-0.15	1021514	3.40
	Decrease on - 01.01.2016 / Transfer	-5941	-0.02	1015573	3.38

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	Decrease on - 08.01.2016 / Transfer	-109	0.00	1015464	3.38
	Decrease on - 15.01.2016 / Transfer	-1587	-0.01	1013877	3.37
	Increase on - 22.01.2016 / Transfer	13745	0.05	1027622	3.42
	Increase on - 29.01.2016 / Transfer	1198	0.00	1028820	3.42
	Decrease on - 05.02.2016 / Transfer	-2510	-0.01	1026310	3.41
	Increase on - 12.02.2016 / Transfer	2369	0.01	1028679	3.42
	Increase on - 26.02.2016 / Transfer	79233	0.26	1107912	3.68
	Decrease on - 04.03.2016 / Transfer	-133	0.00	1107779	3.68
	At the end of the year			1107779	3.68
<b>3</b>	<b>STEADVIEW CAPITAL MAURITIUS LIMITED</b>				
	At the beginning of the year	10952250	3.65	1095250	3.65
	Decrease on - 19.02.2016 / Transfer	-206	0.00	1095044	3.64
	Decrease on - 26.02.2016 / Transfer	-40913	-0.14	1054131	3.50
	At the end of the year			1054131	3.50
<b>4</b>	<b>NALANDA INDIA FUND LIMITED</b>				
	At the beginning of the year	789964	2.64	789964	2.64
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			789964	2.63
<b>5</b>	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND</b>				
	At the beginning of the year	697583	2.33	697583	2.33
	Increase on - 20.11.2015 / Transfer	56	0.00	697639	2.32
	Increase on - 11.12.2015 / Transfer	911	0.00	698550	2.32
	Increase on - 18.12.2015 / Transfer	20577	0.07	719127	2.39
	Increase on - 25.12.2015 / Transfer	1607	0.01	720734	2.40
	Increase on - 31.12.2015 / Transfer	757	0.00	721491	2.40
	Increase on - 01.01.2016 / Transfer	40274	0.13	761765	2.53
	Increase on - 12.02.2016 / Transfer	1206	0.01	762971	2.54
	Increase on - 19.02.2016 / Transfer	427	0.00	763398	2.54
	At the end of the year			763398	2.54
<b>6</b>	<b>ABG CAPITAL</b>				
	At the beginning of the year	749734	2.50	749734	2.50
	Increase on - 14.08.2015 / Transfer	31869	0.10	781603	2.60
	Increase on - 21.08.2015 / Transfer	6243	0.02	787846	2.62
	Increase on - 04.09.2015 / Transfer	528	0.00	788374	2.62
	Increase on - 11.09.2015 / Transfer	5927	0.02	794301	2.64
	Increase on - 18.09.2015 / Transfer	11723	0.04	806024	2.68
	Increase on - 25.09.2015 / Transfer	773	0.00	806797	2.68
	Increase on - 30.09.2015 / Transfer	843	0.00	807640	2.68
	Increase on - 09.10.2015 / Transfer	599	0.01	808239	2.69
	Decrease on - 19.02.2016 / Transfer	-177	0.00	808062	2.69
	Decrease on - 26.02.2016 / Transfer	-36515	-0.13	771547	2.56

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	Decrease on - 18.03.2016 / Transfer	-75000	-0.24	696547	2.32
	At the end of the year			696547	2.32
<b>7</b>	<b>LTR FOCUS FUND</b>				
	At the beginning of the year	577524	1.93	577524	1.93
	Decrease on - 03.07.2015 / Transfer	-29083	-0.09	548441	1.82
	Decrease on - 10.07.2015 / Transfer	-40917	-0.13	507524	1.69
	Decrease on - 19.02.2016 / Transfer	-70	0.00	507454	1.69
	Decrease on - 26.02.2016 / Transfer	-13824	-0.05	493630	1.64
	Increase on - 18.03.2016 / Transfer	75000	0.25	568630	1.89
	At the end of the year			568630	1.89
<b>8</b>	<b>PRIYA SARAH ARUN CHITTILAPPILLY</b>				
	At the beginning of the year	307667	1.03	307667	1.03
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			307667	1.02
<b>9</b>	<b>KOTAK EMERGING EQUITY SCHEME</b>				
	At the beginning of the year	163253	0.54	163253	0.54
	Increase on - 15.05.2015 / Transfer	8000	0.03	171253	0.57
	Increase on - 03.07.2015 / Transfer	25000	0.08	196253	0.65
	Increase on - 28.08.2015 / Transfer	247	0.00	196500	0.65
	Increase on - 18.09.2015 / Transfer	1374	0.01	197874	0.66
	Increase on - 25.09.2015 / Transfer	361	0.00	198235	0.66
	Increase on - 30.09.2015 / Transfer	1566	0.00	199801	0.66
	Increase on - 09.10.2015 / Transfer	7998	0.03	207799	0.69
	Increase on - 16.10.2015 / Transfer	755	0.00	208554	0.69
	Increase on - 23.10.2015 / Transfer	1449	0.01	210003	0.70
	Increase on - 30.10.2015 / Transfer	663	0.00	210666	0.70
	Increase on - 06.11.2015 / Transfer	1344	0.00	212010	0.70
	Increase on - 13.11.2015 / Transfer	453	0.01	212463	0.71
	Increase on - 27.11.2015 / Transfer	461	0.00	212924	0.71
	Increase on - 04.12.2015 / Transfer	13725	0.04	226649	0.75
	Increase on - 11.12.2015 / Transfer	2634	0.01	229283	0.76
	Increase on - 18.12.2015 / Transfer	458	0.00	229741	0.76
	Increase on - 25.12.2015 / Transfer	1814	0.01	231555	0.77
	Increase on - 31.12.2015 / Transfer	334	0.00	231889	0.77
	Increase on - 15.01.2016 / Transfer	2933	0.01	234822	0.78
	Increase on - 22.01.2016 / Transfer	3234	0.01	238056	0.79
	Increase on - 05.02.2016 / Transfer	2350	0.01	240406	0.80
	Increase on - 12.02.2016 / Transfer	6043	0.02	246449	0.82
	Increase on - 19.02.2016 / Transfer	1247	0.00	247696	0.82
	Increase on - 26.02.2016 / Transfer	15424	0.05	263120	0.87
	Increase on - 04.03.2016 / Transfer	6121	0.02	269241	0.89



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	Increase on - 11.03.2016 / Transfer	470	0.01	269711	0.90
	Increase on - 31.03.2016 / Transfer	2640	0.01	272351	0.91
	At the end of the year			272351	0.91
<b>10</b>	<b>BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE ADVANTAGE FUND ##</b>				
	At the beginning of the year	127014	0.42	127014	0.42
	Increase on - 24.04.2015 / Transfer	15434	0.05	142448	0.47
	Increase on - 08.05.2015 / Transfer	24200	0.08	166648	0.55
	Increase on - 27.11.2015 / Transfer	10000	0.04	176648	0.59
	Increase on - 11.12.2015 / Transfer	3300	0.01	179948	0.60
	Increase on - 05.02.2016 / Transfer	800	0.00	180748	0.60
	At the end of the year			180748	0.60
<b>11</b>	<b>EMBLEM FII **</b>				
	At the beginning of the year	399819	1.33	399819	1.33
	Increase on - 15.05.2015 / Transfer	181	0.00	400000	1.33
	Decrease on - 14.08.2015 / Transfer	-400000	-1.33	0	0.00
	At the end of the year			0	0.00

\*\* Ceased to be in the list of Top 10 shareholders as on 31<sup>st</sup> March, 2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 1<sup>st</sup> April, 2015.

## Not in the list of Top 10 shareholders as on 1<sup>st</sup> April, 2015. The same is reflected above since the shareholder is one of the Top 10 shareholders as on 31<sup>st</sup> March 2016.

**(v) SHAREHOLDING OF DIRECTORS AND KMP**

Sl. No.	Name of director/KMP	Shareholding at the beginning and end of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Kochouseph Chittilappilly (Chairman)				
	At the beginning of the year	7366518	24.58	7366518	24.58
	Increase/decrease during the year	0	0.00	0	0.00
	At the end of the year			7366518	24.49
2	Mithun K Chittilappilly (Managing Director)				
	At the beginning of the year	5110318	17.05	5110318	17.05
	Increase/decrease during the year	0	0.00	0	0.00
	At the end of the year			5110318	16.99
3	Ramachandran Venkataraman (Director - Marketing & Strategy)				
	At the beginning of the year	22144	0.07	22144	0.07
	Increase/decrease during the year				
	03.08.2015 - Allotment (Stock options)	14737	0.05	36881	0.12
	At the end of the year			36881	0.12
4	A Jacob Kuruvilla (Chief Financial Officer)				
	At the beginning of the year	7305	0.02	7305	0.02
	Increase/decrease during the year				
	03.09.2015 - Market Sale	-100	0.00	7205	0.02
	04.09.2015 - Market Sale	-100	0.00	7105	0.02
	08.09.2015 - Market Sale	-50	0.00	7055	0.02
	09.09.2015 - Market Sale	-260	0.00	6795	0.02
	10.09.2015 - Market Sale	-40	0.00	6755	0.02
	11.09.2015 - Market Sale	-100	0.00	6655	0.02
	14.09.2015 - Market Sale	-250	0.00	6405	0.02
	15.09.2015 - Market Sale	-150	0.00	6255	0.02
	15.10.2015 - Allotment (Stock options)	1000	0.00	7255	0.02
	21.10.2015 - Market Sale	-100	0.00	7155	0.02
	23.10.2015 - Market Sale	-100	0.00	7055	0.02
	26.10.2015 - Market Sale	-500	0.00	6555	0.02
	04.11.2015 - Market Sale	-200	0.00	6355	0.02
	09.11.2015 - Market Sale	-200	0.00	6155	0.02
	24.11.2015 - Market Sale	-300	0.00	5855	0.02
	26.11.2015 - Market Sale	-500	0.00	5355	0.02

	27.11.2015 - Market Sale	-200	0.00	5155	0.02
	01.12.2015 - Market Sale	-500	0.00	4655	0.02
	29.01.2016 - Allotment (Stock options)	2357	0.01	7012	0.02
	05.02.2016 - Market Sale	-200	0.00	6812	0.02
	08.02.2016 - Market Sale	-238	0.00	6574	0.02
	09.02.2016 - Market Sale	-300	0.00	6274	0.02
	10.02.2016 - Market Sale	-12	0.00	6262	0.02
	11.02.2016 - Market Sale	-75	0.00	6187	0.02
	22.03.2016 - Allotment (Stock options)	3750	0.01	9937	0.03
	At the end of the year			9937	0.03
<b>5</b>	<b>Jayasree K (Company Secretary)</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>	<b>No. of shares</b>	<b>% of total shares of the company</b>
	At the beginning of the year	3230	0.01	3230	0.01
	Increase/decrease during the year				
	30.09.2015 - Market Sale	-212	0.00	3018	0.01
	01.10.2015 - Market Sale	-900	0.00	2118	0.01
	15.10.2015 - Allotment (Stock options)	731	0.00	2849	0.01
	20.10.2015 - Market Sale	-548	0.00	2301	0.01
	29.01.2016 - Allotment (Stock options)	2268	0.01	4569	0.02
	01.02.2016 - Market Sale	-1400	0.00	3169	0.01
	At the end of the year			3169	0.01

Note: During the year under review, the paid up capital of the Company has increased to Rs. 30.08 crore due to allotment of shares to the eligible employees under ESOS 2013.

Dilution in percentage shareholding of promoters and other top ten shareholders is due to the increased paid up capital

## V. INDEBTEDNESS

(₹ In Lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,777.20	2,000.00	-	6,777.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.29	-	-	8.29
<b>Total (i+ii+iii)</b>	<b>4,785.49</b>	<b>2,000.00</b>	<b>-</b>	<b>6,785.49</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	(3,746.74)	(2,000.00)	-	(5,746.74)
<b>Net Change</b>	<b>(3,746.74)</b>	<b>(2,000.00)</b>	<b>-</b>	<b>(5,746.74)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,038.75	-	-	1,038.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,038.75</b>	<b>-</b>	<b>-</b>	<b>1,038.75</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Mithun K Chittilappilly - Managing Director	Mr. Kochouseph Chittilappilly - Chairman	Mr. Ramachandran Venkataraman - Director Marketing & strategy	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46,92,000	71,00,004	1,70,92,970	2,88,84,974
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	13,22,838	4,09,830	39,600	17,72,268
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	1,30,98,982	1,30,98,982
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	1,25,59,673	1,25,59,673	83,73,115	3,34,92,461
5	Others	-	-	-	-
	Total (A)	1,85,74,511	2,00,69,507	3,86,04,667	7,72,48,685
	Ceiling as per the Act	10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 is ₹16,92,11,740/-			

**B. Remuneration to other Directors:**

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Cherian N Punnoose	Mr. C J George	Mr. A K Nair	Mr. Ullas K Kamath	
1	Independent Directors					
	Fee for attending board / committee meetings	3,10,000	2,35,000	2,60,000	1,70,000	9,75,000
	Commission	6,40,000	-	-	-	6,40,000
	Others, please specify		-	-	-	-
	Total (1)	9,50,000	2,35,000	2,60,000	1,70,000	16,15,000
2	Other Non-Executive Directors	Mrs. Joshna Johnson Thomas	-	-	-	
	Fee for attending board / committee meetings	70,000	-	-	-	70,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	70,000	-	-	-	70,000
	Total (B)=(1+2)	-	-	-	-	16,85,000
	Total Managerial Remuneration	-	-	-	-	7,89,33,685

Overall Ceiling as per the Act	Overall Managerial Remuneration: 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 i.e. ₹ 18,61,32,914/-. Non-Executive Directors: 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 i.e. ₹ 1,69,21,174/-.
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**C. Remuneration to Key Managerial Personnel other than MD/Manager/whole Time director** (Amount in ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. A Jacob Kuruvilla Chief Financial Officer	Mrs. Jayasree K Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,32,800	13,99,698	36,32,498
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	39,600	21,600	61,200
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	35,01,820	16,56,202	51,58,022
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total (C)</b>	<b>57,74,220</b>	<b>30,77,500</b>	<b>88,51,720</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors

Sd/-  
Kochouseph Chittilappilly  
Chairman  
(DIN: 00020512)

Sd/-  
Mithun K Chittilappilly  
Managing Director  
(DIN: 00027610)

Place: Kochi  
Date: 04<sup>th</sup> May, 2016

## ANNEXURE - 6

Disclosure pursuant to Section 134(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

### A) Conservation of energy:

(a) Energy Conservation measures taken.	<p>For conservation of energy, the following measures were taken in our manufacturing process:</p> <p><b>Wires &amp; Cables</b></p> <ul style="list-style-type: none"> <li>a) Integration of Multi Core Cable and House Wiring Cable manufacturing with LT Production facilities in one EB Service connection.</li> <li>b) Development of sheathing Grade PVC Compound for Multi-core cable for high speed extrusion resulting in increased machine efficiency.</li> <li>c) Modified assembly process for 2 Core Cable with replacement of assembly jig.</li> <li>d) Change in methodology of 4.0 sq mm bunching at MMH.</li> <li>e) Pilot replacement of CFL lights with energy efficient LED lights.</li> <li>f) Introduction of harmonic filters in Chavadi Factory.</li> </ul> <p><b>Solar Water Heater</b></p> <ul style="list-style-type: none"> <li>g) Active Harmonic Filter (75 Amps) has been installed at our Perundurai Solar Water Heater Factory to help reduce the harmonics level thereby reduce the Heat Dissipation in the equipments &amp; conductors and help maintain power factor within limits resulting in energy conservation.</li> </ul> <p><b>Electric Water Heater</b></p> <ul style="list-style-type: none"> <li>h) Upgraded 19 models of electric water heater for achieving the revised norms of BEE.</li> </ul> <p><b>Electronics</b></p> <ul style="list-style-type: none"> <li>i) Introduced toroidal transformers in 4 SKUs in stabilizer on a trial basis which will reduce the no load current of the stabilizer. The expected annual energy saving from this modification will be about 5.4 lakh KWH per year.</li> </ul>
(b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.	<p><b>Wire &amp; cables</b></p> <ul style="list-style-type: none"> <li>a) Replacement of old 'Metal Halide' lamps with LED lamps in shop floor.</li> <li>b) Replacement of CFL lights with LED lights.</li> </ul>



(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.	<p>By implementing the aforesaid measures,</p> <p><b>Wires &amp; Cables</b></p> <ol style="list-style-type: none"> <li>Achieved optimized power utilization and eliminated additional investment on paying Fixed cost for separate EB connection as existing resources is made common and available through integration of facilities.</li> <li>Energy consumption has been reduced by almost 40% for Sheathing Process Line of Multi Core Cable manufacturing which resulted in a recurring Expected Annual Savings of 8.1 Lakhs/Annum.</li> <li>By modifying the assembly process with the replacement of Assembly Jig annual Expected recurring savings resulting in power cost reduction along with saving of raw material consumption is 2.5 Lakhs/Annum.</li> <li>By changing the method of bunching full capacity utilization of 16 Wire MMH machine was achieved resulting in a saving of 3 shifts in a month. Power saving per annum approx. is Rs.2.9 Lakh.</li> <li>Replacing the CFL lamps in our factory with LED lights has resulted in a savings of Rs.0.22 Lakhs per annum. By introducing LED lamps in place of 250W metal halide lamps, a savings of Rs.1.73 Lakhs was achieved.</li> <li>Harmonics was arrested to a large extent.</li> </ol> <p><b>Solar Water Heater</b></p> <ol style="list-style-type: none"> <li>The power factor is maintained within limits (0.9 to 1.0).</li> <li>Equipment life is increased due to reduction in heat generation.</li> </ol> <p><b>Electric Water Heater</b></p> <ol style="list-style-type: none"> <li>We are able to reduce the energy consumption by 10.8% from models which were manufactured. There is an increase in manufacturing cost of 0.6 % for achieving the new rating.</li> </ol> <p><b>Electronics</b></p> <ol style="list-style-type: none"> <li>Expected to save approximately 5.4 Lakh Units of electric power per annum to the customers.</li> </ol>
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## B) Technology absorption:

### 1. Efforts made in technology absorption

Research and Development (R&D)	
1. Specific areas in which R&D carried out by the Company	<p><b>Wires &amp; Cables</b></p> <ol style="list-style-type: none"> <li>R&amp;D for Special grades of PVC used in House Wiring Cables.</li> <li>Introduction of dual take up for rewinding machine.</li> <li>In-house development of lump detection unit for extrusion and sheathing line for better process control.</li> <li>PLC up-gradation of extruder sheathing line to enhance process capability.</li> <li>Introduction of shrink-wrapping of master carton packing.</li> <li>Introduced conditioning chamber for accurate testing of cable.</li> <li>Redesign of Extruder Dual Take up changeover system to reduce the catch miss problem resulting in productivity improvement.</li> </ol>

	<p>h. Introduction of indication light to identify the screw stoppage of colour master batch dozer so as to eliminate non-confirming production.</p> <p>i. Introduction of die retrieval and management system for reduction of the setup time at MMH.</p> <p>j. Modification of Hydraulic pressing machine die for making PVC sheet and thereby reduce testing time.</p> <p><b>Solar Water Heater</b></p> <p>k. R&amp;D carried to develop new models of solar water heaters.</p> <p>l. Win Hot Plus series models with improved performance.</p> <p>m. Cost effective Solar Water Heater models in 500LPD and 1000LPD.</p> <p>n. Cost effective Solar Water Heater models in FPC series.</p> <p>o. Developed new design to integrate non-pressurized large capacity systems to pressurized system for better performance and reduced cost. Installed 4000 LPD system under this scheme.</p> <p><b>Electric Water Heater</b></p> <p>p. 3 New models of water heaters (Steamer plus EPAC 15, Steamer Plus EPAC 25 and Iris 3Ltr) were introduced in market with better design and performance.</p> <p>q. Developed IOT enabled electric water heaters which are equipped with Wi-Fi.</p> <p>r. Continuous improvements are done in Electric Water Heater by modifying components for safe working &amp; operation.</p> <p>s. Carried out improvements in quality of Engineered Polymer coating by implementing robotic inspection equipment and automated powder filling equipment.</p> <p><b>Electronics</b></p> <p>t. Developed new electromagnetic relay for stabilizers with improved quality and reliability.</p> <p>u. Introduction of automatic conveyor for stabilizer assembly.</p> <p>v. Introduction of automatic winding machines for transformer winding.</p> <p>w. Implemented automatic and manual crimping tool for transformer tapping wire crimping.</p> <p><b>Pumps &amp; Motors</b></p> <p>x. Use of alternate material for bush bearings in submersible pumps and to improve the life and durability of the product.</p> <p>y. Hydraulic and Structural design and analysis using CFTurbo and ANSYS.</p> <p>z. New methods in reverse engineering for solid model preparation at design stage for pumps.</p> <p>aa. Experiments on dynamic balancing of rotors used in open well pumps for enhancement of product life.</p> <p>bb. Production process improvement in bore well submersible pumps for better product life.</p> <p>cc. R&amp;D carried out towards improving reliability of tanks used in pressure boosting pumps.</p> <p>dd. Analyzed effect of environmental factors that affect painting in fan production.</p> <p>ee. Understanding the impact of different types of grease used in bearings and application process for improving the product life.</p> <p>ff. Fatigue strength analysis for different blade designs and materials used in Ceiling Fan.</p> <p>gg. Improving coating of submersible pumps parts for corrosion prevention.</p>
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<p>2. Benefits derived as a result of the above R &amp; D</p>	<p><b>Wires &amp; Cables</b></p> <ul style="list-style-type: none"> <li>a. Performance &amp; Productivity improvement through developing special grades</li> <li>b. Productivity got improved by 47% in the Rewinding Machine.</li> <li>c. Process Capability got improved resulting in reduction of short lengths due to Lumps.</li> <li>d. Process Capability got enhanced in the Extruder line.</li> <li>e. Rain water entering in cable during transportation is avoided and it also helps minimize the damage of packing material.</li> <li>f. Testing the cables and PVC insulation material characteristic at different temperature condition is made possible.</li> <li>g. Productivity has improved in the extruder due to elimination of catch miss issue.</li> <li>h. While analyzing the non-confirming products, we found that there is no alert for operator when colour master batch dozer screw stops due to mechanical or electrical problem. Indication light at the time of dozer stoppage was introduced to stop the line during screw stoppage and do the rectification measures.</li> <li>i. Quick exchange of final dies at MMH could be achieved and thus the set-up time at machine is reduced.</li> <li>j. Testing duration was reduced.</li> </ul> <p><b>Solar Water Heater</b></p> <ul style="list-style-type: none"> <li>k. Improved performance and better acceptance in market.</li> </ul> <p><b>Electric Water Heater</b></p> <ul style="list-style-type: none"> <li>l. Improved efficiencies of the products.</li> <li>m. Planning to introduce 2 new models in FY16-17</li> <li>n. Enhanced quality of tank.</li> </ul> <p><b>Electronics</b></p> <ul style="list-style-type: none"> <li>o. Helped in improving quality &amp; life of product.</li> <li>p. Better productivity and efficiency achieved.</li> <li>q. Winding quality improved and eliminated manual errors.</li> <li>r. Improved quality of wire joining and increase in the productivity.</li> </ul> <p><b>Pumps &amp; Motors</b></p> <ul style="list-style-type: none"> <li>s. Potential for cost saving and improvement in life, once the tests produce successful results.</li> <li>t. Reduction in product development cycle time and helps to perform various analysis on the product designs to provide more reliable offerings.</li> <li>u. Productivity enhancements in design.</li> <li>v. Reduced Noise &amp; Vibration of Open well pump for increased product life.</li> <li>w. New tools introduced in bore-well motor production line which helped improving product life.</li> <li>x. Product reliability improved and achieved reduction in maintenance requirements.</li> <li>y. Improved consistency in painting quality of fans.</li> <li>z. Identified better grease and better application process to increase the life of the fans.</li> </ul>
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	<p>aa. Confirmed that all existing ceiling fan blade designs are capable to overcome fatigue failure in normal working condition.</p> <p>bb. Introduced new coating technology (CED) on casting parts of 3 Phase 4” bore well submersible pumps that has a better corrosion resistance.</p>
3. Future Plan of action	<p><b>Wires &amp; Cables</b></p> <p>a. Introduction of Energy Efficient Lighting system instead of Sodium Vapor Lamp</p> <p>b. Introduction of Fully Automatic Packing line for House Wire Cables</p> <p>c. Introduction of Automatic packing line for project coils in synchronization with existing 90meter coil packing line.</p> <p>d. Optimization of work flow elements in packing for saving man-power and energy.</p> <p>e. Revisit characteristics of PVC required for House Wiring Cables.</p> <p><b>Solar Water Heater</b></p> <p>f. To develop Solar Water Heaters to withstand higher operating pressures.</p> <p>g. To improve aesthetics of various models.</p> <p>h. To develop smart monitoring &amp; control.</p> <p>i. system for higher capacity Solar Water Heaters.</p> <p><b>Electric Water Heaters</b></p> <p>j. Implementation of Smart features in more models.</p> <p><b>Electronics</b></p> <p>k. Implement Vacuum Pressure Impregnation process for transformer manufacturing.</p> <p><b>Pumps &amp; Motors</b></p> <p>l. Digitally controlled water pumps for household application.</p> <p>m. New varnishing method for motor manufacturing of self-prime pumps.</p> <p>n. ISI marking for more 4” bore-well submersible pumps and more 5 star rating for 3 phase pumps.</p> <p>o. Product life estimation and improvements using new analysis tools.</p> <p>p. Development of ceiling fans with strengthened blade for better reliability.</p> <p>q. Development of high performing energy efficient ceiling fans.</p>
4. Expenditure on R&D	
(a) Capital	Rs.76.90 lakhs
(b) Recurring	Rs.610.51 lakhs
(c) Total	Rs.687.41 lakhs
(d) % of R&D expenditure to total sales	0.37%
Technology absorption, adaptation and innovations	<p>a. Efforts in brief, made towards technology absorption, adaptation and innovation</p> <p><b>Wires &amp; cables</b></p> <p>a. Installation of Diameter Gauge from Sikora in Extruder Line which can measure the dimensions of flat cable.</p> <p><b>Electronics</b></p> <p>b. Introduced automated process in stabilizer manufacturing.</p> <p><b>Pumps &amp; Motors</b></p> <p>c. Improvements of existing product to improve energy efficiency and operational performance.</p> <p>d. Introduction of premium range pump products in regenerative category.</p>

<p>b. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution etc.</p> <p>In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.</p> <p>a) Technology imported I</p> <p>b)</p> <p>c)</p> <p>d)</p> <p>a) Technology imported II</p> <p>b)</p> <p>c)</p> <p>d)</p>	<p>e. Analysis of tools for faster resolution of product complaints</p> <p><b>Wires &amp; Cables</b></p> <p>a. Process Capability has been increased with the Implementation.</p> <p><b>Electronics</b></p> <p>b. Achieved better productivity and process control.</p> <p><b>Pumps &amp; Motors</b></p> <p>c. Improved product reliability resulting better sales.</p> <p>d. Improved sales mix and helped in piercing the market of premium range products.</p> <p>e. Product complaints were analyzed in a better way to reduce complaint percentages</p> <p>NA</p> <p>NA</p> <p>Year of import</p> <p>Has technology been fully absorbed?</p> <p>If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.</p> <p>NA</p> <p>Year of import</p> <p>Has technology be fully absorbed?</p> <p>d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.</p>
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**C) Foreign Exchange earnings and outgo:**

Foreign Exchange earned	₹ 17.44 lakhs
Foreign Exchange used	₹ 15.30 lakhs

For and on behalf of the Board of Directors

Sd/-  
**Kochouseph Chittilappilly**  
 Chairman  
 (DIN: 00020512)

Sd/-  
**Mithun K Chittilappilly**  
 Managing Director  
 (DIN: 00027610)

Place: Kochi  
 Date: 04<sup>th</sup> May, 2016

## ANNEXURE - 7

(A) DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars	
(i)	Ratio of the remuneration of each director to the median remuneration of the employee of the Company for the financial year.	<b>Name</b>	<b>Ratio to Median</b>
		Mr. Kochouseph Chittilappilly	59.88
		Mr. Mithun K Chittilappilly	55.42
		Mr. Ramachandran Venkataraman	115.18
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Name</b>	<b>% increase in the CTC</b>
		Mr. Kochouseph Chittilappilly	45.83
		Mr. Mithun K Chittilappilly	80.29
		Mr. Ramachandran Venkataraman	-1.66
		Mr. A Jacob Kuruvilla	-10.82
		Ms. Jayasree K	-7.49
(iii)	Percentage increase in the median remuneration of employees in the financial year	13.22%	
(iv)	Number of permanent employees on the rolls of the Company.	1,804 (As on 31 <sup>st</sup> March, 2016)	
(v)	Explanation on the relationship between average increase in remuneration and Company performance.	The average annual increase based on individual performance was 7% including promotions. The percentage of annual increase is based on the Company performance.	
(vi)	Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company	<b>Particulars</b>	<b>Amount &amp; Percentage</b>
		Total amount of remuneration of KMP	₹ 8.61 Crs.
		Revenue for the Financial Year 2015-16	₹ 1862.28Crs.
		Remuneration of KMP as a % of Revenue	0.46%
		Profit Before Tax for the Financial Year 2015-16	₹ 160.96 Crs.
		Remuneration of KMP as a % of Profit Before Tax	5.34%



(vii)	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	Market Capitalization as on 31 <sup>st</sup> March, 2015- ₹ 2,737.00 crores				
		Market Capitalization as on 31 <sup>st</sup> March, 2016- ₹ 2,649.00 crores				
		Price Earnings Ratio as on 31 <sup>st</sup> March, 2015 : 38.60				
		Price Earnings Ratio as on 31 <sup>st</sup> March, 2016 : 23.66				
		Price at which shares were issue at IPO- ₹ 82/- per share				
		All time high of the price of the share is ₹ 1,198/- per share which is 14.61 times increase to the IPO and 1461% increase over IPO price.				
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	All time low of the price of the share is ₹ 36/- per share which was lower by 2.28 times and 56% to the IPO issue price.				
		Comparison with all time high and all time low- There is an increase to the extent of 39.83 times in all time high price over the all time low price.				
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Average percentage increase made in the salary of employees other than the managerial personnel in the financial year was 4%.				
		<b>Name</b>	<b>Remune- ration (₹ In Cr.)</b>	<b>Revenue (FY 2015-16) (₹ In Cr.)</b>	<b>Remune- ration as a % of revenue</b>	<b>Profit Before Tax (FY 2015- 16) (₹ In Cr.)</b>
		Mr. Kochouseph Chittilappilly	2.00	1,864.61	0.11	160.96
		Mr. Mithun K Chittilappilly	1.77	1,864.61	0.09	160.96
		Mr. Ramachandran Venkataraman	3.86	1,864.61	0.21	160.96
		Mr. A Jacob Kuruvilla	0.58	1,864.61	0.03	160.96
		Ms. Jayasree K	0.31	1,864.61	0.02	160.96
(x)	Key parameters for any variable component of remuneration availed by the Directors.	Variable pay to the Directors is linked to the financial performance of the Company.				
(xi)	Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors, but receive remuneration in excess of the highest paid Director during the year.	No employee has received remuneration in excess of the highest paid Director during the year under review.				
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration is as per the Nomination Remuneration and Evaluation Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.				

**(B) STATEMENT SHOWING PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Sl. No.	Name	Designation	Remuneration (CTC) (Amt in ₹)	Nature of employment	Qualification & Experience	Date of commencement of employment	Age	Previous employment	% of equity shares held	Whether such employee is a relative of any Director
1.	Mr. Kochouseph Chittilappilly	Chairman	20069507	Contractual	M.Sc (Physics) 41 years	12.02.1996	65	V-Guard Industries	24.49	Yes
2.	Mr. Mithun K Chittilappilly	Managing Director	18574511	Contractual	B.Com MBA 13 years	01.04.2003	35	Hewlett Packard India	16.99	Yes
3.	Mr. Ramachandran Venkataraman	Director - Marketing & strategy	38604667	Contractual	B.Sc (Chemistry) MBA 29 years	02.04.2012	52	LG Electronics	0.12	No
4.	Mr. Deepak Augustine	Vice President-Marketing	6657063	Permanent	B.Tech, AD Management 21 years	07.04.2003	43	S&S Powers, Siemens and IMO Communications	0.04	No

Note:

Mr. Kochouseph Chittilappilly and Mr. Mithun K Chittilappilly, Directors are related to each other and also to Mrs. Joshna Johnson Thomas, Non-Executive Director.

The reduction in the CTC of Mr. Ramachandran Venkataraman, Director - Marketing & Strategy, Mr. A Jacob Kuruvilla, Chief Financial Officer and Mrs. Jayasree K, Company Secretary is due to the reduction in the perquisite value of stock options exercised.

For and on behalf of the Board of Directors

Sd/-  
Kochouseph Chittilappilly  
Chairman  
(DIN: 00020512)

Sd/-  
Mithun K Chittilappilly  
Managing Director  
(DIN: 00027610)

Place: Kochi  
Date: 04<sup>th</sup> May, 2016

## ANNEXURE - 8

### Form No. AOC-2

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

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

**NONE; DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS.**

- (a) Name(s) of the related party and nature of relationship: **NA**
- (b) Nature of contracts/ arrangements/ transactions: **NA**
- (c) Duration of the contracts/ arrangements/ transactions: **NA**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **NA**
- (e) Justification for entering into such contracts or arrangements or transactions: **NA**
- (f) Date(s) of approval by the Board: **NA**
- (g) Amount paid as advances, if any: **NA**
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **NA**

#### 2. Details of material contracts or arrangement or transactions at arm's length basis

**NONE; DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL CONTRACT OR ARRANGEMENT.**

(\*As defined under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the Company.)

- (a) Name(s) of the related party and nature of relationship: **NA**
- (b) Nature of contracts/ arrangements/ transactions: **NA**
- (c) Duration of the contracts/ arrangements/ transactions: **NA**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **NA**
- (e) Date(s) of approval by the Board, if any: **NA**
- (f) Amount paid as advances, if any: **NA**

For and on behalf of the Board of Directors

Sd/-  
Kochouseph Chittilappilly  
Chairman  
(DIN: 00020512)

Sd/-  
Mithun K Chittilappilly  
Managing Director  
(DIN: 00027610)

Place: Kochi  
Date: 04<sup>th</sup> May, 2016

# REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance for the financial year ended 31<sup>st</sup> March, 2016, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015 and as per relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as the Listing Regulations), for the period 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016 is set out below.

## I. CORPORATE GOVERNANCE PHILOSOPHY

The Company strongly believes in adopting and adhering to the best Corporate Governance practices and to ensure the same, it continuously endeavours to align its core spheres of activities in line with the best practices prevalent in the industry. The Board of Directors of the Company plays a significant role in achieving this thereby ensuring that the organization achieves its set goals in the most ethical and transparent way, maximizing value for all stakeholders.

The practices followed by the Company are detailed herein below.

## II. BOARD OF DIRECTORS

### a) Composition and Category of Directors

The Board of the Company has been constituted in such a manner that it comprises of optimum number of Executive and Non-Executive Directors with one Woman Director, in the Non-Executive category. Not less than 50% of the Board comprise of Non-Executive Directors.

As on 31<sup>st</sup> March, 2016, strength of the Board of the Company is eight Directors, comprising of three Executive and five Non-Executive Directors, of which four are Independent Directors. Out of the three Executive Directors, two Directors are from the Promoter Category. The Independent Directors of the Company were appointed for a period of five years effective from 29<sup>th</sup> July, 2014 and have declared that they meet the criteria of 'Independence' as required under the provisions of Section 149 of the Companies Act, 2013.

The present composition of the Board is in compliance with the requirements of Regulation 17 of the Listing Regulations. The following are the names, position and categories of Directors as on 31<sup>st</sup> March, 2016.

Name of the Director	Position	Category
Mr. Kochouseph Chittilappilly	Chairman	Promoter and Executive
Mr. Cherian N Punnoose	Vice Chairman	Non-Executive Independent
Mr. Mithun K Chittilappilly	Managing Director	Promoter and Executive
Mr. Ramachandran Venkataraman	Director - Marketing & Strategy	Executive
Mr. C J George	Independent Director	Non-Executive Independent
Mr. A K Nair	Independent Director	Non-Executive Independent
Mr. Ullas K Kamath	Independent Director	Non- Executive Independent
Mrs. Joshna Johnson Thomas	Non-Executive Director	Non-Executive Non-Independent

As per the declarations received from the Directors, none of the Directors is disqualified under Section 164(2) of the Companies Act, 2013. During the year under review, none of the Independent Directors of the Company has resigned from the Board.

**b) Attendance of each Director at the meetings of Board and Annual General Meeting**

Details of attendance of Directors at the Board Meetings held during the year and at the last Annual General Meeting are given below:

Name of the Director	Attendance at	
	Board Meeting	Last AGM
Mr. Kochouseph Chittilappilly	7	Yes
Mr. Cherian N Punnoose	7	Yes
Mr. Mithun K Chittilappilly	6	Yes
Mr. Ramachandran Venkataraman	6	Yes
Mr. C J George	5	No
Mr. A K Nair	7	Yes
Mr. Ullas K Kamath	5	No
Mrs. Joshna Johnson Thomas	4	No

**c) Number of Directorship, Membership and Chairmanship held by the Directors in the Board and Committees of other Companies.**

Name & Position of the Director	Category	Directorships and Chairmanship /Membership of Board / Committees in other Companies as on 31 <sup>st</sup> March, 2016		
		Director	Committee Member	Committee Chairman
Mr. Kochouseph Chittilappilly Chairman	Promoter and Executive	2	Nil	Nil
Mr. Cherian N Punnoose Vice Chairman	Non-Executive Independent	Nil	Nil	Nil
Mr. Mithun K Chittilappilly Managing Director	Promoter and Executive	Nil	Nil	Nil
Mr. Ramachandran Venkataraman Director - Marketing & Strategy	Executive	Nil	Nil	Nil
Mr. C J George Director	Non- Executive Independent	7	3	1
Mr. A K Nair Director	Non- Executive Independent	6	6	3
Mr. Ullas K Kamath Director	Non-Executive Independent	2	2	Nil
Mrs. Joshna Johnson Thomas Director	Non- Executive Non-Independent	Nil	Nil	Nil

Other Directorships do not include Alternate Directorships, Private Limited Companies that are neither a subsidiary nor a holding company of a Public Company, Companies under Section 8 of The Companies Act, 2013 and of the Companies incorporated outside India.

Chairmanship / Membership of Board Committees include Chairmanship / Membership of Audit Committee and Stakeholders' Relationship Committee as per the requirements of Regulation 26(1)(b) of the Listing Regulations. Details of no. of membership given above also include the details of chairmanship held by the directors. The membership or Chairmanship of Board Committees of Private Limited Companies that are, neither a subsidiary, nor a holding company of a Public Company, Foreign Companies and Companies under Section 8 of Companies Act, 2013 are excluded for the above disclosure.

Directorship held by the Directors of the Company in other companies and also the membership and chairmanship held are within the limits prescribed and none of the Independent Directors of the Company is serving on the Board of more than seven listed companies as an Independent Director. Also Independent Directors of the Company, serving as Whole-time Director in any other listed company are not holding the position of Independent Director in more than three listed companies.

**d) Number and dates of meetings of the Board of Directors**

Details of meetings of Board of Directors of the Company held during the Financial Year 2015-16 are given below:

Number of meetings held	Date of meetings
7	04 <sup>th</sup> May, 2015; 03 <sup>rd</sup> August, 2015; 15 <sup>th</sup> October, 2015; 04 <sup>th</sup> November, 2015; 29 <sup>th</sup> January, 2016; 09 <sup>th</sup> March, 2016; 22 <sup>nd</sup> March, 2016

The maximum interval between any two meetings was not more than 120 days. The Board Meetings of the Company are generally held at the Registered Office of the Company.

The Board agenda with proper explanatory notes is prepared and circulated well in advance to all the Board members. All statutory and other matters of significant importance including information as mentioned in Part A of Schedule II to the Listing Regulations are tabled before the Board to enable it to discharge its responsibility of strategic supervision of the Company. The Board reviews compliances of all laws, rules and regulations on a quarterly basis. At the Board Meeting, members have full freedom to express their opinion, and decisions are taken after detailed deliberations.

During the year under review, a separate meeting of the Independent Directors of the Company was held on 22<sup>nd</sup> March, 2016, at the Registered Office of the Company and the members discussed the matters enumerated in the Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations. The members reviewed the performance of:

- Non-independent Directors and the Board as a whole;
- Chairman of the Company, considering the views of executive and non-executive Directors and
- Assessed the quality, quantity and timeliness of flow of information from the Company Management to the Board, which is required for the Board to perform its duties reasonably and effectively.

**e) Disclosure of Relationship between Directors Inter-se**

Mr. Mithun K Chittilappilly, Managing Director of the Company is the son of Mr. Kochouseph Chittilappilly, Chairman. Mrs. Joshna Johnson Thomas, Non-Executive Director, is the wife of Mr. Mithun K Chittilappilly. None of the other Directors is having inter-se relationship.

**f) Number of shares and convertible instruments held by Non-Executive Directors**

None of the Non-Executive Directors of the Company is holding shares or convertible instruments in the Company.

**g) Notice of Interest by Senior Management Personnel**

The Senior Management team has confirmed to the Board of Directors that no material financial and commercial transactions have been entered into between the Company and Senior Management team, where they have personal interest.

**h) Details of familiarization programmes imparted to Independent Directors**

The Company has conducted several programmes from time to time for all the Independent Directors of the Company, to enable them to familiarize with the nature of the industry in which the Company operates, business model etc., and the role to be played by them. Their rights and responsibilities were intimated through the Letter of Appointment issued to them. During the Financial Year under review, the Company had conducted session on requirements of Internal Controls over Financial Reporting in the light of Guidance Note issued by the ICAI and also for updating the amendments made by SEBI in Listing Regulations. The details of such familiarization programmes are disclosed on the Company's website [www.vguard.in](http://www.vguard.in) in the page 'About V-Guard' under the head 'Leadership'.

**i) Performance Evaluation of Board, Sub-committees of the Board and Chairman and all other Directors**

The Nomination Remuneration and Evaluation Policy details the evaluation criteria for performance of the Board, its Committees, Chairman of the Board, Independent Directors and all the individual Directors.

As per the criteria laid down in the policy, the Nomination and Remuneration Committee of the Board in its meeting held on 22<sup>nd</sup> March, 2016 has carried out the evaluation of performance of the Board, its various Sub-Committees, Chairman of the Board and all the Independent Directors on the Board, by framing appropriate questions considering the role played by the Board, Sub-Committees, Chairman and each individual Director.



**III Audit Committee****a) Brief description of terms of reference**

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of the Listing Regulations read with Section 177 of the Companies Act, 2013.

The broad terms of reference of the Audit Committee are as follows:

- 1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommending to the Board the appointment, re-appointment, and terms of appointment of auditors of the Company;
- 3) Approval of payments to the statutory auditors for any other services rendered by them;
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,
  - b. Changes, if any, in accounting policies and practices and reasons for the same,
  - c. Major accounting entries involving estimates based on the exercise of judgment by management,
  - d. Significant adjustments made in the financial statements arising out of audit findings,
  - e. Compliance with listing and other legal requirements relating to financial statements,
  - f. Disclosure of any related party transactions,
  - g. Qualifications in the draft audit report,
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 6) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval of any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- 14) Discussion with internal auditors any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) Reviewing the functioning of the whistle blower mechanism;
- 19) Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**b) Composition, Name of Members and Chairperson**

The Company's Audit Committee consists of five Directors, of which four are Non-Executive Independent Directors. All the members of Audit Committee have adequate knowledge in the areas of finance and accounting. Mr. Cherian N Punnoose, Chartered Accountant, is the Chairman of the Audit Committee. The Company Secretary acts as the secretary to the Audit Committee.

The Committees invites the heads of various business

verticals, Chief Financial Officer and representatives of Statutory and Internal Auditors to attend the meetings of Audit Committee.

The composition of the Audit Committee as on 31<sup>st</sup> March, 2016 is as under:-

Name	Category	Position
Mr. Cherian N Punnoose	Non-Executive Independent	Chairman
Mr. C J George	Non-Executive Independent	Member
Mr. A K Nair	Non-Executive Independent	Member
Mr. Ullas K Kamath	Non-Executive Independent	Member
Mr. Mithun K Chittilappilly	Executive	Member

**c) Meetings and Attendance during the year**

During the financial year 2015-16, the Committee members met four times i.e on 04<sup>th</sup> May, 2015, 3<sup>rd</sup> August, 2015, 15<sup>th</sup> October, 2015 and 29<sup>th</sup> January, 2016 respectively. The gap between two meetings was not more than 120 days and requisite quorum was there for the meetings. The audited financial statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2016 were reviewed by the Committee in its meeting held on 03<sup>rd</sup> May, 2016. Attendance of Committee members at the Audit Committee meetings held during the financial year 2015-16 is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. Cherian N Punnoose	4	4
Mr. C J George	4	3
Mr. A K Nair	4	4
Mr. Mithun K Chittilappilly	4	4
Mr. Ullas K Kamath	4	4

**IV Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of the Listing Regulations read with Section 178 of the Companies Act, 2013.

**a) Brief description of terms of reference**

The broad terms of reference of Nomination and Remuneration Committee includes the following:

- 1) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board, a policy relating to the remuneration for the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of Independent Directors and the Board;
- 3) Devising suitable policy on board diversity
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- 5) To extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
- 6) To formulate a policy to ensure that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to directors, key managerial person and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goal.

As per the criteria laid down in the Nomination and Remuneration Policy, the Committee has carried out the evaluation of every Director on the Board of the Company, on the basis of a questionnaire format.

Mr. C J George, Chairman of the Committee was not present in the 19<sup>th</sup> Annual General Meeting held on 03<sup>rd</sup> August, 2015 and had authorised Mr. Cherian N Punnoose, a member of the Committee to attend the 19<sup>th</sup> Annual General Meeting of the Company on his behalf.

The Company has adopted a Nomination Remuneration and Evaluation Policy for Directors, Key Managerial Personnel and Other employees and the same is available on the website of the Company [www.vguard.in](http://www.vguard.in) in the page 'Investor Relations' and a copy of the said policy forms part of this Annual Report.

**b) Composition, name of members and Chairperson**

The Committee consists of three Non-Executive Independent Directors and one Non-Executive Director. The composition of the Committee as on 31<sup>st</sup> March, 2016 is as follows:

Name	Category	Position
Mr. C J George	Non-Executive Independent	Chairman
Mr. Cherian N Punnoose	Non-Executive Independent	Member
Mr. A K Nair	Non-Executive Independent	Member
Mrs. Joshna Johnson Thomas	Non-Executive	Member

**c) Meeting and attendance during the year**

The members of Nomination and Remuneration Committee met 3 times i.e. on 04<sup>th</sup> May, 2015, 23<sup>rd</sup> May, 2015 and 22<sup>nd</sup> March, 2016 respectively during the financial year 2015-16. Attendance of the members at the meetings held during the financial year 2015-16 is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. C J George	3	3
Mr. Cherian N Punnoose	3	3
Mr. A K Nair	3	3
Mrs. Joshna Johnson Thomas	3	1

**d) Performance evaluation criteria for Independent Directors**

As per the Nomination Remuneration and Evaluation Policy of the Company, the Independent Directors of the Company are evaluated on the basis of criteria such as highest personal and professional ethics, integrity, values and independence, contribution to Board deliberation, willingness to devote sufficient time to carry out the duties and responsibilities effectively including attendance at meetings, act in the best interest of minority shareholders of the Company etc.

**V) Remuneration of Directors**

**a) Details of pecuniary relationship or transaction of**

**Non-Executive Directors vis-à-vis the Company**

Mr. Cherian N Punnoose, Non-Executive and Independent Director, who is occupying the position of Vice Chairman of the Board, was paid commission during the Financial Year 2015-16, apart from the sitting fee paid for attending the meetings of Board and Sub-Committees of the Board. There were no other pecuniary relationship or transaction between any other Non-Executive Director and the Company during the year under review. All the Non-Executive Directors were paid sitting fee for attending the meetings of Board and Sub-Committees of the Board.

**b) Criteria of making payments to Non-Executive Directors**

The Non-Executive Directors of the Company are paid sitting fee, which is duly approved by the Board of Directors of the Company and the same is within the limits specified in Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) General Rules 2014.

The Non-Executive Directors of the Company are paid Commission based on the recommendation made by the Nomination and Remuneration Committee and the Board of Directors. While making such recommendations, the Committee considers the contributions made by the Directors in the discussions on strategic matters in the Board and sub-committee meetings and the role played by them in strengthening the systems, process and corporate governance practices of the Company. The shareholders of the Company in the 19th Annual General Meeting, approved the payment of commission to Mr. Cherian N Punnoose, Independent Director, @ not exceeding 1% of the net profit of the Company for a period of five years from 29th July, 2014 to 28th July, 2019.

**c) Details of Remuneration paid to the Directors**

The following is the details of remuneration and sitting fee paid to the Directors of the Company during the Financial Year under review:

(₹ in lakhs)

Name	Salary	Retirement Benefits	Perquisite	Commission	Sitting fee	Total
Mr. Kochouseph Chittilappilly	71.00	-	3.70	125.60	-	200.30
Mr. Cherian N Punnoose	-	-	-	6.40	3.10	9.50
Mr. Mithun K Chittilappilly	42.60	4.32	12.83	125.60	-	185.35
Mr. Ramachandran Venkataraman*	158.31	12.62	-	83.73	-	254.66
Mr. C J George	-	-	-	-	2.35	2.35
Mr. A K Nair	-	-	-	-	2.60	2.60
Mrs. Joshna Johnson Thomas	-	-	-	-	0.70	0.70
Mr. Ullas K Kamath	-	-	-	-	1.70	1.70
<b>Total</b>	<b>271.91</b>	<b>16.94</b>	<b>16.53</b>	<b>341.33</b>	<b>10.45</b>	<b>657.16</b>

\* Employee stock compensation expense allocable to Mr. Ramachandran Venkataraman for the Restricted Stock Units under the ESOS 2013 amounting to ₹ 81.75 lakhs, is not included in the remuneration disclosed above.

Mr. Ramachandran Venkataraman was appointed as a Whole-time Director of the Company effective from 1<sup>st</sup> June, 2013 for a period of three years. He is paid performance incentive at the rate of 0.50% of the net profit of the Company computed in accordance with the provisions of the Companies Act, 2013. Agreement dated 1<sup>st</sup> June, 2013, executed with Mr. Ramachandran Venkataraman, covers the terms and conditions of his appointment. No notice period or severance fee is payable to any Director.

The Company has granted a total number of 2,59,588 options to Mr. Ramachandran Venkataraman, of which 2,03,766 number of options were granted at ₹485/- which was the fair market value of the previous day of grant of options and 55,822 number of options were granted at a discount of ₹ 475/- per option. As per the ESOS 2013, the options are to be vested over a period of three years and exercisable over a period of six years from the date of vesting of the options. Out of the above options granted, 53,795 and 14,737 number of options were vested at ₹485/- and ₹ 10/- respectively during the year ended 31<sup>st</sup> March, 2016. During the year under review 14,737 number of options vested at ₹ 10/- were exercised by him.

None of the Non-Executive Directors of the Company has been granted stock options.

Also, Refer note 27.3 of the financial statements as at 31<sup>st</sup> March, 2016 which forms part of this Annual Report for details on remuneration paid to Directors.

#### VI) Stakeholders' Relationship and Share Transfer Committee

The Company has constituted the Committee to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports etc., and to approve the share transfer, issue of duplicate share certificates, transmission and dematerialization of equity shares.

##### a) Composition and names of members and chairperson

The Committee consists of two Non-Executive Independent Directors and one Whole-time Director as members. The composition of the Stakeholders Relationship and Share Transfer Committee as on 31<sup>st</sup> March, 2016 is as follows:

Name	Category	Position
Mr. C J George	Non-Executive Independent	Chairman
Mr. Mithun K Chittilappilly	Executive	Member
Mr. Cherian N Punnoose	Non-Executive Independent	Member

##### b) Terms of reference

The terms of reference of Stakeholders Relationship and Share Transfer Committee are as follows:

- Look into shareholders' complaints like non-receipt of dividend warrants, refund orders, non-credit of shares allotted in IPO, non-receipt of Annual Reports, transfer of shares etc.
- Overseeing and reviewing matters connected with the transfer of shares and its approval, splitting up of shareholding, approving demat requests and issue of duplicate share certificates.
- Oversee the performance of the registrars and transfer agents, and recommend measures for overall improvement in the quality of investor services.
- Affix or authorize fixation of the common seal of the Company on the share certificates.

##### c) Meeting and Attendance during the year

During the financial year 2015-16, the Committee met three times i.e. on 16<sup>th</sup> June, 2015, 14<sup>th</sup> August, 2015 and 01<sup>st</sup> March, 2016. Attendance of the members at the meetings held during the financial year 2015-16 is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. C J George	3	3
Mr. Mithun K Chittilappilly	3	3
Mr. Cherian N Punnoose	3	2

Mr. C J George, Chairman of the Committee was not present in the 19<sup>th</sup> Annual General Meeting held on 03<sup>rd</sup> August, 2015 and had authorised Mr. Cherian N Punnoose, a member of the Committee to attend the 19<sup>th</sup> Annual General Meeting of the Company on his behalf.

##### d) Name and Designation of Compliance Officer

The Company had appointed Mr. A Jacob Kuruvilla, Chief Financial Officer of the Company, as Compliance Officer, effective from 11<sup>th</sup> February, 2010. During the Financial Year under review, in order to comply with the requirements of SEBI Listing Regulations which mandates the appointment of a qualified Company Secretary as the Compliance Officer, Mr. A Jacob Kuruvilla vacated the office and the Board of Directors in their meeting held on 04<sup>th</sup> November, 2015 appointed Mrs. Jayasree K, Company Secretary of the Company as Compliance Officer w.e.f 01<sup>st</sup> December, 2015.

**e) Redressal of Investor Grievances**

The Company addresses all the complaints, suggestions and grievances expeditiously. The details of complaints received and resolved during the year are as follows:

Sl. No.	Nature of Complaints received	Opening as on 1 <sup>st</sup> April, 2015	No. of complaints received during the year	No. of complaints resolved during the year	No. of complaints pending as on 31 <sup>st</sup> March, 2016
1	Non-credit of shares	Nil	Nil	Nil	Nil
2	Non receipt of Annual Report	Nil	Nil	Nil	Nil
3	Non receipt of Dividend	02	01	03	0
	<b>Total</b>	<b>02</b>	<b>01</b>	<b>03</b>	<b>0</b>

**(i) Details of Shares lying in the name of 'V-Guard Industries Ltd-IPO Escrow A/c'**

As per the SEBI Circular dated 24<sup>th</sup> April, 2009, bearing reference no. SEBI/CFD/DIL/LA/1/2009/24/04, every Company is required to report the details of the shares, which are unclaimed in the Initial Public Offer and lying in the demat account opened in the name of the Company. The Company has opened a demat account as required, and has credited the unclaimed shares to this account. The details of Shares in the Demat Suspense Account are as follows:

Particulars	No. of Shares	Aggregate no. of Shareholders
Opening Balance as on 1 <sup>st</sup> April, 2015	1,665	15
No of shareholders who approached for the transfer and the shares transferred during the year 2015-16	0	0
Closing balance as on 31 <sup>st</sup> March, 2016	1,665	15

Note: The voting rights on these shares (1,665 shares) lying in the Demat Suspense Account shall remain frozen till the rightful owners of such shares claim the shares.

**VII) General Body Meetings****a) Details of the Annual General Meetings held during the last three years are as follows:**

Financial year ended	Date	Time	Venue
31 <sup>st</sup> March, 2015	03.08.2015	4.30 p.m	The Renai Cochin, Palarivattom P.O, Kochi - 682025
31 <sup>st</sup> March, 2014	29.07.2014	4.00 p.m	The Renai Cochin, Palarivattom P.O, Kochi - 682025
31 <sup>st</sup> March, 2013	23.07.2013	10.00 a.m	The Renai Cochin, Palarivattom P.O, Kochi - 682025

**b) Details of Special Resolutions passed in the previous three Annual General Meetings****19<sup>th</sup> Annual General Meeting held on 03<sup>rd</sup> August, 2015**

- (i) To pay commission to Mr. Cherian N Punnoose, Non-Executive Director, as per the provisions of Sections 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, an amount not exceeding 1% of the Net Profits of the Company for a period of five financial years commencing from 29<sup>th</sup> July, 2014 to 28<sup>th</sup> July, 2019.

**18<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> July, 2014**

- (i) To borrow from banks or financial institutions, any sum/sums of monies, exceeding the aggregate of the paid-up capital and free reserves of the Company provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 350 crores.

#### 17<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> July, 2013

- (i) To pay commission to Mr. Cherian N Punnoose, Vice-Chairman of the Board, as per the provisions of Sections 198, 309, 310 of the Companies Act, 1956 and Article 129 of the Articles of Association, an amount not exceeding 1% of the Net Profit of the Company, for a period of 3 financial years commencing from 01<sup>st</sup> November, 2012 to 31<sup>st</sup> October, 2015.

**c) Details of Special Resolution passed through Postal Ballot**

There was no resolution required to be passed through the postal ballot during the Financial Year 2015-16. None of the business proposed to be transacted in the ensuing AGM require the passing of a special resolution by way of postal ballot.

#### VIII) Means of Communication

**a) Quarterly Results**

The Company regularly intimates information like the quarterly / half yearly / annual financial results and media releases on significant developments in the Company from time to time and the same are also posted on the website of the Company and have also been submitted to the Stock Exchanges in which the shares of the Company are listed, to enable them to post it into their websites.

**b) Newspapers wherein results normally published**

The financial results are normally published in the newspapers, Business Line (English) and Janmabhumi (Malayalam).

**c) Details of Website and display of official news releases and presentation made to institutional investors or to analysts**

The Website of the Company, [www.vguard.in](http://www.vguard.in) contains comprehensive information about the Company, Directors, Sub-Committees of the Board, terms and conditions of appointment of independent directors, products, branch details, distributor locator, media details, service helpline details, etc. It serves to inform the shareholders by providing key information like shareholding pattern, notice of meeting of Board of Directors, financial results, annual report, shareholder information, other developments etc. in the page 'Investor Relations'.

The Company also displays details of schedule of analyst or institutional investor meet and presentations made by the Company to analysts or institutional investors and news releases issued on the website.

#### IX) General Shareholder Information

**a) Date, Venue and Time of the 20<sup>th</sup> Annual General Meeting**

Date	Tuesday, the 26 <sup>th</sup> July, 2016
Venue	Hotel "The Renai Cochin", Palarivattom P.O, Kochi - 682025
Time	04.30 p.m

**b) Board Meetings & Financial Calendar**

The financial year of the Company starts from 01<sup>st</sup> April of a year and ends on 31<sup>st</sup> March of the following year.

Calendar of Board Meetings to adopt the accounts (tentative and subject to change) for the financial year 2016-17

For the quarter ending 30 <sup>th</sup> June, 2016	:	26 <sup>th</sup> July, 2016
For the quarter ending 30 <sup>th</sup> September, 2016	:	21 <sup>st</sup> October, 2016
For the quarter ending 31 <sup>st</sup> December, 2016	:	20 <sup>th</sup> January, 2017
For the year ending 31 <sup>st</sup> March, 2017 (Audited results for the year)	:	15 <sup>th</sup> May, 2017



**c) Dividend**

The Board of Directors had in their meeting held on 9<sup>th</sup> March, 2016, declared interim dividend of 45% i.e. ₹ 4.50 per Equity Share and the same was paid to those shareholders, who were members of the Company on 19<sup>th</sup> March, 2016 and interim dividend declared was disbursed during the fourth week of March, 2016. The interim dividend paid by the Company would be placed before the shareholders for their approval and confirmation.

A final Dividend of 25% i.e. ₹2.50 per Equity Share is recommended by the Board of Directors at their meeting held on 04<sup>th</sup> May, 2016 which is subject to the approval of the shareholders at the ensuing Annual General Meeting and if approved will be payable after 26<sup>th</sup> July, 2016 but within the statutory time limit of 30 days.

**Dates of Book Closure**

The Register of Members and Share Transfer Books will remain closed from 20<sup>th</sup> July, 2016 to 26<sup>th</sup> July, 2016 (both days inclusive) and record date for payment of final dividend, if the same is approved by the members, would be 19<sup>th</sup> July, 2016.

Dividend warrants in respect of shares held in physical form will be posted to members at their registered addresses within the statutory time limit. Dividend warrants in respect of shares held in electronic form will be posted to the beneficial owners to their addresses as per the information furnished by NSDL and CDSL as on the record date. Warrants for high value amounts will be sent through registered post.

The Company will make arrangements to pay dividend through National Electronic Clearing Service (NECS) to its members. Under this system of payment of dividend, the shareholders will receive the credit directly in their specified bank account. This ensures direct and immediate credit with no chance of loss of warrant in transit or its fraudulent encashment. Members holding shares in physical form who wish to avail the NECS facility are requested to give the NECS mandate in the prescribed form to the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028 latest by 17<sup>th</sup> July, 2016.

**Unpaid Dividend Amount**

As per the provisions of Section 205A read with Section 205C of the Companies Act, 1956, the Company is required to transfer the unpaid dividend amount which is unclaimed for a period of seven years from the date of declaration of dividend to the Investor Education and Protection Fund (IEPF) set up by the Central Government and thereafter no claims shall be possible as per the provisions of the Companies Act, 1956.

The Company has transferred an amount of ₹ 3,68,705/-, which was lying in unpaid dividend account of the Financial Year 2007-08 to IEPF. Unclaimed Dividends in respect of the financial year 2008-09 will be due for transfer to Investor Education and Protection Fund on 26<sup>th</sup> August, 2016 in terms of Section 205A of the Companies Act, 1956. Claims against the Unpaid/Unclaimed dividend pertaining to the financial 2008-2009 may be lodged at the Registered Office or at the Registrar and Transfer Agents of the Company not later than 25<sup>th</sup> August, 2016.

Members who have not encashed their Dividend Warrants within the validity period, may write to the Company at its Registered Office or to Link Intime India Private Limited, the Registrars & Share Transfer Agents of the Company for obtaining payment through demand drafts.

Given below is the due date of the transfer of the unclaimed dividend amount to IEPF by the Company.

Financial Year	Dividend per share (Amt in ₹)	Nature	Date of Declaration of Dividend	Due date of transfer to IEPF	Account balance as on 31 <sup>st</sup> March, 2016 (Amt. in ₹)
2008-09	2.50	Final	27 <sup>th</sup> July, 2009	26 <sup>th</sup> August, 2016	3,75,480.00
2009-10	3.00	Final	26 <sup>th</sup> July, 2010	25 <sup>th</sup> August, 2017	4,53,855.00
2010-11	3.50	Final	25 <sup>th</sup> July, 2011	24 <sup>th</sup> August, 2018	4,26,465.00
2011-12	3.50	Final	25 <sup>th</sup> July, 2012	24 <sup>th</sup> August, 2019	4,56,110.00
2012-13	3.50	Final	23 <sup>rd</sup> July, 2013	22 <sup>nd</sup> August, 2020	3,94,097.00
2013-14	4.50	Final	29 <sup>th</sup> July, 2014	28 <sup>th</sup> August, 2021	3,47,540.00
2014-15	4.50	Final	03 <sup>rd</sup> August, 2015	02 <sup>nd</sup> September, 2022	3,92,112.00
2015-16	4.50	Interim	09 <sup>th</sup> March, 2016	08 <sup>th</sup> April, 2023	18,43,758.00

**d) Name and address of stock exchanges at which the Company's shares are listed & details of annual listing fee paid**

Shares of the Company are quoted on the National Stock Exchange of India Limited (NSE) and the BSE Ltd. since 13<sup>th</sup> March, 2008. Listing fees for the financial year 2016-17 have been paid to both the Stock Exchanges. Address of the Stock Exchanges are as follows:

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	National Stock Exchange of India Limited Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra-East, Mumbai- 400 051
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**Custodial Fees**

The Company has paid the custodial fees to the NSDL and CDSL as per the SEBI Circular CIR/MRD/DP/05 2011 dated 27<sup>th</sup> April, 2011 for the year 2015-16.

**e) Details of Stock Code**

The Stock codes of the Company at the Stock Exchanges are as follows:

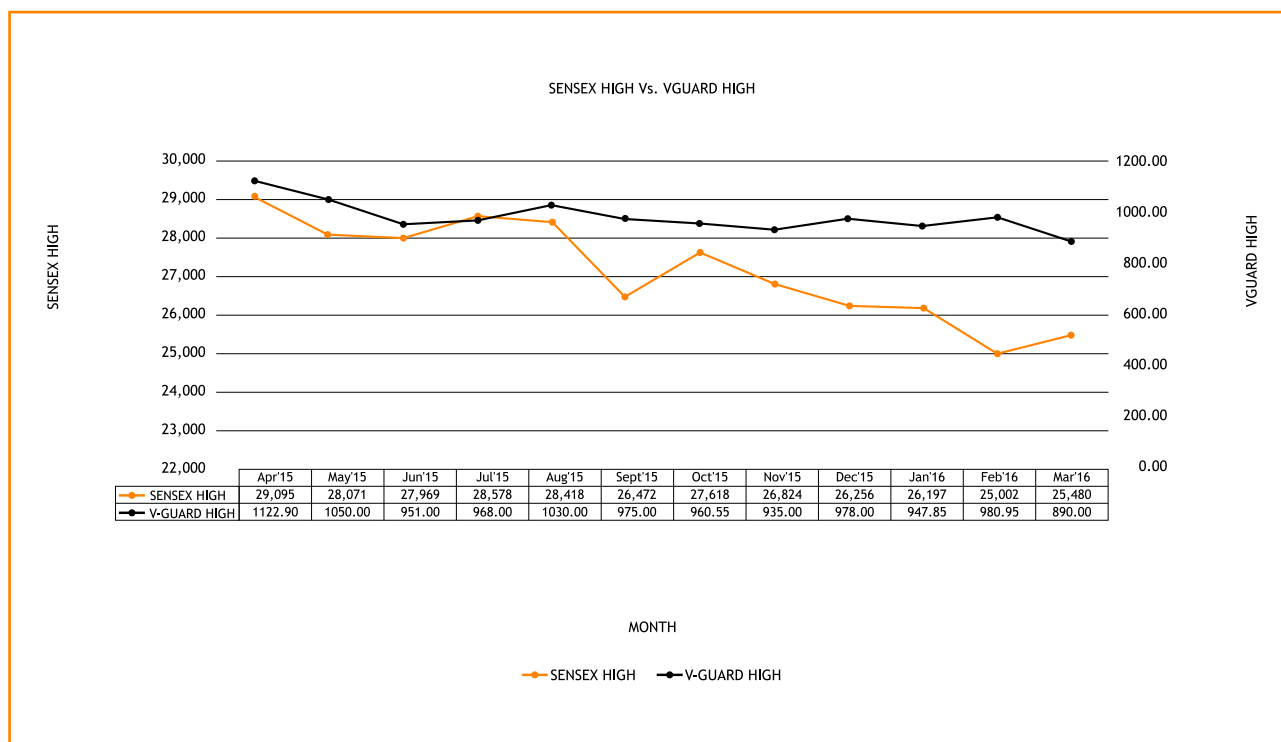
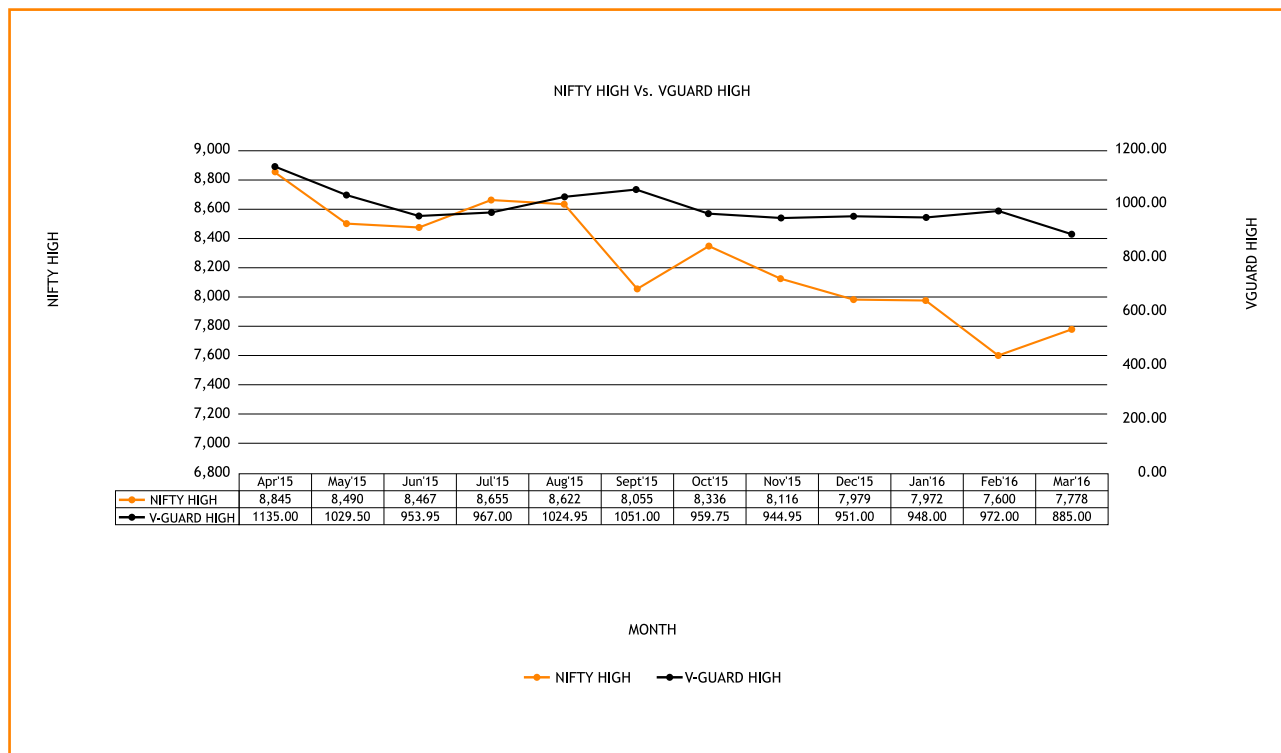
BSE Ltd.	:	Scrip Code 532953
The National Stock Exchange of India Limited	:	Symbol VGUARD/ Series: EQ
Company's ISIN	:	INE951I01019

**f) Market price data - high, low during each month in the Financial Year 2015-16**

Monthly high and low quotations during each month during the financial year 2015-16 as well as the volume of shares traded at the National Stock Exchange of India Limited and the BSE Ltd. are as follows:

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (in Numbers)	High (₹)	Low (₹)	Volume (in Numbers)
Apr' 15	1,135.00	905.00	5,60,006	1,122.90	905.20	61,948
May' 15	1,029.50	915.70	2,39,226	1,050.00	914.20	44,262
Jun' 15	953.95	855.00	1,73,062	951.00	856.55	1,55,761
Jul' 15	967.00	869.00	2,23,508	968.80	869.70	17,836
Aug' 15	1,024.95	800.00	5,17,129	1,030.00	810.00	2,63,446
Sept' 15	1,051.00	868.00	90,189	975.00	871.00	39,446
Oct' 15	959.75	894.65	1,15,773	960.55	876.15	1,71,077
Nov' 15	944.95	860.10	95,379	935.00	869.00	9,547
Dec' 15	951.00	852.80	1,79,795	978.00	905.50	8,049
Jan' 16	948.00	840.20	78,451	947.85	841.45	8,990
Feb' 16	972.00	780.00	2,43,785	980.95	786.60	13,336
Mar' 16	885.00	797.05	174,787	890.00	791.00	1,13,001

g) Performance in comparison to broad-based indices such as BSE - Sensex, NSE - Nifty 50 etc.



h) The Company's shares were not suspended from trading during the Financial Year under review

i) Registrar to an Issue and Share Transfer Agents

Link Intime India Private Limited  
Surya, 35, Mayflower Avenue,  
Behind Senthil Nagar, Sowripalayam Road,  
Coimbatore-641028  
Phone: 0422-2314792, Email: coimbatore@linkintime.co.in

j) Share Transfer System

In case of shares held in physical form, the transferred share certificates duly endorsed are dispatched within 15 days from the date of receipt of documents, provided documents are valid and complete in all respects. In compliance of the provisions of Listing Regulations, the share transfer system of the Company is audited every six months by a Practicing Company Secretary and a certificate to that effect is issued by him. The Company holds Stakeholders' Relationship and Share Transfer Committee Meetings as may be required for approving the share transfer, transmission and rematerialisation of equity shares.

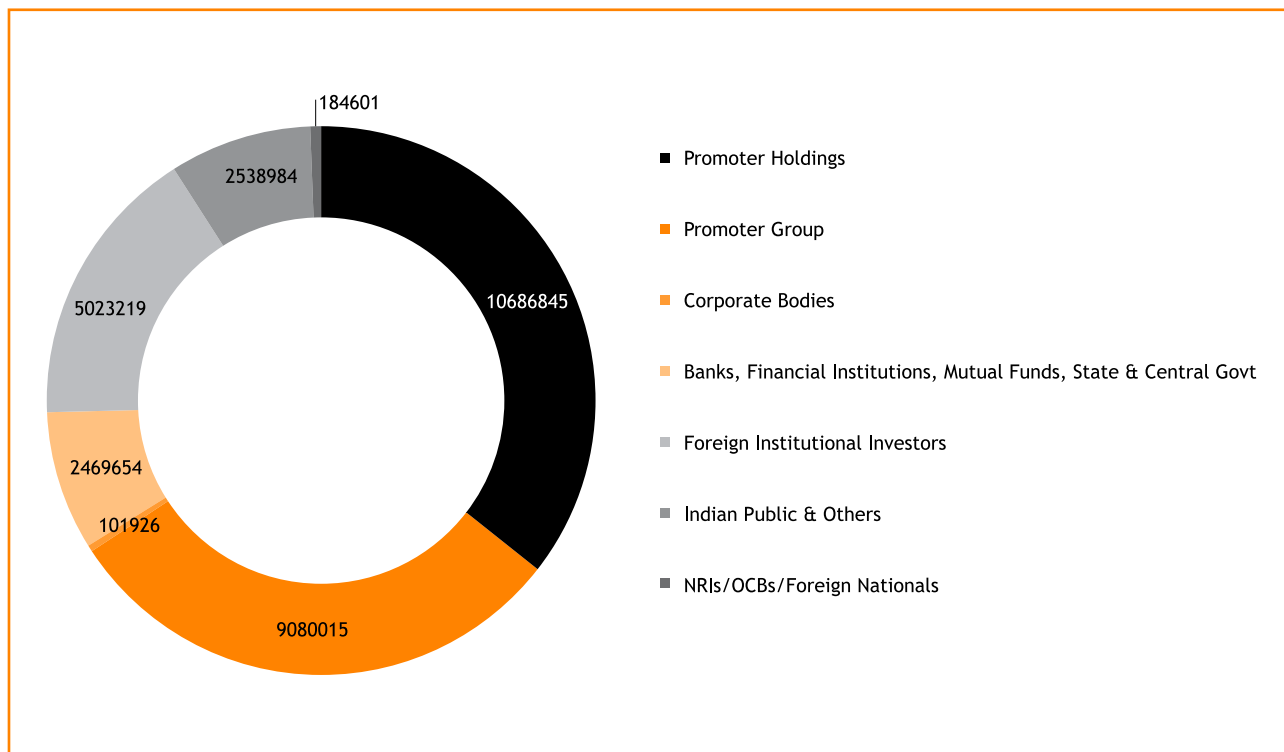
k) Distribution of Shareholding

Shareholding as on 31<sup>st</sup> March, 2016

Shares	Shareholders		Shareholding	
	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1-500	17,912	96.39	12,42,085	4.13
501-1000	313	1.69	2,48,142	0.83
1001-2000	159	0.86	2,26,966	0.75
2001-3000	47	0.25	1,21,575	0.40
3001-4000	26	0.14	90,795	0.30
4001-5000	34	0.18	1,53,034	0.51
5001-10000	32	0.17	2,41,453	0.80
10001 and above	59	0.32	2,77,61,194	92.28
<b>Total</b>	<b>18,582</b>	<b>100.00</b>	<b>3,00,85,244</b>	<b>100.00</b>

Category of shareholders as at 31<sup>st</sup> March, 2016

Category	No of shares	% of the total no. of shares
Promoters Holdings	1,06,86,845	35.52
Promoters Group	90,80,015	30.18
Corporate Bodies	1,01,926	0.34
Banks, Financial Institutions, Mutual Funds, State & Central Govt	24,69,654	8.21
Foreign Institutional Investors	50,23,219	16.70
Indian Public & Others	25,38,984	8.44
NRIs/OCBs/Foreign Nationals	1,84,601	0.61
<b>Total</b>	<b>3,00,85,244</b>	<b>100.00</b>



**l) Dematerialisation of Shares and liquidity**

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's shares are liquid and actively traded on the NSE and BSE. The status of shares held in dematerialised and physical forms as on 31<sup>st</sup> March, 2016 are given below:

Particulars	No. of shares	Percentage
Shares held in Dematerialised form	2,99,65,681	99.60
Shares held in Physical form	1,19,563	0.40
<b>Total</b>	<b>3,00,85,244</b>	<b>100.00</b>

**m)** There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at and for the year ended 31<sup>st</sup> March, 2016.

**n) Commodity price risk or foreign exchange risk and hedging activities**

During the year end 31<sup>st</sup> March, 2016 the Company has managed its foreign exchange risk by entering into hedging arrangement as and when considered necessary. The details of foreign currency exposure and hedging are disclosed in notes to the financial statements. Details of commodity price risks are covered under the head, 'Management Discussion and Analysis'.

**o) Plant Locations**

The details of manufacturing / plant locations and registered office are given in the page No. 17 of the Annual Report.

**p) Address for correspondence**

Address for investor correspondence is as follows:

The Company Secretary  
V-Guard Industries Ltd.  
42/962, Vennala High School Road,  
Vennala, Ernakulam - 682028  
Phone: 0484-3005000;  
e-mail: jayasree@vguard.in; secretarial@vguard.in

**X) Other Disclosures**

**a) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or the Board or any statutory authority, on any matter related to capital markets during the last three years**

The Company has not been penalized, nor have the Stock Exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

**b) Details of establishment of Vigil mechanism and Whistle Blower Policy**

The Company has established a Vigil Mechanism / Whistle Blower Policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The existing Whistle Blower Policy has been revised in line with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Vigil Mechanism provide for adequate safeguards against victimization of Directors / Employees who blows the whistle and also provide direct access to the Chairman of the Audit Committee in exceptional cases. No employee is denied the opportunity to meet the Chairman of the Audit Committee.

Vigil Mechanism adopted by the Company is posted on the website of the Company [www.vguard.in](http://www.vguard.in) in the page 'Investor Relations'.

**c) Details of policy for determining 'material' subsidiaries**

As the Company does not have any subsidiary company, it has not formulated a policy for determining material subsidiary.

**d) Related Party Transactions**

The Board of Directors of the Company, as per the provisions of Regulation 23 of the Listing Regulations, has formulated a policy on Material Related Party Transactions. The said policy is available on the website of the Company [www.vguard.in](http://www.vguard.in) in the page 'Investor Relations'. During the year, there have been no materially significant related party transactions undertaken by the Company under Section 188 of the Companies Act, 2013 and Regulation 23 of the Listing Regulations that may have potential conflict with the interest of the Company at large.

Also, Refer note no. 23.7 of the financial statements as at 31<sup>st</sup> March, 2016 which forms part of this Annual Report for details of related party transactions.

**XI) Non-Compliance of any requirements of Corporate Governance**

The Company has complied with all the requirements of Corporate Governance mentioned in the Listing Regulations.

**XII) Details of adoption of discretionary requirements specified in Part E of Schedule II to the Listing Regulations**

The Company has adopted the following non-mandatory requirements of Part E of Schedule II to the Listing Regulations.

- a) With a view to further improve the Corporate Governance practices being followed by the Company, the role of Chairman and Managing Director is being held by different persons.
- b) The Internal Auditors of the Company are directly reporting to the Audit Committee of the Board.

**XIII) Details of Other compliances**

Details of compliances of provisions relating to Corporate Governance in various Regulations of Listing Regulations, other than those specified above are as under:

**a) Code of Conduct for Directors and Senior Management**

The Board has put in place a Code of Conduct for Directors and Senior Management of the Company in line with the provisions of Companies Act, 2013 and the Listing Regulations.

The Code is available on the website of the Company [www.vguard.in](http://www.vguard.in) in the page 'Investor Relations'.

**b) Risk Management**

The Board of the Company has adopted Risk Policy of the Company and has framed and implemented risk management plan for the Company and laid down the procedures to inform the members of Audit Committee and Board about the risk assessment and minimization procedures.

The Board has re-constituted the existing Risk Management Committee and presently the members of the Committee consist of all the three Executive Directors and Chief Financial Officer of the Company.

A detailed note on Risk Management is included in the Management Discussion and Analysis Report, which forms part of this Annual Report.

**c) Review of compliance reports pertaining to all laws applicable to the Company**

A comprehensive report on the status of compliance with all the applicable laws to the Company is placed before the Board on a quarterly basis for their review and knowledge.

**d) Submission of quarterly compliance report on Corporate Governance**

The Company has submitted quarterly compliance report on Corporate Governance, duly signed by the Managing Director / Company Secretary of the Company, with all the Stock Exchanges wherein the shares of the Company are listed.

**e) Management and Discussion Analysis**

Management Discussion and Analysis Report detailing the industry developments, segment wise / product wise performance and other matters, forms part of this Annual Report.

**CEO/CFO Certification**

Pursuant to Regulation 17(8) of the Listing Regulations, Mr. Mithun K Chittilappilly, Managing Director and Mr. A Jacob Kuruvilla, Chief Financial Officer has given CEO/CFO Certificate to the Board. The Board has taken on record the CEO/CFO Certificate as per the format specified in Part B to the Schedule II of the Listing Regulations, and said certificate was placed before the meeting of Board of Directors in their meeting held on 04<sup>th</sup> May, 2016.

**DECLARATION ON CODE OF CONDUCT**

In compliance with the provisions of Schedule V(D) of the Listing Regulations it is hereby affirmed that all the Board members and Senior Management personnel have complied with the Code of Conduct of the Company.

Sd/-  
**Mithun K Chittilappilly**  
Managing Director  
(DIN: 00027610)

Place: Kochi  
Date : 04<sup>th</sup> May, 2016



## CEO/CFO CERTIFICATION

We, Mithun K Chittilappilly, Managing Director and A. Jacob Kuruvilla, Chief Financial Officer of V-Guard Industries Limited, hereby certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge or belief, no transactions entered into by the Company during the year which are fraudulent, illegal and violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and steps have been taken or is proposed to be taken to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
  - (1) That there are no significant changes in the internal control over financial reporting during the year.
  - (2) That there are no significant changes in the accounting policies during the year.
  - (3) That we are not aware of instances of any significant fraud with involvement therein of the management or any employee having any significant role in the Company's internal control system over financial reporting.

For V-Guard Industries Limited

Sd/-  
**Mithun K Chittilappilly**  
Managing Director

Sd/-  
**A Jacob Kuruvilla**  
Chief Financial Officer

Place: Kochi  
Date: 04<sup>th</sup> May, 2016

## AUDITORS' CERTIFICATE

To

The Members of V-Guard Industries Limited

We have examined the compliance of conditions of corporate governance by V-Guard Industries Limited (the "Company"), for the year ended on March 31, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.R. Batliboi & Associates LLP  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

Per Aditya Vikram Bhauwala  
Partner  
Membership No.: 208382

Place: Bangalore  
Date: June 27, 2016

# FINANCIAL REPORTS

## INDEPENDENT AUDITOR'S REPORT

To the Members of V-Guard Industries Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of V-Guard Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit;

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 2” to this report;
- (g) 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 financial statements - Refer note 26.1 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been an instance of delay in transferring amounts, to the Investor Education and Protection Fund by the Company as given below:

Period to which the amount relates	Amount ₹	Due Date	Date of Payment
2007-08	368,705	September 12, 2015	September 28, 2015

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**per Aditya Vikram Bhauwala**

Partner

Membership No.: 208382

Place: Kochi

Date : May 4, 2016

## ANNEXURE 1 TO THE AUDITORS' REPORT

The Annexure referred to in our report to the Members of V-Guard Industries Limited ('the Company') for the year ended March 31, 2016

### We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All fixed assets were physically verified by the management during the year in accordance with a planned programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed by the management, 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 included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2016 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of loan granted to a company and guarantees given for loans taken by others from banks. In our opinion and according to the information and explanations given to us, the Company has not made any investments to which section 186 of the Act is applicable or granted any loan to which section 185 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the products manufactured by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added taxes, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
  - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount claimed (₹ in lakhs)	Period to which the amount relates under protest	Amount paid under protest (₹ in lakhs)	Forum where dispute is pending
Central Sales Tax Act	Central Sales tax	64.88	1998-99	2.60	Commercial Tax Office, Tamil Nadu
Tamil Nadu Value Added Tax Act	Value added tax	59.70	2008-09	-	High Court of Madras
Karnataka Value Added Tax	Value added tax	2.37	2011-12	-	Appellate Tribunal
Jharkhand Value Added Tax	Value added tax	2.30	2009-10	-	Commercial Taxes Tribunal
Andhra Pradesh Value Added Tax	Value added tax	0.75	2005-06	-	Additional Deputy Commissioner (Commercial Taxes)
Central Sales Tax Act	Central Sales tax	8.38	2011-12 & 2012-13	0.56	Sales Tax Tribunal
Orissa Entry Tax Act	Entry Tax	155.37	2011-12 & 2012-13	10.36	Sales Tax Tribunal
Orissa Value Added Tax Act	Value added tax	338.13	2011-12 & 2012-13	22.25	Sales Tax Tribunal
Orissa Value Added Tax Act	Value added tax	16.78	2007-08	1.12	Sales Tax Tribunal
Orissa Value Added Tax Act	Value added tax	165.23	2008-09 to 2010-11	11.02	Sales Tax Tribunal
Bihar Value Added Tax Act	Value added tax	163.63	2013-14	20.00	The Asst. Commissioner of Commercial Taxes
Bihar Entry Tax Act	Entry Tax	15.64	2013-14	-	The Asst. Commissioner of Commercial Taxes
Uttarakhand Value Added Tax Act	Value added tax	1.20	2012-13	-	Joint Commissioner (Appeal), Haldwani
Central Excise Act, 1944	Excise Duty	4.10	2003-04 to 2008-09	-	Central Excise Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	19.02	AY 2008-09	-	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	68.88	AY 2009-10	2.60	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	93.16	AY 2010-11	-	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	251.33	AY 2011-12	-	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	115.97	AY 2012-13	-	Commissioner of Income Tax (Appeals)

- viii) 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, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company does not have any borrowing from government or by way of debentures during the year.



- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way of term loans were applied for the purposes for which those were raised. No monies were raised, during the year, by the Company by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm registration number: 101049W/E300004

**per Aditya Vikram Bhauwala**  
Partner  
Membership No.: 208382

Place: Kochi  
Date : May 4, 2016

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF V-GUARD INDUSTRIES LIMITED

**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 V-Guard Industries Limited ("the Company") as of March 31, 2016 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 the 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.

### Auditor's 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 was 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 controls 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 internal financial controls 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

### Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the Balance Sheet as at March 31, 2016, and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 4, 2016 expressed an unqualified opinion thereon.

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

**per Aditya Vikram Bhauwala**

Partner

Membership No.: 208382

Place: Kochi

Date : 04<sup>th</sup> May, 2016

## BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars		Notes	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
<b>A.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1.</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	3,008.52	2,997.31
	(b) Reserves and surplus	4	44,068.53	34,776.36
			<b>47,077.05</b>	<b>37,773.67</b>
<b>2.</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	560.00	2,120.04
	(b) Other long-term liabilities	6	1,209.86	1,255.77
	(c) Deferred tax liabilities (net)	27.6	746.47	923.87
	(d) Long-term provisions	7	546.29	551.65
			<b>3,062.62</b>	<b>4,851.33</b>
<b>3.</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	8	153.61	3,677.33
	(b) Trade payables	9		
	▪ Total outstanding dues to micro enterprises and small enterprises		2,413.51	898.06
	▪ Total outstanding dues to creditors other than micro enterprises and small enterprises		12,697.10	18,441.71
	(c) Other current liabilities	10	2,817.41	3,045.42
	(d) Short-term provisions	11	3,429.64	3,804.61
			<b>21,511.27</b>	<b>29,867.13</b>
	<b>TOTAL</b>		<b>71,650.94</b>	<b>72,492.13</b>
<b>B.</b>	<b>ASSETS</b>			
<b>1.</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	12 (A)	15,520.00	15,553.61
	(ii) Intangible assets	12 (B)	581.51	683.79
	(iii) Capital work-in-progress		7.72	120.85
			<b>16,109.23</b>	<b>16,358.25</b>
	(b) Long-term loans and advances	13	2,006.79	1,877.95
	(c) Other non current assets	19(B)	3.53	1.60
			<b>18,119.55</b>	<b>18,237.80</b>
<b>2.</b>	<b>Current assets</b>			
	(a) Current investments	14	1,939.05	-
	(b) Inventories	15	20,469.18	26,087.71
	(c) Trade receivables	16	27,924.07	24,371.24
	(d) Cash and bank balances	17	758.79	221.46
	(e) Short-term loans and advances	18	2,332.68	3,565.12
	(f) Other current assets	19(A)	107.62	8.80
			<b>53,531.39</b>	<b>54,254.33</b>
	<b>TOTAL</b>		<b>71,650.94</b>	<b>72,492.13</b>
	Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
Firm Registration number: 101049W/E300004  
Chartered Accountants

per **Aditya Vikram Bhauwala**  
Partner  
Membership No. : 208382

Place : Kochi  
Date : 04<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
**V-Guard Industries Limited**

**Kochouseph Chittilappilly**  
Chairman  
DIN: 00020512

**A Jacob Kuruvilla**  
Chief Financial Officer

Place : Kochi  
Date : 04<sup>th</sup> May, 2016

**Mithun K. Chittilappilly**  
Managing Director  
DIN:00027610

**Jayasree K**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars		Notes	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
<b>1. Income</b>				
Income from operations (gross)			187,711.14	175,994.74
Less: excise duty			1,483.08	1,402.67
Revenue from operations (net)		20	186,228.06	174,592.07
<b>2. Other income</b>		21	723.21	448.71
<b>3. Total revenue (1+2)</b>			<b>186,951.27</b>	<b>175,040.78</b>
<b>4. Expenses</b>				
(a) Cost of raw materials consumed		22.a	50,289.92	51,059.39
(b) Purchase of traded goods		22.c	74,638.24	79,287.01
(c) (Increase)/ decrease in inventories of finished goods, work- in-progress and traded goods		22.d	6,304.84	(1,338.45)
(d) Employee benefits expense		23	11,082.97	9,448.22
(e) Finance costs		24	892.29	2,061.43
(f) Depreciation and amortisation expense		12 (A) and 12 (B)	1,535.70	1,543.91
(g) Other expenses		25	26,111.37	22,834.61
<b>Total expenses</b>			<b>170,855.33</b>	<b>164,896.12</b>
<b>5. Profit before tax (3 - 4)</b>			<b>16,095.94</b>	<b>10,144.66</b>
<b>6. Tax expenses</b>				
(a) Current tax expense			5,066.80	3,023.97
(b) Deferred tax		27.6	(177.40)	24.07
(c) Current tax relating to earlier years			38.43	24.47
			4,927.83	3,072.51
<b>7. Profit for the year (5 - 6)</b>			<b>11,168.11</b>	<b>7,072.15</b>
<b>8. Earnings per equity share (basic and diluted):</b>		27.4		
(Nominal value of equity share - ₹ 10) (31st March, 2015 - ₹ 10)				
Basic earnings per share			37.22	23.66
Diluted earnings per share			36.88	23.40
Summary of significant accounting policies		2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
Firm Registration number: 101049W/E300004  
Chartered Accountants

per **Aditya Vikram Bhauwala**  
Partner  
Membership No. : 208382

Place : Kochi  
Date : 04<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
**V-Guard Industries Limited**

**Kochouseph Chittilappilly**  
Chairman  
DIN: 00020512

**A Jacob Kuruvilla**  
Chief Financial Officer

Place : Kochi  
Date : 04<sup>th</sup> May, 2016

**Mithun K. Chittilappilly**  
Managing Director  
DIN:00027610

**Jayasree K**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
<b>A. Cash flow from operating activities</b>				
Net profit before tax		16,095.94		10,144.66
Adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortisation	1,535.70		1,543.91	
Loss on fixed assets sold / scrapped / written off (net)	95.60		12.75	
Interest expense	780.35		1,948.96	
Interest income	(119.90)		(31.32)	
Dividend income	(60.51)		-	
Trade and other receivables, loans and - advances written off	47.26		26.45	
Liabilities / provisions no longer required written back	(10.05)		(5.45)	
Provision for doubtful trade and other receivables, loans and advances	524.83		162.97	
Employee stock compensation expense	357.88		222.12	
		3,151.16		3,880.39
Operating profit before working capital changes		19,247.10		14,025.05
Movements in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	5,618.53		(832.85)	
Trade receivables	(4,103.19)		(3,350.26)	
Short-term loans and advances	1,210.71		(687.52)	
Long-term loans and advances	(100.66)		(84.51)	
Other current assets	(98.67)		0.25	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	(4,219.11)		1,819.65	
Other current liabilities	361.25		205.02	
Other long-term liabilities	(45.91)		82.36	
Short-term provisions	221.95		602.77	
Long-term provisions	(5.36)		144.97	
		(1,160.46)		(2,100.12)
Cash generated from operations		18,086.64		11,924.93
Income tax paid (net of refunds)		(4,979.72)		(3,052.93)
<b>Net cash flow from operating activities (A)</b>		<b>13,106.92</b>		<b>8,872.00</b>

## Cash Flow Statement for the year ended 31st March, 2016 (Contd.)

Particulars	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets, including capital work-in-progress and capital advances	(1,469.66)		(1,229.17)	
Purchase of current investments	(56,629.05)		-	
Sale of current investments	54,690.00		-	
Proceeds from sale of fixed assets	74.32		9.03	
(Increase) / decrease in margin money and other bank deposits	(5.84)		(0.49)	
Inter corporate loan	-		(500.00)	
Interest received				
- From banks, on loans and advances, etc.	119.75		32.16	
Dividend received				
- From current non-trade investments	60.51		-	
<b>Net cash flow used in investing activities (B)</b>		<b>(3,159.97)</b>		<b>(1,688.47)</b>
<b>C. Cash flow from financing activities</b>				
Proceeds from issuance of share capital	311.22		365.83	
Repayment of long-term borrowings	(2,214.74)		(916.82)	
Proceeds/(repayment) of short -term borrowings (net)	(3,523.72)		(3,141.09)	
Interest paid	(734.34)		(1,974.68)	
Interim dividend paid on equity shares	(1,353.11)		-	
Tax on interim equity dividend paid	(275.47)		-	
Final dividend paid on equity shares	(1,348.79)		(1,343.13)	
Tax on final equity dividend paid	(274.58)		(228.27)	
<b>Net cash flow used in financing activities (C)</b>		<b>(9,413.53)</b>		<b>(7,238.16)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>		<b>533.42</b>		<b>(54.63)</b>
Cash and cash equivalents at the beginning of the year		156.95		211.58
<b>Cash and cash equivalents at the end of the year</b>		<b>690.37</b>		<b>156.95</b>
<b>Components of cash and cash equivalents</b>				
(a) Cash on hand		3.97		4.36
(b) Balances with banks				
(i) In current accounts		257.94		123.74
(ii) In unpaid dividend account *		28.46		28.85
(iii) Deposits with original maturity less than 3 months		400.00		-
		<b>690.37</b>		<b>156.95</b>
* The Company can utilize these balances only towards settlement of respective unpaid dividends				
Summary of significant accounting policies		2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **S.R. Batliboi & Associates LLP**  
Firm Registration number: 101049W/E300004  
Chartered Accountants

per **Aditya Vikram Bhauwala**  
Partner  
Membership No. : 208382

Place : Kochi  
Date : 04<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
**V-Guard Industries Limited**

**Kochouseph Chittilappilly**  
Chairman  
DIN: 00020512

**A Jacob Kuruvilla**  
Chief Financial Officer

Place : Kochi  
Date : 04<sup>th</sup> May, 2016

**Mithun K. Chittilappilly**  
Managing Director  
DIN:00027610

**Jayasree K**  
Company Secretary



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Corporate information

V-Guard Industries Limited ('V-Guard' or 'the Company') is a public company domiciled in India and is engaged in the manufacturing, trading and selling of a wide range of products as given below:

Segment	Products
Electronics	Voltage Stabilizers, Digital UPS and UPS
Electrical/ Electro mechanical	PVC Cables, Pumps and Motors, Electric Water Heaters, Fans, L.T. Cable, Switchgears, Induction Cooktops, Mixer Grinder, etc.
Others	Solar Water Heaters and Solar Inverter

V-Guard has its manufacturing facilities located at K.G. Chavady, Coimbatore, Tamil Nadu; at Kashipur, Utharakhand; at Kala Amb, Himachal Pradesh; at SIPCOT Industrial growth center, Perundurai, Tamil Nadu and at Majhitar, Sikkim.

The Company's shares are listed in Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

### 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 2.1 Summary of significant accounting policies

##### a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### b) Tangible fixed assets

Fixed assets, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

##### Capital work-in-progress:

Fixed assets which are not ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest on borrowings.

##### c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate

of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### Research and development expenses

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- (i) The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- (ii) Its intention to complete the asset,
- (iii) Its ability to use or sell the asset,
- (iv) How the asset will generate future economic benefits,
- (v) The availability of adequate resources to complete the development and to use or sell the asset and
- (vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

#### d) Depreciation and amortisation

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets:

Asset Category	Useful life estimated by the management (in years)
Factory buildings	30
Other buildings	60
Plant and Equipment*	5 to 20
Computers	3 to 6
Office equipment*	6
Furniture & Fixtures	10
Vehicles	8

\* For these classes of assets, where the estimated useful lives are different from lives prescribed under Schedule II, management has estimated these useful lives after taking into consideration technical assessment, prior asset usage experience and the risk of technological obsolescence.

Leasehold land is amortized on a straight line basis over the period of lease, i.e., 99 years.

Intangible assets are amortised over their estimated useful life as follows:

Asset Category	Useful life (in years)
Software	5
Trademark	10

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

#### e) Leases

##### Where the Company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### f) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily

takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**g) Impairment of tangible and intangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**h) Government grants and subsidies**

Government grants and subsidies relating to revenue are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

**i) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**j) Inventories**

Raw materials, packing materials, consumables and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **k) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

##### Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, net of returns and trade discounts. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

##### Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

##### Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

#### **l) Foreign currency translation**

##### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

##### Exchange differences

Exchange differences arising on settlement / conversion of foreign currency monetary assets and liabilities are recognized as income or expense in the Statement of Profit and Loss in the period in which they arise.

##### Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

#### **m) Retirement and other employee benefits**

Employee benefits include provident fund, gratuity and compensated absences.

##### Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

##### Defined benefit plans

For defined benefit plan in the form of gratuity, the cost of providing benefits is determined based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

##### Short-term employee benefits

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Long-term employee benefits

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, as the Company believes that it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**n) Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

**o) Employee stock compensation cost**

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the *Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014* and the *Guidance Note on Accounting for Employee Share-based Payments*, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.



**p) Segment reporting**

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**q) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number

of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**r) Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**s) Provision for warranty**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise. The estimate of such warranty related costs is revised annually.

**t) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments/deposits with an original maturity of three months or less.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 3: Share capital

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
(a) Authorised:				
Equity shares of ₹ 10/- each with voting rights	35,000,000	3,500.00	35,000,000	3,500.00
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹ 10/- each with voting rights	30,085,244	3,008.52	29,973,141	2,997.31

#### (a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening balance	Changes during the year	Closing balance
Equity shares with voting rights			
Year ended 31st March, 2016			
- Number of shares	29,973,141	112,103	30,085,244
- Amount (₹ in lakhs)	2,997.31	11.21	3,008.52
Year ended 31st March, 2015			
- Number of shares	29,847,520	125,621	29,973,141
- Amount (₹ in lakhs)	2,984.75	12.56	2,997.31

#### (b) Terms/rights attached to equity shares:

The Company has issued only one class of equity shares having a face value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2016, the Company has declared and paid per share interim dividend of ₹ 4.50 (31st March, 2015: Nil). The amount of per share final dividend recommended for distribution to equity shareholders as at 31st March, 2016 is ₹ 2.50 (31st March, 2015: ₹ 4.50).

In the event of liquidation of the Company, the equity share holders will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (c) Details of shareholders holding more than 5% shares in the Company:

Class of shares / name of shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights:				
Mr. Kochouseph Chittilappilly	7,366,518	24.49%	7,366,518	24.58%
Ms. Sheela Kochouseph	3,320,327	11.04%	3,320,327	11.08%
Mr. Arun K Chittilappilly	3,969,697	13.19%	3,969,697	13.24%
Mr. Mithun K Chittilappilly	5,110,318	16.99%	5,110,318	17.05%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



**Note 4: Reserves and surplus**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
<b>(a) Securities premium account</b>		
Balance as per last financial statements	5,841.14	5,244.46
Add : Additions during the year on exercise of employees stock options	300.01	353.28
Add: Transferred from Employees stock options outstanding, on exercise of stock options	232.47	243.40
Closing balance	<b>6,373.62</b>	<b>5,841.14</b>
<b>(b) General reserve</b>		
Balance as per last financial statements	5,489.01	4,689.01
Add: Transferred from surplus in statement of profit and loss	1,000.00	800.00
Closing balance	<b>6,489.01</b>	<b>5,489.01</b>
<b>(c) Surplus in statement of profit and loss</b>		
Balance as per last financial statements	23,199.30	18,656.84
Adjustment on account of change in useful life of fixed assets (Refer note 12A(i))	-	(106.32)
	<b>23,199.30</b>	<b>18,550.52</b>
Add: Profit for the year	11,168.11	7,072.15
Less: Appropriations		
Interim equity dividend paid [amount per share ₹ 4.50 (31st March, 2015: Nil)]	(1,353.11)	-
Tax on interim equity dividend	(275.47)	-
Proposed final equity dividend [amount per share ₹ 2.50 (31st March, 2015: ₹ 4.50)]	(752.13)	(1,348.79)
Tax on proposed final equity dividend	(153.12)	(274.58)
Transfer to general reserve	(1,000.00)	(800.00)
Net surplus in the statement of profit and loss	<b>30,833.58</b>	<b>23,199.30</b>
<b>(d) Employees stock options outstanding</b>		
Balance as per the last financial statements	246.91	268.19
Add: Amortisation during the year (Refer note 23)	357.88	222.12
Less: Transferred to securities premium on exercise of stock options	(232.47)	(243.40)
Closing balance	<b>372.32</b>	<b>246.91</b>
<b>Total</b>	<b>44,068.53</b>	<b>34,776.36</b>

**Note 5: Long-term borrowings**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
<b>(a) Non current term loans</b>		
From banks - secured	560.00	2,119.27
From others - secured	-	0.77
	<b>560.00</b>	<b>2,120.04</b>
<b>(b) Current term loans</b>		
From banks - secured	324.37	971.05
From others - secured	0.77	8.79
	<b>325.14</b>	<b>979.84</b>
<b>Total</b>	<b>885.14</b>	<b>3,099.88</b>
Less: Amount disclosed under the head "other current liabilities" (note 10)	(325.14)	(979.84)
<b>Total</b>	<b>560.00</b>	<b>2,120.04</b>

## Note 5 Long-term Borrowings (contd.)

## (i) Details of terms of repayment and security provided in respect of secured borrowings:

Particulars	Terms of repayment and security	As at 31st March, 2016		As at 31st March, 2015	
		Non-current (₹ in lakhs)	Current (₹ in lakhs)	Non-current (₹ in lakhs)	Current (₹ in lakhs)
From banks					
State Bank of Travancore	Term loan was secured by way of (a) first charge on the whole of the movable fixed assets including its movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future, pertaining to Solar Water Heater Factory in plot no.KK-12-15 of SIPCOT at Perundurai, the godown in block no.609/1 at Adaragunchi Village, Hubli and the godown in survey no:237/2/2 in Parakkadavu village, Puliyanam P.O, Angamaly; (b) Creation of equitable mortgage by depositing title deeds and lease deed of 1 acre and 22 guntas of land, 34.66 acres of land and 74.93 ares of land at Hubli, Perundurai and Angamaly respectively along with godown and building thereon. The loan amount was repayable in 20 equal quarterly installments of ₹ 58.75 Lakhs each and ₹ 16.50 Lakhs each commencing on 30.06.2012 and 30.06.2013 respectively for loans taken for facilities at Hubli and Perundurai and in 20 equal quarterly installments of ₹ 31 Lakhs each commencing 31.12.2014 for loan taken for facility at Angamaly. The loan has been fully repaid as on 31st March, 2016. Interest rate was 11.90% p.a. for loan amount of ₹ 1,505 lakhs and 11.65% p.a for loan amount of ₹ 620 lakhs.	-	-	800.82	425.00
South Indian Bank	Term loan was secured by way of (a) hypothecation of Plant & Machinery/ Assets acquired out of bank finance as primary security; and (b) equitable mortgage on (i) 710.46 cents of land with godown and office building at Thenkurissi Village, Palakkad; (ii) 102 cents of land in Chinakakanni Village at Guntur Dist., AP as collateral security. The loan amount was to be repaid in 60 monthly installments (59 monthly installments of ₹ 18.50 Lakhs and last installment of ₹ 8.50 lakhs). The loan has been fully repaid as on 31st March, 2016. Interest rate was 11.50% p.a.	-	-	434.00	222.00
Axis Bank Ltd.	The term loan is secured by hypothecation of the vehicle financed. Repayment term is in 60 equated monthly installments of ₹ 0.40 lakhs from 15.04.2012 to 15.03.2017. Interest rate is 10.69% p.a.	-	4.37	4.45	4.05
Development Bank of Singapore (DBS)	Term Loan drawn in two tranches, is secured by way of (a) Equitable mortgage on 2.71 acres of Land and Building there on situated at Khasara No. 86, Village Basai, Kashipur, Uttarakand. (b) Hypothecation of Plant & Machinery and other assets at Kashipur acquired out of bank finance. Repayable in 20 equal quarterly installments commencing at the end of 12 months from date of first drawdown (i.e 28.03.2014). Interest rate is 10.70% p.a for the first drawdown of ₹ 1,000 lakhs and 11.20% for the second drawdown of ₹ 600 lakhs.	560.00	320.00	880.00	320.00
Total (A)		560.00	324.37	2,119.27	971.05
From others					
BMW India Financial Services Private Limited	The term loan is secured by hypothecation of the vehicle financed. Repayment term is 60 equated monthly installments of ₹ 0.78 lakhs from 01.05.2011 to 01.04.2016. Interest rate is 9.60% p.a.	-	0.77	0.77	8.79
Total (B)		-	0.77	0.77	8.79
Total (A + B)		560.00	325.14	2,120.04	979.84

**Note 6: Other long-term liabilities**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
(a) Trade / Security Deposits received	1,209.86	1,255.77
<b>Total</b>	<b>1,209.86</b>	<b>1,255.77</b>

**Note 7: Long-term provisions**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
(a) Provision - others		
- Provision for warranty (Refer note 27.8)	546.29	551.65
<b>Total</b>	<b>546.29</b>	<b>551.65</b>

**Note 8: Short-term borrowings**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
(a) Loans from banks		
(i) Secured (Refer note (i) below)		
Cash credit accounts	153.61	1,677.33
(ii) Unsecured		
Commercial paper (Refer note (ii) below)	-	2,000.00
<b>Total</b>	<b>153.61</b>	<b>3,677.33</b>

Notes:

**(i) Details of security for the secured short-term borrowings:**

Particulars	Nature of security	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
HDFC Bank Ltd.	Secured by hypothecation by way of pari passu first charge on all current assets of the Company, both present and future, including stock of goods and book debts. The short term fund carries interest varying from 9.65% to 11.40% p.a. (31st March, 2015: varying from 9.75% to 11.50% p.a.)	153.61	342.01
Dhanalakshmi Bank Ltd.		-	24.80
Federal Bank Ltd.		-	1,254.12
Standard Chartered Bank		-	2.16
State Bank of India		-	36.04
Citibank		-	18.20
<b>Total</b>		<b>153.61</b>	<b>1,677.33</b>

**(ii) Commercial Papers were issued at discount and payable at face value on maturity date as mentioned hereunder:**

Particulars	Issue Date	Maturity Date
HDFC Bank Ltd. (Face Value: ₹ 2,000 lakhs issued @ 8.8% per annum)	8th January, 2015	8th April, 2015

**Note 9: Trade payables**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
(a) Acceptances	401.25	9,692.94
(b) Other than Acceptances:		
- Dues to micro enterprises and small enterprises (Refer note 26.2)	2,413.51	898.06
- Others	12,295.85	8,748.77
<b>Total</b>	<b>15,110.61</b>	<b>19,339.77</b>

**Note 10: Other current liabilities**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
(a) Current maturities of long-term borrowings (Refer note (i) below)	325.14	979.84
(b) Interest accrued but not due on borrowings	-	8.29
(c) Unpaid dividends (unpresented dividend warrants)	46.89	28.85
(d) Other payables:		
(i) Statutory remittances (Contributions to PF and ESIC, withholding taxes, excise duty, VAT, etc.)	2,104.12	1,796.45
(ii) Contractually reimbursable expenses	33.24	41.68
(iii) Advances from customers	122.38	75.32
(iv) Capital creditors	89.82	16.09
(v) Others	95.82	98.90
<b>Total</b>	<b>2,817.41</b>	<b>3,045.42</b>

Note (i): Current maturities of long-term borrowings (Refer note 5(i) Long-term borrowings for details):

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
(a) Term loans		
From Banks - Secured	324.37	971.05
From Others - Secured	0.77	8.79
<b>Total</b>	<b>325.14</b>	<b>979.84</b>

**Note 11: Short-term provisions**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
(a) Provision for employee benefits		
(i) Provision for leave benefits	491.77	404.49
(b) Other provisions		
(i) Provision for warranty (Refer note 27.8)	1,527.39	1,392.72
(ii) Proposed equity dividend	752.13	1,348.79
(iii) Provision for tax on proposed dividend	153.12	274.58
(iv) Provision for Income Tax	505.23	384.03
<b>Total</b>	<b>3,429.64</b>	<b>3,804.61</b>

## Note 12 (A) : Tangible fixed assets

(₹ in lakhs)

Particulars	Tangible assets								Total
	Freehold land	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Computers	
Cost or valuation									
At April 1, 2014	1,916.14	463.96	7,877.81	8,526.14	420.78	211.04	499.73	909.04	20,824.64
Additions	-	-	549.52	350.87	63.22	7.99	81.36	81.03	1,133.99
Disposals	-	-	-	(30.74)	-	(16.16)	(1.31)	(32.31)	(80.52)
Other adjustments:									
- Borrowing costs	-	-	12.05	0.72	-	-	-	-	12.77
At March 31, 2015	1,916.14	463.96	8,439.38	8,846.99	484.00	202.87	579.78	957.76	21,890.88
Additions	-	-	135.47	997.10	52.17	-	76.85	149.27	1,410.86
Disposals	-	-	(32.36)	(262.57)	(3.27)	(11.19)	(17.36)	(48.40)	(375.15)
At March 31, 2016	1,916.14	463.96	8,542.49	9,581.52	532.90	191.68	639.27	1,058.63	22,926.59
Depreciation									
At April 1, 2014	-	20.08	701.36	3,412.20	206.92	62.19	106.85	494.31	5,003.91
Charge for the year	-	4.69	224.11	649.86	45.74	28.89	119.94	157.89	1,231.12
Disposals	-	-	-	(18.49)	-	(8.15)	(0.68)	(31.42)	(58.74)
Other adjustments (Refer note (i) below)	-	-	39.71	6.97	2.83	1.67	33.26	76.54	160.98
At March 31, 2015	-	24.77	965.18	4,050.54	255.49	84.60	259.37	697.32	6,337.27
Charge for the year	-	4.69	220.64	695.05	59.91	26.66	117.26	150.34	1,274.55
Disposals	-	-	(0.85)	(132.81)	(2.63)	(6.47)	(15.52)	(46.95)	(205.23)
At March 31, 2016	-	29.46	1,184.97	4,612.78	312.77	104.79	361.11	800.71	7,406.59
Net Block									
At March 31, 2015	1,916.14	439.19	7,474.20	4,796.45	228.51	118.27	320.41	260.44	15,553.61
At March 31, 2016	1,916.14	434.50	7,357.52	4,968.74	220.13	86.89	278.16	257.92	15,520.00

Notes:

- (i) During the year ended 31st March, 2015, the Company evaluated the requirements of Schedule II of the Companies Act, 2013 ('the Act') in respect of estimates of useful lives of its fixed assets. In accordance with the transitional provision specified in Schedule II of the Act, an amount of ₹ 106.32 lakhs (net of tax effect of ₹ 54.66 lakhs) was adjusted in the opening balance of retained earnings.

**Note 12 (B) : Intangible assets**

(₹ in lakhs)

Particulars	Computer software	Trademark	Total
<b>Gross block</b>			
At April 1, 2014	916.79	1,062.07	1,978.86
Purchase / additions	197.25	-	197.25
At March 31, 2015	1,114.04	1,062.07	2,176.11
Purchase / additions	158.87	-	158.87
At March 31, 2016	1,272.91	1,062.07	2,334.98
<b>Amortisation</b>			
At April 1, 2014	261.41	918.12	1,179.53
Charge for the year	209.73	103.06	312.79
At March 31, 2015	471.14	1,021.18	1,492.32
Charge for the year	224.86	36.29	261.15
At March 31, 2016	696.00	1,057.47	1,753.47
<b>Net block</b>			
At March 31, 2015	642.90	40.89	683.79
At March 31, 2016	576.91	4.60	581.51

**Note 13: Long-term loans and advances**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
(a) Capital advances		
Unsecured, considered good	185.49	98.70
Doubtful	20.00	20.00
	205.49	118.70
Less: Provision for doubtful advances	(20.00)	(20.00)
	185.49	98.70
(b) Security deposits		
Unsecured, considered good	579.22	474.47
(c) Loans and advances to employees		
Unsecured, considered good	78.81	79.02
(d) Balances with statutory/government authorities		
Unsecured, considered good	6.04	6.04
(e) Advance Income Tax (net of provisions) - Unsecured, considered good	650.73	709.34
(f) Prepaid Expenses - Unsecured, considered good	6.50	10.38
(g) Inter corporate loan - Unsecured, considered good (Refer note below)	500.00	500.00
<b>Total</b>	<b>2,006.79</b>	<b>1,877.95</b>

Note:- Inter corporate loan represents unsecured loan given to M/s Sakthi Accumulators Private Limited ('the vendor'), at an interest rate of 18% per annum for enhancing its manufacturing infrastructure. The loan has to be repaid over a period of three years starting from 30th March, 2018 and ending on 30th March, 2021. One of the promoter director of the vendor has provided personal guarantee for the repayment of loan.

**Note 14: Current Investments**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted mutual funds		
(a) 5.34 lakhs [31st March, 2015: Nil] units of ₹ 100 each fully paid-up of Birla Sunlife Liquid Fund Daily Dividend Reinvestment.	535.47	-
(b) 0.30 lakhs [31st March, 2015: Nil] units of ₹1000 each fully paid-up of HDFC Liquid Fund Daily Dividend Reinvestment.	300.28	-
(c) 0.59 lakhs [31st March, 2015: Nil] units of ₹1000 each fully paid-up of Reliance Liquid Fund Daily Dividend Reinvestment.	900.91	-
(d) 0.20 lakhs [31st March, 2015: Nil] units of ₹ 1000 each fully paid-up of SBI Liquid Fund Daily Dividend Reinvestment.	202.39	-
<b>Total</b>	<b>1,939.05</b>	<b>-</b>

**Note**

The aggregate value of unquoted investments as on 31st March, 2016 amounted to ₹ 1,939.05 lakhs (31st March, 2015 : Nil)

**Note 15: Inventories (At lower of cost and net realisable value)**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
(a) Raw Materials [includes in transit ₹ 280.65 lakhs (31st March, 2015: ₹ 39.12 lakhs)] (Refer note 22.b)	2,050.66	1,558.34
(b) Work-in-Progress (Refer note 22.e)	1,022.97	1,112.93
(c) Finished Goods (other than those acquired for trading) (Refer note 22.e)	4,852.42	5,995.91
(d) Stock-in-Trade [includes in transit ₹ 1,084.04 lakhs (31st March 2015: ₹ 1,255.89 lakhs)] (Refer note 22.e.)	11,079.29	15,643.45
(e) Stores and Spares [includes in transit ₹ 18.20 lakhs (31st March 2015 : ₹ 11.29 lakhs)] (Refer note 22.e.)	1,111.67	1,618.90
(f) Packing Materials and Consumables [includes in transit ₹ 14.76 lakhs (31st March 2015 : ₹ 11.96 lakhs)]	352.17	158.18
<b>Total</b>	<b>20,469.18</b>	<b>26,087.71</b>



**Note 16: Trade receivables**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment (Refer note 26.1)		
Secured, considered good	46.13	81.56
Unsecured, considered good	224.27	142.93
Doubtful	1,238.90	754.17
	1,509.30	978.66
Less: Provision for doubtful trade receivables	(1,238.90)	(754.17)
	270.40	224.49
Other trade receivables (Refer note 26.1)		
Secured, considered good	1,251.94	1,221.17
Unsecured, considered good	26,401.73	22,925.58
Doubtful	18.73	0.36
	27,672.40	24,147.11
Less: Provision for doubtful trade receivables	(18.73)	(0.36)
	27,653.67	24,146.75
<b>Total</b>	<b>27,924.07</b>	<b>24,371.24</b>

**Note 17: Cash and bank balances**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
Cash and cash equivalents		
Balances with banks		
(i) On current accounts	257.94	123.74
(ii) On unpaid dividend accounts	28.46	28.85
(iii) Deposits with original maturity less than 3 months	400.00	-
Cash on hand	3.97	4.36
<b>Total (A)</b>	<b>690.37</b>	<b>156.95</b>
Other bank balances		
- Deposits with original maturity for more than 12 months	3.53	2.84
- Deposit with original maturity for more than 3 months but less than 12 months	0.39	0.36
- Margin money deposit	68.03	62.91
<b>Total (B)</b>	<b>71.95</b>	<b>66.11</b>
<b>(A + B)</b>	<b>762.32</b>	<b>223.06</b>
Less: Amount disclosed under non-current assets (Refer note 19B)	(3.53)	(1.60)
<b>Total</b>	<b>758.79</b>	<b>221.46</b>

Margin money deposits with carrying amount of ₹ 68.03 lakhs (31st March 2015: ₹ 62.91 lakhs) are subject to first charge against the Letter of Credit obtained.

**Note 18: Short-term loans and advances**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
(a) Security deposits		
Unsecured, considered good	35.20	27.31
(b) Loans and advances to employees		
Unsecured, considered good	102.70	82.84
(c) Prepaid expenses		
Unsecured, considered good	286.30	265.00
(d) Balances with government authorities		
Unsecured, considered good	143.15	269.69
(e) Advance to suppliers		
Unsecured, considered good	1,605.10	2,806.91
Doubtful	21.73	-
	1,626.83	2,806.91
Less: Provision for doubtful advances	(21.73)	-
	1,605.10	2,806.91
(f) Others		
Unsecured, considered good	160.23	113.37
<b>Total</b>	<b>2,332.68</b>	<b>3,565.12</b>

**Note 19: Other assets**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
(A) Current assets - Unsecured, considered good		
(i) Insurance claims receivable	-	1.05
(ii) Interest receivable/accrued	5.27	5.12
(iii) Unamortized premium on foreign exchange forward contracts	9.98	2.63
(iv) Other receivables	92.37	-
	107.62	8.80
(B) Non current assets - Unsecured, considered good		
Non - current bank balances (Refer note 17)	3.53	1.60
	3.53	1.60
<b>Total</b>	<b>111.15</b>	<b>10.40</b>

**Note 20: Revenue from operations (net)**

Sl. No.	Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
(a)	Sale of products (Refer note (i) below)	186,460.61	174,450.10
(b)	Other operating revenues (Refer note (ii) below)	1,250.53	1,544.64
		187,711.14	175,994.74
	<u>Less:</u>		
(c)	Excise duty #	1,483.08	1,402.67
	<b>Total</b>	<b>186,228.06</b>	<b>174,592.07</b>

# Excise duty on sales amounting to ₹ 1,483.08 lakhs (31st March, 2015: ₹ 1,402.67 lakhs) has been reduced from sales in the statement of profit and loss and excise duty on increase/(decrease) in stock amounting to ₹ (15.28) lakhs (31st March 2015: ₹ 7.36 lakhs) has been considered as expense / (income) in note 25 of financial statements.

Notes	Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
(i)	Sale of products comprises:		
	<b>Manufactured goods</b>		
	Electronics products	127.77	-
	Electrical/ Electro Mechanical products	68,964.00	65,717.43
	Others	5,043.40	4,343.22
	<b>Total - sale of manufactured goods</b>	<b>74,135.17</b>	<b>70,060.65</b>
	<b>Traded goods</b>		
	Electronics products	56,025.94	54,702.92
	Electrical/ Electro Mechanical products	56,051.97	49,625.74
	Others	247.53	60.79
	<b>Total - sale of traded goods</b>	<b>112,325.44</b>	<b>104,389.45</b>
	<b>Total - sale of products</b>	<b>186,460.61</b>	<b>174,450.10</b>
(ii)	Other operating revenues comprises:		
	Service charges	25.57	37.29
	Sale of scrap	993.93	1,151.77
	Government subsidy (Refer note below)	231.03	355.58
	<b>Total</b>	<b>1,250.53</b>	<b>1,544.64</b>

**Note:** The Company recognized government subsidy as income amounting to ₹ 231.03 lakhs (31st March 2015: ₹ 355.58 lakhs) for sale and installation of Solar Water Heating systems at various premises across India under Jawaharlal Nehru National Solar Mission (JNNSM).

## Note 21: Other income

Sl. No.	Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
(a)	Interest income (Refer note (i) below)	405.58	182.26
(b)	Other non-operating Income (net of expenses directly attributable to such income) (Refer note (ii) below)	317.63	266.45
	<b>Total</b>	<b>723.21</b>	<b>448.71</b>

Notes	Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
(i)	Interest Income comprises:		
	From banks on deposits	11.79	5.07
	On loans and advances	108.11	26.25
	On overdue trade receivables	285.68	150.94
	<b>Total</b>	<b>405.58</b>	<b>182.26</b>
(ii)	Other non-operating income comprises:		
	Dividend income on current investments	60.51	-
	Mould hire charges	48.86	41.67
	Liabilities / provisions no longer required written back	10.05	5.45
	Miscellaneous income	198.21	219.33
	<b>Total</b>	<b>317.63</b>	<b>266.45</b>

## Note 22.a: Cost of raw materials consumed

Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
Inventory at the beginning of the year	1,558.34	2,013.48
Add: Purchases	50,782.24	50,604.25
	52,340.58	52,617.73
Less: Inventory at the end of the year	2,050.66	1,558.34
<b>Cost of materials consumed</b>	<b>50,289.92</b>	<b>51,059.39</b>
Details of materials consumed		
(i) Copper	36,399.42	36,702.42
(ii) PVC	4,544.24	4,725.10
(iii) Aluminium	1,067.03	2,027.23
(iv) Other items	8,279.23	7,604.64
<b>Total</b>	<b>50,289.92</b>	<b>51,059.39</b>

**Note 22.b: Details of inventory - raw materials**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
Copper	725.40	191.34
PVC	207.81	224.80
Aluminium	62.42	75.83
Other items	1,055.03	1,066.37
<b>Total</b>	<b>2,050.66</b>	<b>1,558.34</b>

**Note 22.c: Details of purchase of traded goods**

Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
Electronics products	35,427.36	38,755.72
Electrical/ Electro Mechanical products	38,930.26	40,359.21
Others	280.62	172.08
<b>Total</b>	<b>74,638.24</b>	<b>79,287.01</b>

**Note 22.d (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
<u>Inventories at the end of the year:</u>		
Finished goods	4,852.42	5,995.91
Work-in-progress	1,022.97	1,112.93
Traded goods	12,190.96	17,262.35
<b>Total (A)</b>	<b>18,066.35</b>	<b>24,371.19</b>
<u>Inventories at the beginning of the year:</u>		
Finished goods	5,995.91	6,501.23
Work-in-progress	1,112.93	1,545.09
Traded goods	17,262.35	14,986.42
<b>Total (B)</b>	<b>24,371.19</b>	<b>23,032.74</b>
<u>(Increase)/decrease in inventories</u>		
Finished goods	1,143.49	505.32
Work-in-progress	89.96	432.16
Traded goods	5,071.39	(2,275.93)
<b>Net (increase) / decrease (B - A)</b>	<b>6,304.84</b>	<b>(1,338.45)</b>

**Note 22.e: Details of inventory - finished goods, work - in - progress and traded goods**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
<b>Finished goods</b>		
Electronics products	227.63	-
Electrical/ Electro Mechanical products	4,342.18	5,504.94
Others	282.61	490.97
<b>Total</b>	<b>4,852.42</b>	<b>5,995.91</b>
<b>Work-in-progress</b>		
Electronics products	0.37	-
Electrical/ Electro Mechanical products	943.19	1,011.57
Others	79.41	101.36
<b>Total</b>	<b>1,022.97</b>	<b>1,112.93</b>
<b>Traded goods</b>		
Electronics products	5,858.15	6,874.95
Electrical/ Electro Mechanical products	6,295.32	10,284.06
Others	37.49	103.34
<b>Total</b>	<b>12,190.96</b>	<b>17,262.35</b>

**Note 23: Employee benefits expense**

Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
(a) Salaries, wages and bonus (Refer note 27.7)	9,847.32	8,395.19
(b) Contributions to provident and other funds	510.02	441.90
(c) Employee stock option scheme (Refer note 4)	357.88	222.12
(d) Gratuity expense (Refer note 27.1)	176.07	201.50
(e) Staff welfare expenses	191.68	187.51
<b>Total</b>	<b>11,082.97</b>	<b>9,448.22</b>

**Note 24: Finance Costs**

Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
<b>(a) Interest expense on:</b>		
(i) Borrowings	726.05	1,948.96
(ii) Others		
- Interest on deposits from distributors	111.94	112.47
- Other interest	54.30	-
<b>Total</b>	<b>892.29</b>	<b>2,061.43</b>

**Note 25: Other expenses**

Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
Consumption of stores and spare parts	477.24	598.68
Consumption of packing materials	1,232.69	1,220.19
Power and fuel	847.68	792.82
Rent	931.32	759.90
Repairs and maintenance - Buildings	54.19	61.80
Repairs and maintenance - Plant and machinery	187.18	155.43
Repairs and maintenance - Others	545.02	485.35
Insurance	65.55	58.33
Rates and taxes	481.95	571.69
Communication costs	292.87	276.90
Travelling and conveyance	1,464.85	1,383.88
Printing and stationery	55.60	57.54
Freight and forwarding charges	1,942.50	1,805.22
Sales commission	266.71	261.86
Cash discount	1,738.97	1,473.19
Advertisement and business promotion expenses	8,031.40	6,899.82
Donations and contributions	4.81	1.93
CSR expenditure (Refer note 27.9)	187.75	163.85
Legal and professional fees	607.28	518.04
Payments to statutory auditors (Refer note (i) below)	51.40	33.71
Trade and other receivables, loans and advances written off	47.26	26.45
Loss on foreign currency transactions and translation (net)	105.82	53.64
Loss on fixed assets sold / scrapped / written off (net)	95.60	12.75
Provision for doubtful trade and other receivables, loans and advances (net)	524.83	162.97
Increase/ (decrease) of excise duty on inventory	(15.28)	7.36
Outsourced manpower cost	1,574.66	1,520.14
Warranty expenses	2,975.98	2,364.43
Contributions to political parties (Refer note (ii) below)	0.52	4.82
Miscellaneous expenses	1,335.02	1,101.92
<b>Total</b>	<b>26,111.37</b>	<b>22,834.61</b>
<b>(i) Payments to Statutory Auditors comprises:</b>		
Statutory Audit Fees	22.00	15.50
Tax Audit Fees	2.50	2.50
Limited Review Fees	12.00	6.00
Fees for Other Services (certifications)	2.15	1.90
Reimbursement of Expenses	6.33	4.10
Service Tax	6.42	3.71
<b>Total</b>	<b>51.40</b>	<b>33.71</b>
<b>(ii) Contribution to political parties</b>		
United Democratic Front	0.30	4.50
Bharatiya Janatha Party	0.05	-
Communist Party of India (Marxist)	0.17	0.07
Indian National Trade Union Congress	-	0.15
Indian National Congress (I)	-	0.05
Kerala Electricity Employees Confederation	-	0.05
<b>Total</b>	<b>0.52</b>	<b>4.82</b>



**Note 26: Additional information to the financial statements****26.1 Litigations, contingent liabilities and commitments (to the extent not provided for)**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
<b>(i) Litigations (see note 1 below)</b>		
(a) Claims against the Company not acknowledged as debt	302.22	302.86
(b) Direct tax matters under dispute / pending before Income Tax Authorities	399.66	340.74
(c) Indirect tax matters for demands raised by sales tax / vat department pending before various appellate authorities	1,006.55	645.98
(d) Others	6.82	6.82
<b>Total</b>	<b>1,715.25</b>	<b>1,296.40</b>
<b>(ii) Contingent liabilities</b>		
(a) Guarantees (see note 2 below)	1,850.93	3,041.67
(b) Letters of credit opened with banks	3,253.88	2,012.49
<b>Total</b>	<b>5,104.81</b>	<b>5,054.16</b>
<b>(iii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	201.62	298.88
<b>Total</b>	<b>201.62</b>	<b>298.88</b>

- (1) The Company is involved in taxation and other disputes, lawsuits, proceedings etc. including commercial matters and claims relating to company's products that arise from time to time in the ordinary course of business. Management is of the view that such claims are not tenable and will not have any material adverse effect on the Company's financial position and results of operations.
- (2) The Company has arranged Channel Finance Facilities for its customers from various banks. As per the terms of these facilities, should the customers default in making payment, after exhausting other modes of recovery the bankers have recourse on the Company which varies from 0% to 25% of the respective sanctioned limit as on the balance sheet date. Total amount guaranteed by the Company towards such recourses under the Channel Financing Facilities amounted to ₹ 1,057.50 lakhs as at 31st March 2016 (31st March, 2015: ₹ 2,717.26 lakhs) and is included under Guarantees above. The total trade receivables who have availed the facilities as at 31st March 2016 were ₹ 4,318.66 lakhs (31st March, 2015: ₹ 3,851.89 lakhs).

**26.2 Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
<b>(i) Principal amount and interest due there on remaining unpaid to any supplier as at the end of the accounting year:</b>		
Principal amount due to micro and small enterprises	2,413.51	898.06
Interest due on above	0.01	-
	<b>2,413.52</b>	<b>898.06</b>
<b>(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day</b>	-	-
<b>(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but with out adding interest specified under the MSMED Act, 2006</b>	1.24	3.11
<b>(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year</b>	-	-
<b>(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006</b>	-	-

Note: Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

**26.3 Loans and advances in the nature of loans given to subsidiaries and associates and firms/ companies in which directors are interested**

The Company has not given any loans and advances in the nature of loans to subsidiaries, associates or companies / firms in which directors are interested.

**26.4 Foreign exchange forward contracts and unhedged foreign currency exposures***Details on hedged foreign currency exposures*

The Company has entered in to foreign exchange forward contracts to hedge import trade payables in foreign currency, the details of which are given below:

As at 31st March, 2016		As at 31st March, 2015	
Payable	Payable in foreign currency	Payable	Payable in foreign currency
(₹ in lakhs)	(\$ in lakhs)	(₹ in lakhs)	(\$ in lakhs)
1,453.65	21.86	583.22	9.25

*Details on unhedged foreign currency exposures*

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

As at 31st March, 2016		As at 31st March, 2015	
Trade receivables/ Advances	Trade receivables / Advances in foreign currency	Trade receivables/ Advances	Trade receivables / Advances in foreign currency
(₹ in lakhs)	(\$ in lakhs)	(₹ in lakhs)	(\$ in lakhs)
160.04	2.43	23.73	0.38
Payable	Payable in foreign currency	Payable	Payable in foreign currency
(₹ in lakhs)	(\$ in lakhs)	(₹ in lakhs)	(\$ in lakhs)
1,400.61	21.06	1,003.61	15.92

**26.5 Value of imports calculated on CIF basis**

Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
Stock in trade	8,098.81	8,708.65
Raw materials	3,721.97	2,687.30
Stores, spares and packing materials	330.24	648.67
Purchase of fixed assets	11.62	1.10
<b>Total</b>	<b>12,162.64</b>	<b>12,045.72</b>

**26.6 Expenditure in foreign currency (on accrual basis)**

Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
Travelling	4.64	13.52
Others	10.66	15.84
<b>Total</b>	<b>15.30</b>	<b>29.36</b>

**26.7 Details of consumption of imported and indigenous items**

Particulars	(₹ in lakhs)	%
<b>Imported</b>		
Raw materials	4,001.99	8%
	(3,255.65)	(6%)
Stores, spares and packing materials	293.67	17%
	(75.95)	(4%)
<b>Total</b>	<b>4,295.66</b>	<b>8%</b>
	<b>(3,331.60)</b>	<b>(6%)</b>
<b>Indigenous</b>		
Raw materials	46,287.93	92%
	(47,803.74)	(94%)
Stores, spares and packing materials	1,416.26	83%
	(1,742.92)	(96%)
<b>Total</b>	<b>47,704.19</b>	<b>92%</b>
	<b>(49,546.66)</b>	<b>(94%)</b>
Note: Figures / percentages in brackets relates to the previous year		

**26.8 Earnings in foreign exchange (on accrual basis)**

Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
Export of goods calculated on FOB basis	17.44	162.36

**26.9 Net dividend remitted in foreign exchange**

<b>Final dividend</b>		
Year of remittance (ending on)	31st March, 2016	31st March, 2015
Period to which it relates	1st April 2014 to 31st March, 2015	1st April 2013 to 31st March, 2014
Number of non-resident shareholders	654	530
Number of equity shares held on which dividend was due	189,554	183,661
Amount remitted in ₹ lakhs	8.53	8.26
Amount remitted in foreign currency*	Nil	Nil
<b>Interim dividend</b>		
Year of remittance (ending on)	31st March, 2016	31st March, 2015
Period to which it relates	1st April 2015 to 31st March, 2016	1st April 2014 to 31st March, 2015
Number of non-resident shareholders	698	-
Number of equity shares held on which dividend was due	184,598	-
Amount remitted in ₹ lakhs	8.31	-
Amount remitted in foreign currency*	Nil	-

\* The Company has deposited the dividends payable to non-resident shareholders into their Rupee account with various banks in India and hence the amounts remitted in foreign currency during the years to non-resident shareholders on account of dividend is shown as nil.

**Note 27: Disclosures under accounting standards****27.1 Employee Benefit Plans****Defined Contribution Plan**

The Company mainly makes Provident Fund (PF) and Employee's state insurance (ESI) contributions to a defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company has recognised ₹ 464.99 lakhs (year ended 31st March, 2015: ₹ 380.04 lakhs) towards PF contributions (included in note 23(b)) and ₹ 26.18 lakhs (year ended 31st March, 2015: ₹ 47.81 lakhs) towards ESI contributions (included in note 23(b)) in the statement of profit and loss. The contributions payable to this plan by the Company is at the rate specified in the rules of the scheme.

**Defined Benefit Plan - Gratuity**

The following table sets out the funded status of the gratuity scheme and the amount recognised in the financial statements:

Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
<b>Components of employer expense:</b>		
Current service cost	118.56	84.56
Interest cost	59.79	51.34
Expected return on plan assets	(71.78)	(57.14)
Past service cost	-	-
Actuarial losses/(gains)	69.50	122.74
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>176.07</b>	<b>201.50</b>
<b>Actual contribution and benefit payments for year:</b>		
Actual benefit payments	76.92	34.00
Actual contributions	190.77	155.37
<b>Net asset / (liability) recognised in the Balance Sheet:</b>		
Present value of defined benefit obligation	975.89	804.96
Fair value of plan assets	1,025.98	840.35
Funded status [Surplus / (Deficit)]	50.09	35.39
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>50.09</b>	<b>35.39</b>
<b>Change in defined benefit obligations (DBO) during the year:</b>		
Present value of DBO at beginning of the year	804.96	572.01
Current service cost	118.56	84.56
Interest cost	59.79	51.34
Actuarial (gains) / losses	69.50	131.05
Past service cost	-	-
Benefits paid	(76.92)	(34.00)
<b>Present value of DBO at the end of the year</b>	<b>975.89</b>	<b>804.96</b>
<b>Change in fair value of assets during the year:</b>		
Plan assets at beginning of the year	840.35	653.53
Expected return on plan assets	71.78	57.14
Actual company contributions	190.77	155.37
Actuarial gain / (loss)	-	8.31
Benefits paid	(76.92)	(34.00)
<b>Plan assets at the end of the year</b>	<b>1,025.98</b>	<b>840.35</b>
<b>Composition of the plan assets is as follows:</b>		
Insurer Managed Assets	1,025.98	840.35

## Note 27.1 Disclosures under Accounting Standards (contd.)

Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
<b>Actuarial assumptions:</b>		
Discount rate	7.90%	7.80%
Expected return on plan assets	8.00%	8.00%
Actual return on plan assets	8.35%	9.00%
Salary Escalation	8.00%	8.00%
Attrition	Marketing - 15% & Non-Marketing - 7%	Marketing - 15% & Non-Marketing - 7%
Mortality Table	Indian Assured Lives Mortality (2006-08) modified Ultimate	Indian Assured Lives Mortality (2006-08) modified Ultimate
Performance percentage considered	NA	NA
Estimate of amount of contribution in the immediate next year	88.13	78.81

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.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The plan assets are maintained with Life Insurance Corporation of India (LIC).

**Experience Adjustments:**

Gratuity	2015-16 (₹ in lakhs)	2014-15 (₹ in lakhs)	2013-14 (₹ in lakhs)	2012-13 (₹ in lakhs)	2011-12 (₹ in lakhs)
Present value of DBO	(975.89)	(804.96)	(572.01)	(476.16)	(336.55)
Fair value of plan assets	1,025.98	840.35	653.53	606.64	352.27
Funded status [Surplus / (Deficit)]	50.09	35.39	81.52	130.48	15.72
Experience gain / (loss) adjustments on plan liabilities	(77.31)	(47.34)	8.35	(25.11)	(122.08)
Experience gain / (loss) adjustments on plan assets	-	8.31	-	15.53	10.35

## 27.2 Segment Information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily (a) Electronics, (b) Electrical / Electro Mechanical and (c) Others. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

### A. Primary business segment

Particulars	For the year ended 31st March, 2016				
	Business Segments			Eliminations	Total
	Electronics	Electrical / Electro Mechanical	Others		
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Revenue from operations	56,274.97	123,878.55	6,074.54	-	186,228.06
	(54,887.03)	(114,606.55)	(5,098.49)	( - )	(174,592.07)
Inter-segment revenue	-	-	-	-	-
	( - )	( - )	( - )	( - )	( - )
<b>Total</b>	<b>56,274.97</b>	<b>123,878.55</b>	<b>6,074.54</b>	<b>-</b>	<b>186,228.06</b>
	(54,887.03)	(114,606.55)	(5,098.49)	( - )	(174,592.07)
Segment results	7,663.04	8,597.37	930.96	-	17,191.37
	(5,758.84)	(6,418.46)	(456.99)	( - )	(12,634.29)
Unallocable expenses					786.70
					(776.70)
Operating profits					16,404.67
					(11,857.59)
Finance cost					892.29
					(2,061.43)
Other income including interest income					583.56
					(348.50)
Profit Before Tax					16,095.94
					(10,144.66)
Tax expense					4,927.83
					(3,072.51)
<b>Net profit for the year</b>					<b>11,168.11</b>
					<b>(7,072.15)</b>

Note: Figures in brackets relates to the previous year

## Note 27.2 Segment Information (contd.)

Particulars	As at 31st March, 2016			
	Business Segments			Total
	Electronics	Electrical / Electro Mechanical	Others	
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Segment assets	16,744.15	38,725.73	2,978.48	58,448.36
Unallocable assets	(16,499.24)	(41,916.05)	(3,537.35)	(61,952.64)
<b>Total assets</b>				<b>13,202.58</b>
				<b>(10,539.49)</b>
				<b>71,650.94</b>
				<b>(72,492.13)</b>
Segment liabilities	5,391.47	11,540.70	756.87	17,689.04
Unallocable liabilities	(8,330.33)	(13,224.56)	(454.00)	(22,008.89)
<b>Total liabilities</b>				<b>6,884.85</b>
				<b>(12,709.57)</b>
				<b>24,573.89</b>
				<b>(34,718.46)</b>
Other information	For the Year Ended 31st March, 2016			
	Business Segments			Total
	Electronics	Electrical / Electro Mechanical	Others	
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Capital Expenditure (allocable)	364.72	728.27	10.85	1,103.84
Capital Expenditure (unallocable)	(69.63)	(229.00)	(22.40)	(321.03)
<b>Total Capital Expenditure</b>				<b>352.76</b>
				<b>(797.82)</b>
				<b>1,456.60</b>
				<b>(1,118.85)</b>
Depreciation and Amortisation (allocable)	104.76	909.87	73.27	1,087.90
Depreciation and Amortisation (unallocable)	(1.01)	(701.01)	(65.19)	(767.21)
<b>Total Depreciation and Amortisation*</b>				<b>447.80</b>
				<b>(776.70)</b>
				<b>1,535.70</b>
				<b>(1,543.91)</b>
Other Significant Non-cash Expenses (allocable)	267.08	587.92	27.71	882.71
Other Significant Non-cash Expenses (unallocable)	(121.06)	(252.78)	(11.25)	(385.09)
<b>Total Other Significant Non-cash Expenses</b>				<b>-</b>
				<b>(-)</b>
				<b>882.71</b>
				<b>(385.09)</b>

\* Depreciation and amortisation for the year ended 31st March, 2015 does not include an amount of ₹ 160.98 lakhs adjusted against opening balance of retained earnings (Refer note 12(A)(i)).

Note: Figures in brackets relates to the previous year

**B. Geographical segment**

Particulars	India (₹ in lakhs)	Outside India (₹ in lakhs)	Total (₹ in lakhs)
Revenue	186,210.62	17.44	186,228.06
	(174,429.71)	(162.36)	(174,592.07)
Assets	71,495.18	155.76	71,650.94
	(72,488.67)	(3.46)	(72,492.13)
Capital expenditure incurred	1,456.60	-	1,456.60
	(1,118.85)	-	(1,118.85)

Note: Figures in brackets relates to the previous year



### 27.3 Related Party Transactions

#### (a) Details of Related Parties:

Description of Relationship	Names of Related Parties
Key Management Personnel (KMP)	Mr. Kochouseph Chittilappilly - Chairman Mr. Mithun K. Chittilappilly - Managing Director and Son of Mr. Kochouseph Chittilappilly Mr. Ramachandran Venkataraman - Director Marketing and Strategy Mr. A Jacob Kuruvilla - Chief Financial Officer (Refer note 2 below) Ms. Jayasree K - Company Secretary (Refer note 2 below)
Relatives of KMP with whom transactions have taken place during the year	Ms. Sheela Kochouseph - Wife of Mr. Kochouseph Chittilappilly Mr. Arun K. Chittilappilly - Son of Mr. Kochouseph Chittilappilly
Company in which KMP / Relatives of KMP can exercise significant influence	M/s. Wonderla Holidays Limited M/s. V-Star Creations Private Limited M/s. Veegaland Developers Private Limited M/s. K Chittilappilly Foundation M/s. Thomas Chittilappilly Trust

#### (b) Details of related party transactions during the year ended 31<sup>st</sup> March, 2016 and balances outstanding on that date:

(₹ in lakhs)

Name of the Related Party	Nature of Transactions	For the year ended 31st March, 2016	Balance Outstanding on 31st March, 2016	For the year ended 31st March, 2015	Balance Outstanding on 31st March, 2015
Mr. Kochouseph Chittilappilly	Rent Paid	44.92	-	38.00	-
	Dividends Paid	662.98	-	331.49	-
	Remuneration	74.70	-	58.17	-
	Commission	125.60	125.60	79.45	79.45
Mr. Mithun K Chittilappilly	Dividends Paid	459.93	-	229.96	-
	Salaries and allowances	55.43	-	46.14	-
	Company contribution to providend fund	4.32	-	3.92	-
	Commission	125.60	125.60	52.96	52.96
Mr. Arun K Chittilappilly	Dividends Paid	357.27	-	178.64	-
Mrs. Sheela Kochouseph	Dividends Paid	298.83	-	149.41	-
Mr. Ramachandran Venkataraman	Dividends Paid	2.66	-	-	-
	Salaries and allowances	158.31	-	150.40	-
	Company contribution to providend fund	12.62	-	11.88	-
	Commission	83.73	44.42	52.96	24.27
	Amortisation of ESOS cost	81.75	-	59.71	-
	Issue of Equity shares including securities premium	1.47	-	35.94	-

## Note 27.3 Related Party Transactions (contd.)

(₹ in lakhs)

Name of the Related Party	Nature of Transactions	For the year ended 31st March, 2016	Balance Outstanding on 31st March, 2016	For the year ended 31st March, 2015	Balance Outstanding on 31st March, 2015
Mr. A Jacob Kuruvilla *	Dividends Paid	0.60	-	0.02	-
	Salaries and allowances	28.97	-	29.40	-
	Company contribution to providend fund	1.09	-	1.05	-
	Amortisation of employees stock option cost	9.60	-	7.02	-
	Issue of Equity shares including securities premium	26.24	-	26.79	-
Ms. Jayasree K *	Dividends Paid	0.29	-	0.02	-
	Salaries and allowances	17.47	-	16.45	-
	Company contribution to providend fund	0.66	-	0.64	-
	Amortisation of employees stock option cost	4.04	-	2.97	-
	Issue of Equity shares including securities premium	11.07	-	11.30	-

\* Includes transactions up to/from the date when they were considered as KMP of the Company.

## Notes:

1. The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
2. Represents additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year.

## 27.4 Earnings Per Share

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year (₹ in lakhs)	11,168.11	7,072.15
Weighted average number of equity shares	30,007,861	29,888,322
Basic earnings per share (₹)	<b>37.22</b>	<b>23.66</b>
Net Profit for the year (₹ in lakhs)	11,168.11	7,072.15
Weighted average number of equity shares	30,284,829	30,226,994
Diluted earnings per share (₹)	<b>36.88</b>	<b>23.40</b>
Weighted average number of equity shares in calculating basic EPS	30,007,861	29,888,322
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	276,968	338,672
Weighted average number of equity shares in calculating diluted EPS	<b>30,284,829</b>	<b>30,226,994</b>

## 27.5 Employee Stock Compensation

The shareholders of the Company by way of a special resolution under Section 81(1)(A) of the Companies Act, 1956, passed on 14th May, 2013 through postal ballot procedure, approved Employees Stock Option Scheme, 2013 (ESOS 2013) for grant of stock options to eligible employees of the Company. The Compensation committee of the Company administers the scheme. According to the Scheme, the eligible employees will be entitled to options as given below subject to satisfaction of prescribed vesting conditions:

### Grant I

- (a) 2,16,138 restricted stock units (RSU) (face value of ₹ 10 each) to be exercised at a grant price of ₹ 10 per share.
- (b) 7,01,184 share options (face value of ₹ 10 each) to be exercised at a grant price of ₹ 485 per share.

These options will vest over a period of three years from June 2014 to June 2016. Of the total entitlements of 917,322 stock options (the total entitlements), as discussed above, two third of total entitlements are Time Based Grants whereby the eligible employee is vested with the options considering his continuing employment with the Company on the day of vesting. Remaining one third of the total entitlements are performance based whereby the employee will be vested with options considering the performance of the Company and the Individual employee.

Stock options under ESOS 2013 were granted on June 11, 2013. Market price of the Company's equity shares at the date of the grant was ₹ 485.35 per share.

### Grant II

- (a) 22,181 restricted stock units (RSU) (face value of ₹ 10 each) to be exercised at a grant price of ₹ 10 per share.
- (b) 68,447 share options (face value of ₹ 10 each) to be exercised at a grant price of ₹ 999 per share.

These options will vest over a period of three years from May 2016 to May 2018. Of the total entitlements of 90,628 stock options (the total entitlements), as discussed above, two third of total entitlements are Time Based Grants whereby the eligible employee is vested with the options considering his continuing employment with the Company on the day of vesting. Remaining one third of the total entitlements are performance based whereby the employee will be vested with options considering the performance of the Company and the Individual employee.

Stock options under ESOS 2013 were granted on May 04, 2015. Market price of the Company's equity shares at the date of the grant was ₹ 999 per share.

The details of the activity under the Scheme are summarized below

### (i) For the financial year 2015-16

Particulars	Grant I		Grant II	
	RSU	Options	RSU	Options
Outstanding at the beginning of the year	1,34,686	5,29,551	-	-
Granted during the year	-	-	22,181	68,447
Forfeited during the year	-	-	-	-
Cancelled during the year	6,698	21,101	-	-
Exercised during the year	48,942	63,161	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	79,046	4,45,289	22,181	68,447
Exercisable at the end of the year	11,930	2,26,622	-	-
Weighted average exercise price	10	485	10	999
Weighted average remaining contractual life	6.01	5.46	7.10	7.10

## Note 27.5 Employee Stock Compensation (contd.)

## (ii) For the financial year 2014-15

Particulars	Grant I		Grant II	
	RSU	Options	RSU	Options
Outstanding at the beginning of the year	2,10,287	6,83,031	-	-
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Cancelled during the year	24,360	79,100	-	-
Exercised during the year	51,241	74,380	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,34,686	5,29,551	-	-
Exercisable at the end of the year	5,365	1,09,489	-	-
Weighted average exercise price	10	485	-	-
Weighted average remaining contractual life	6.68	6.42	-	-

The weighted average fair value of stock options granted is as follows. :

Particulars	Grant I	Grant II
RSU	461.24	970.51
Share options	202.26	408.15

The Black Scholes valuation model has been used for calculating weighted average fair value considering the following inputs:

Particulars	Grant I		Grant II	
	RSU	Share options	RSU	Share options
Dividend Yield (%)	0.72%	0.72%	0.44%	0.44%
Expected Volatility	36.12%	36.12%	32.20%	32.20%
Risk-free interest rate	7.46%	7.46%	7.72%	7.72%
Weighted average share price	485	485	999	999
Exercise price	10	485	10	999
Expected life of options granted in years	4.01 to 6.01	4.01 to 6.01	4.01 to 6.01	4.01 to 6.01

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

The Company measures the cost of ESOS using the intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	For the year ended 31st March, 2016 (₹ in lakhs)	For the year ended 31st March, 2015 (₹ in lakhs)
Profit after tax as reported	11,168.11	7,072.15
Add: ESOS cost using the intrinsic value method	357.88	222.12
Less: ESOS cost using the fair value method	760.13	634.70
<b>Proforma profit after tax</b>	<b>10,765.86</b>	<b>6,659.57</b>
<b>Earnings Per Share</b>		
<b>Basic</b>		
- As reported	37.22	23.66
- Proforma	35.88	22.28
<b>Diluted</b>		
- As reported	36.88	23.40
- Proforma	35.55	22.03

**27.6 Deferred tax (liability) / asset**

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	(1,366.35)	(1,331.90)
<u>Tax effect of items constituting deferred tax liability</u>	(1,366.35)	(1,331.90)
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for doubtful debts / advances	449.69	268.05
Disallowances under Section 43B of the Income Tax Act, 1961	170.19	139.98
<u>Tax effect of items constituting deferred tax assets</u>	619.88	408.03
<b>Net deferred tax (liability) / asset</b>	<b>(746.47)</b>	<b>(923.87)</b>

**27.7 Details of research and development expenditure (Refer note below)**

Particulars	For the year ended	
	31st March, 2016 (₹ in lakhs)	31st March, 2015 (₹ in lakhs)
Materials	88.96	98.71
Employee benefits expense	442.87	365.82
Travelling and conveyance costs	55.81	70.37
Fixed Assets	76.90	46.01
Others	22.87	17.00
<b>Total</b>	<b>687.41</b>	<b>597.91</b>

Note: The Company has received recognition from Department of Scientific and Industrial Research (DSIR) vide letter dated 4th March, 2013 for the inhouse R&D units.

**27.8 Details of provisions**

The Company has made provision for warranties based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	As at 1st April, 2015 (₹ in lakhs)	Additions (₹ in lakhs)	Utilisation / Reversal (₹ in lakhs)	As at 31st March, 2016 (₹ in lakhs)
Provision for Warranty	1,944.37	1,522.03	1,392.72	2,073.68
	(1,311.31)	(1,537.69)	(904.63)	(1,944.37)

Note: - Figures in brackets relate to the previous year.

Of the above, the following amounts are expected to be incurred within a year:

Particulars	As at 31st March, 2016 (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
Provision for Warranty	1,527.39	1,392.72

**27.9 Details of CSR expenditure**

Particulars	31st March, 2016 ₹ in lakhs	31st March, 2015 ₹ in lakhs
a) Gross amount required to be spend during the year	185.52	163.75
b) Amount spent during the year:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	187.75	163.85
(iii) Unpaid amount out of (i) and (ii) above	-	-

**28 Previous year figures**

Previous year figures have been regrouped / reclassified, wherever necessary, to conform to this year's classification.

As per our report of even date

**For S.R. Batliboi & Associates LLP**  
Firm registration number: 101049W/E300004  
Chartered Accountants

per **Aditya Vikram Bhauwala**  
Partner  
Membership No. : 208382

Place: Kochi  
Date : 04<sup>th</sup> May, 2016

For and on behalf of the Board of Directors of  
**V-Guard Industries Limited**

**Kochouseph Chittilappilly**  
Chairman  
DIN: 00020512

**A Jacob Kuruvilla**  
Chief Financial Officer

Place: Kochi  
Date : 04<sup>th</sup> May, 2016

**Mithun K. Chittilappilly**  
Managing Director  
DIN:00027610

**Jayasree K**  
Company Secretary





## V-GUARD INDUSTRIES LIMITED

CIN: L31200KL1996PLC010010

Regd. Office: 42/962, Vennala High School Road,  
Vennala, Ernakulam-682028

E-mail: mail@vguard.in; Website: www.vguard.in;

Phone No.: 0484-3005000; Fax: 0484-3005100

## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of V-Guard Industries Limited will be held at Hotel, "The Renai Cochin", Palarivattom P.O., Ernakulam - 682025, on Tuesday, the 26<sup>th</sup> July, 2016, at 4.30 p.m. to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2016 and Statement of Profit and Loss of the Company for the year ended on that date together with Cash Flow Statement, the Directors' Report and Auditors' Report thereon
2. To confirm the interim dividend of ₹4.50/- per equity share (45% on the face value of ₹10/-) already paid and declare final dividend on equity shares for the Financial Year ended 31<sup>st</sup> March, 2016
3. To appoint a Director in place of Mrs. Joshna Johnson Thomas (DIN: 02613030), who retires by rotation and being eligible, offers herself for re-appointment
4. To ratify the appointment of Statutory Auditors and fixing of remuneration payable

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force), the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants, with ICAI firm registration no. 101049W/E300004, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Twenty First Annual General Meeting of the Company to be held in the year 2017, be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix the remuneration payable to them, as may be recommended by the Audit Committee in consultation with the Statutory Auditors.

### Special Business

5. To re-appoint Mr. Ramachandran Venkataraman as Whole-time Director for a period of four years

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (the Rules) (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force) and the Articles of Association of the Company and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities, in granting such approvals, permissions and sanctions and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors vide resolutions dated 4<sup>th</sup> May, 2016, the consent of the members be and is hereby accorded for the re-appointment of Mr. Ramachandran Venkataraman (DIN: 06576300), as Whole-time Director of the Company, liable to retire by rotation, designated as Director and Chief Operating Officer, or such other designation, as the Board of Directors of the Company, decide from time to time for a period of four years with effect from 01<sup>st</sup> June, 2016 to 31<sup>st</sup> May, 2020, upon and subject to the terms and conditions including remuneration subject to an overall limit of 5% of the net profit of the Company for each financial year computed in the manner prescribed in Section 198 of the Act, as agreed and contained in the Agreement entered into with him and as set out in the Explanatory Statement to this Notice, with liberty to the Board of Directors including any Committee thereof, to alter and vary the terms and conditions of the said re-appointment and / or remuneration and / or agreement, as may be agreed to between the Board and Mr. Ramachandran Venkataraman, subject to such other approvals of applicable authorities, as may be required under the applicable law to such alterations or variations.

RESOLVED FURTHER THAT notwithstanding anything contained herein above, where in any financial year, during the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company may, subject to receipt of requisite approvals, including approval of Central Government, if any, pay to the Whole-time Director, the remuneration, set out in the Explanatory Statement to this Notice, as the minimum remuneration by way of salary, perquisites, other allowances and benefits and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II, Section III and Section IV of Part II of Schedule V to

the Act, or any statutory act(s), rules, regulation(s), notification(s), modification(s), enactment(s) thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized severally to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.

6. To pay commission to Mrs. Joshna Johnson Thomas, Non-Executive Director of the Company

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 197 and 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force), and subject to such approvals, consents and sanction as may be required, consent of the members of the Company be and is hereby accorded for payment of remuneration in the form of commission to Mrs. Joshna Johnson Thomas (DIN: 02613030), a Non-Executive Director of the Company, for a period of three Financial Years commencing from 01<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2019 and that the commission payable to her shall not exceed 1% of the net profits of the Company for each financial year computed in accordance with the provisions of Section 198 of the Act .

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to decide the amount of commission payable to Mrs. Joshna Johnson Thomas, for each financial year.

RESOLVED FURTHER THAT the commission payable to Mrs. Joshna Johnson Thomas shall be exclusive of sitting fee payable to her for attending meetings of the Board or Committees thereof.

RESOLVED FURTHER THAT the Board of Directors, including any committee thereof, of the Company be and are hereby authorized severally to do all acts, deeds, matters and things and to take all such steps as may be necessary or expedient to give effect to the resolution.

7. To pay remuneration to the Cost Auditor for the Financial Year 2016-17

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provision of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force), M/s. Ajeesh & Associates, Cost Accountants (Firm Registration

No. 100870) appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31<sup>st</sup> March, 2017, be paid remuneration of ₹ 1.65 lakhs (Rupees One lakh and Sixty Five Thousand only), plus service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

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

8. To increase the borrowing limits of the Company

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

RESOLVED THAT in supersession of the special resolution adopted by the members at the 18<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> July, 2014 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder and subject to such approvals, consents, sanctions and permissions and provisions of other applicable laws, regulations, rules, guidelines issued by various regulatory authorities, including Reserve Bank of India, from time to time, as may be applicable, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force), Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to borrow from time to time, any sum or sums of monies, secured or unsecured, as it may deem necessary, for the purpose of the business of the Company, notwithstanding that the money or monies to be borrowed together with the money or monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), would exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that, apart from the aforesaid aggregate of the paid-up share capital of the Company and its free reserves, the total amount upto which money or monies may be borrowed shall not exceed the sum of ₹750.00 crores (Rupees Seven Hundred and Fifty Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time, as to interest, repayment, security or otherwise, as it may think fit and to do all such

acts, deeds and things, to execute all such documents, instruments and writings as may be required.

RESOLVED FURTHER THAT the Board be and is hereby authorized severally to do all acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

9. To increase the limit for investing in securities of other bodies corporate

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force) consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include any Committee of the Board, constituted to exercise its powers, including the powers conferred by this Resolution) to invest, in one or more tranches by acquisition, subscription, purchase, transfer or otherwise of the securities of bodies corporate, on such terms and conditions as the Board may deem fit, from time to time, in excess of 60% of the paid up share capital, free reserves and securities premium account of the Company or 100% of its free reserves and securities premium account, whichever is more, provided that the aggregate amount of such investments made over and above the aforesaid limits and outstanding at any time, shall not exceed ₹750,00,00,000/- (Rupees Seven Hundred and Fifty Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to determine the time and manner of making investment(s), within the above sanctioned limits, and to finalise, settle and execute such documents, deeds, writings, papers, agreements etc., as may be required, for the said purpose, and to complete the transaction with such modification(s) as may be required by any of the regulatory authority(ies) concerned and to do all such acts, deeds, matters and things as may in its absolute direction deem necessary, fit, proper or desirable to give effect to the above resolution.

10. To issue further number of options for grant under ESOS 2013

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

RESOLVED THAT in partial modification of the special resolution passed by the shareholders on 14<sup>th</sup> May, 2013, through Postal Ballot procedure and pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, (the

Act), and applicable rules made thereunder, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force), and pursuant to the provisions of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (SEBI Regulations) and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors vide their respective resolutions dated 16<sup>th</sup> June, 2016, and subject to such other approvals, permissions and sanctions as may be necessary from various authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent and approval of the Company be and are hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution), to create, issue, offer, grant and allot to or for the benefit of such person(s), as identified by the Nomination and Remuneration Committee, who are in permanent employment of the Company in India or out of India, including any Whole-time Director of the Company, except those who are Promoter or belonging to the Promoter Group and Independent Directors, additional options, exercisable into not more than 2,25,000 equity shares of the Company under Employee Stock Option Scheme 2013, in one or more tranches, giving the right but not obligation to the holder, to subscribe for cash on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority and that each option would be exercisable into one equity share of face value of ₹10/- each fully paid-up on payment of the requisite exercise price to the Company and the Board of the Company be and is hereby authorised to make requisite alterations in ESOS 2013, to give effect to the above creation of additional options.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 2,25,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the employee stock option scheme and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated,

then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of ₹10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares of the Company allotted under ESOS 2013 on the stock exchanges where the shares of the Company are listed, as per the provisions of the Listing Agreement executed with the stock exchanges concerned, the Act, the SEBI Regulations and other guidelines, rules and regulations as may be applicable.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee, with power to further delegate to any executives/officers of the Company to do all such acts, deeds, matters and things and also to execute such documents as may be necessary in this regard.

11. To grant options to identified employees during any one year, equal to or exceeding one percentage of the issued capital of the Company at the time of grant of option.

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution.

RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and applicable rules made thereunder, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force) and provisions of Regulation 6(3)(d) of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors vide their respective resolutions dated 16<sup>th</sup> June, 2016, and in accordance with the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions of any authorities, as may be required and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to approval of resolution by members for sub-division of the face value of equity shares being duly passed and becoming effective as set out in item no. 12 of this Notice convening the 20<sup>th</sup> Annual General Meeting, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers,

including the powers conferred by this resolution) to grant stock options under Employee Stock Option Scheme 2013, as amended from time to time, to identified employees, during any one year, equal to or exceeding 1% of the issued, subscribed and paid-up capital of the Company at the time of grant of option.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, on behalf of the Company.

12. Sub-division of Equity Shares from the face value of ₹ 10/- per share to face value of Re. 1/- per share.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to such other approval(s), consent(s), permission(s) and sanction(s), as may be necessary from the regulatory authority(ies) concerned, each equity share of the Company having face value of ₹ 10/- each (Rupees Ten only) fully paid-up, be sub divided into 10 (Ten) equity shares of the face value Re. 1/- each (Rupee One only) fully paid up and the relevant Capital Clause of Memorandum of Association of the Company be and is hereby altered accordingly.

RESOLVED FURTHER THAT on sub-division, 10 (Ten) equity shares of face value of Re.1/- each (Rupee One only) be allotted in lieu of existing 1 (one) equity share of ₹ 10/- each (Rupees Ten only) subject to the terms of Memorandum and Articles of Association of the Company and shall rank pari-passu in all respect, with the existing fully paid up equity shares of ₹ 10/- each (Rupees Ten only) of the Company.

RESOLVED FURTHER THAT on sub-division of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the face value of ₹ 10/- each (Rupees Ten only) held in physical form shall be deemed to have been automatically cancelled and be of no effect, on and from the Record Date and the Company may without requiring the surrender of the existing share certificate(s), issue and dispatch new share certificate(s) of the Company in lieu of such existing share certificate(s) subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and the Articles of Association of the Company and in the case of equity shares held in dematerialized form, the number of sub-divided equity shares be credited



to the respective beneficiary accounts of the members maintained with depository participants, in lieu of the existing credits representing the equity shares of the Company before sub-division.

RESOLVED FURTHER THAT the Board of Directors are hereby authorized to fix the Record Date and take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relating to above, including delegation of all or any of its powers herein conferred to any Director(s), Committees, the Company Secretary or any other officer(s) of the Company and to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interest of the Company, for giving effect to the aforesaid resolution, including but not limited to signing and execution of necessary forms, papers, writings, agreements and documents, giving customary representations and warranties, together with such indemnities as may be deemed necessary and expedient in its discretion and setting any question, difficulty or doubt that may arise in this regard, as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding on all the members.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to make appropriate adjustments due to the sub-division of equity shares as aforesaid, to stock options which have been granted or to be granted to employees of the Company under its Employees Stock Option Scheme 2013 approved pursuant to the Securities Exchange Board of India (Employee Stock Options and Employee Stock Purchase Scheme) Guidelines, 1999 and any amendment thereof from time to time, in such a manner that the exercise price for all employee stock options which are granted and outstanding as on the Record Date (vested and unvested or yet to be exercised) shall be proportionately adjusted and the number of stock options which are available for grant as on Record Date shall be proportionately adjusted and the Nomination and Remuneration Committee, be and is hereby authorized to do all things incidental and necessary in compliance with the applicable Guidelines.

**13. Alteration of Capital Clause of Memorandum of Association**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT subject to approval of resolution by members for sub-division of the face value of equity shares of the Company, being duly passed and becoming effective as stated in the resolution as set out at item no.12 of this Notice convening the 20th Annual General Meeting and subject to the provisions of Section 13 and other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-

enactments thereof for the time being in force), the existing Clause V of Memorandum of Association of the Company, be and is hereby amended by deletion of the existing Clause V and substituted by the following Clause:

V. The Authorised Share Capital of the Company is ₹35,00,00,000/- (Rupees Thirty Five Crores only) divided into 35,00,00,000 (Thirty Five Crores) Equity Shares of Re.1/- each (Rupee One only), with power to increase or reduce or modify the said capital and to divide the share for the time being of the Company into several classes and attach thereto preferential, deferred, qualified or special rights or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided for by the Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized, to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to delegate all or any of the powers herein conferred, to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the above resolution.

**14. To increase the Authorised Share Capital of the Company**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT subject to approval of resolutions by members for sub-division of the face value of equity shares and Alteration in Capital Clause of Memorandum of Association being duly passed and becoming effective as set out at item nos. 12 and 13 of this Notice convening the 20th Annual General Meeting and pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force), and in accordance with the provisions of Article 4 of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanction, if any, required from any authority, the Authorised Share Capital of the Company be increased from ₹35,00,00,000/- (Rupees Thirty Five Crores only) divided into 35,00,00,000 (Thirty Five Crores) Equity Shares of Re.1/- each (Rupee One only) to ₹40,00,00,000/- (Rupees Forty Crores only) divided into 40,00,00,000 (Forty Crores) Equity Shares of Re.1/- each (Rupee One only) by further creation of 5,00,00,000 (Five Crores) Equity Shares of Re.1/- each (Rupee One only).

RESOLVED FURTHER THAT, pursuant to provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made

thereunder, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force), and subject to such approvals, consents, permissions and sanctions, if any, required from any authority, the existing Clause V of the Memorandum of Association be altered by deletion of the existing clause and by substitution thereof with the following:

V. The Authorised Share Capital of the Company is ₹40,00,00,000/- (Rupees Forty Crores only) divided into 40,00,00,000 (Forty Crores) Equity Shares of Re.1/- each (Rupee One only), with power to increase or reduce or modify the said capital and to divide the share for the time being of the Company into several classes and attach thereto preferential, deferred, qualified or special rights or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided for by the Articles of Association of the Company.

RESOLVED FURTHER THAT, the Board of Directors of the Company, be and are hereby authorized severally to do all acts, deeds, things and take all such steps as may be necessary, proper or expedient to give effect to the above resolution.

By Order of the Board  
For V-Guard Industries Limited

Sd/-  
**Jayasree K**  
Company Secretary  
(Membership No.: ACS 15900)

Place: Kochi  
Date : 27<sup>th</sup> June, 2016

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY.
2. A blank form of proxy is enclosed and if intended to be used, should be lodged with the Company at the Registered Office at least FORTY-EIGHT HOURS before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/authority as applicable. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Members and proxies who desires to attend the Annual General Meeting of the Company are requested to bring the attendance slip duly filled in and signed and hand over the same at the registration counter at the venue of the Annual General Meeting. Members who have opted physical copy are requested to bring their copies of the Notice and Annual Report.
4. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business under item nos. 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 is annexed hereto. Pursuant to Regulation 36 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 on General Meetings, brief resume and functional expertise of the Directors seeking appointment / re-appointment is furnished below along with the details of listed Companies in which they hold Directorship and the details of membership or chairmanship of sub-committees of Board.
5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting. The Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will also be available for inspection by the members at the Annual General Meeting.
6. All the documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during the business hours on any working day, except Saturdays, Sundays and Public Holidays between 11.00 a.m. and 1.00 p.m. upto

- the date of Annual General Meeting. Members may also note that the Notice and Annual Report of the Company for the Financial Year 2015-16 are available on Company's website at [www.vguard.in](http://www.vguard.in).
7. The Register of Members and Transfer Books of the Company will be closed from 20<sup>th</sup> July, 2016 to 26<sup>th</sup> July, 2016 both days inclusive. If the final dividend as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made after 26<sup>th</sup> July, 2016, but within the statutory time limit of 30 days, as under:
    - a) To all beneficial owners in respect of shares held in electronic form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) on 19<sup>th</sup> July, 2016.
    - b) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 19<sup>th</sup> July, 2016.
  8. Members holding shares in dematerialized form may, kindly note that their address and bank account details, as furnished by their depositories to the Company, shall be printed on the Dividend Warrants, as per applicable regulations of the depositories. Members who wish to change their address/bank account details are requested to advise their Depository Participants about such change on or before 17<sup>th</sup> July, 2016.
  9. Members holding shares in physical form are requested to advise any change of address immediately to Link Intime India Private Limited, Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028, the Registrar and Transfer Agents of the Company, on or before 17<sup>th</sup> July, 2016.
  10. Members who still continue to hold shares in physical form, are requested to dematerialize their shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialized form. The shareholders have the option to hold Company's shares in demat form through National Securities Depositories Limited (NSDL) or Central Depository Services (India) Limited (CDSL).
  11. Members who wish to seek/desire any further information/clarification on the annual accounts are requested to send their queries at least 48 hours in advance of the date of the meeting to the Registered Office, by quoting the folio no. / client ID.
  12. The Notice of the Annual General Meeting along with the Annual Report for Financial Year 2015-16, is being sent by electronic mode to those members, whose e-mail ids are registered with the Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their email ids, physical copies are being sent by the permitted mode.
  13. To support the 'Green Initiative', the members who have not registered their e-mail ids are requested to register the same with Depositories.
  14. Members holding shares in physical form and not opted for NECS facility earlier, are requested to fill up the enclosed mandate form and forward the same to Link Intime India Private Ltd., latest by 17<sup>th</sup> July, 2016 to avail the NECS facility; members who have already availed the NECS facility may intimate Link Intime India Private Ltd., of any change in the Bank account details already furnished latest by 17<sup>th</sup> July, 2016.
  15. Members who are holding shares in physical form and opts dividend warrant are also requested to intimate their Savings Account/Current Account No. and the name of the Bank & Branch with whom such account is held or of any change in the information already furnished to Link Intime India Private Ltd. latest by 17<sup>th</sup> July, 2016 to enable the printing of the said details on the Dividend Warrant to prevent fraudulent encashment of the same.
  16. Transfer of Unclaimed / Unpaid amounts lying in unpaid dividend account to the Investor Education and Protection Fund (IEPF)
 

Pursuant to the provisions of Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, unclaimed / unpaid dividend for the Financial Year 2008-09 is due for transfer to the Investor Education and Protection Fund (IEPF) on 26<sup>th</sup> August, 2016. Members who have not yet encashed their dividend warrant or made any claim for the dividend of the Financial Year 2008-09, are requested to make their claims without delay to Link Intime India Private Ltd. Members who have not yet claimed the dividend for the subsequent financial years are also requested to make their claim at the earliest, though the dividend for the respective years is not due for transfer to IEPF this year. Members' attention is particularly drawn to the "Corporate Governance" section of the Annual Report in respect of unclaimed dividend.
  17. In compliance with Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited (NSDL). The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.



18. The instructions for e-voting are as under:
  - A. In case a Member receives an e-mail from NSDL (for Members whose email addresses are registered with the Company / Depositories):
    - i. Open the e-mail and also open PDF file, namely, "V-Guard e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
    - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
    - iii. Click on Shareholder - Login
    - iv. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
    - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
    - vi. Once the e-voting home page opens, click on e-Voting> Active Voting Cycles.
    - vii. Select "EVEN" (E-voting Event Number) of V-Guard Industries Limited which is 104165. Now you are ready for e-voting as Cast Vote page opens.
    - viii. Cast your vote by selecting the appropriate option and click on "Submit" and also "Confirm" when prompted.
    - ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
    - x. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently.
    - xi. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution and / or Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [jayan@svjs.in](mailto:jayan@svjs.in), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
    - xii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and e-voting user manual for Shareholders, available at the Download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
  - B. In case a Member receives physical copy of the Notice of the AGM (for Members whose e-mail addresses are not registered with the Company / Depositories):
    - i. Initial password is provided in the enclosed attendance slip: EVEN (E-voting Event Number) + USER ID and PASSWORD
    - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
  - C. Other Instructions
    - i. The e-voting period commences on Saturday, 23<sup>rd</sup> July, 2016 (9.00 a.m. IST) and ends on Monday, 25<sup>th</sup> July, 2016 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 19<sup>th</sup> July, 2016 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
    - ii. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the meeting through ballot.
    - iii. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). 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" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - iv. Mr. Jayan K, Practicing Company Secretary (Membership No. FCS 8154), has been appointed as the scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two 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 in writing who shall countersign the same.
    - v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.vguard.in](http://www.vguard.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result is declared. The Company shall

simultaneously forward the results to BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), where the shares of the Company are listed.

#### EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

As required by Section 102 of the Companies Act, 2013 (hereinafter referred as "the Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item nos. 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14 of the accompanying Notice dated 27<sup>th</sup> June, 2016.

#### Item No. 5

Mr. Ramachandran Venkataraman was appointed as a Whole-time Director of the Company under the designation Director-Marketing and Strategy for a period of three years effective from 01<sup>st</sup> June, 2013. His term of office as Whole-time Director expired on 31<sup>st</sup> May, 2016. Considering his contributions in the areas of marketing and initiating various strategic projects, the Nomination and Remuneration Committee, at its meeting held on 04<sup>th</sup> May, 2016, recommended the re-appointment of Mr. Ramachandran Venkataraman (DIN: 06576300), as Whole-time Director designated as Director and Chief Operating Officer, for a term of four years effective from 01<sup>st</sup> June, 2016 to 31<sup>st</sup> May, 2020, whose office shall be liable to retire by rotation. The Board of Directors in their meeting held on 04<sup>th</sup> May, 2016, approved the re-appointment subject to the approval of the members in the ensuing Annual General Meeting.

The remuneration payable to him is given herein below:

(Amount in ₹)		
Particulars	Per month	Per Annum
Salary	13,10,000	1,57,20,000
Medical Allowance	37,800	4,53,600
Total	13,47,800	1,61,73,600

The Board of Directors or any committee thereof, have the power to give an annual increase upto 20% of the last drawn salary and also to alter or modify other terms and conditions of appointment including the remuneration payable to him.

He is also entitled to the following perquisites during the tenure of his re-appointment.

- Rent free residential accommodation, and reimbursement of housing society charges and salary of domestic help paid by the Director.
- Employer's contribution to Provident Fund.
- The Company shall provide a car for office use with driver and use of car for private purpose shall be considered as perquisite.
- The Company shall provide a mobile phone for official use. Personal long distance calls made by the Director shall be billed by the Company and same be considered as perquisite.

The Board has also granted Employee Stock Options to Mr. Ramachandran Venkataraman, under Employee Stock Option Scheme, 2013, which would be vested over a period of four years from the date of grant.

He will be entitled to avail leave as per the rules of the Company and unavailed leave can be encashed.

He will not be entitled for sitting fee for attending the meetings of the Board or Committees thereof.

Detailed resume of Mr. Ramachandran Venkataraman, along with disclosures required under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard - 2 on General Meeting issued by the Institute of Company Secretaries of India, is given in the Annexure accompanying this Notice.

Directors seek the approval of the members for appointment of Mr. Ramachandran Venkataraman, as a Whole-time Director by way of passing an Ordinary Resolution. Accordingly, the Board of Directors recommend passing of the Ordinary Resolution contained in item no.5 of the accompanying Notice.

This Explanatory Statement be treated as a written memorandum under Section 190 of the Act, of the Agreement entered into between the Company and Mr. Ramachandran Venkataraman.

The copy of the agreement setting out the terms and conditions of appointment and remuneration of Mr. Ramachandran Venkataraman, shall be open for inspection by the Members at the Registered Office of the Company during business hours between 11.00 a.m. and 1.00 p.m., on any working day, excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting and at the Meeting.

Other than Mr. Ramachandran Venkataraman and his relatives, no other Director or Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the Ordinary Resolution set out in item no. 5 of the accompanying Notice.

#### Item No. 6

The Directors have appointed Mrs. Joshna Johnson Thomas, as a Non-Executive Director of the Board, liable to retire by rotation. She is also a member of the Nomination & Remuneration Committee. Considering contribution in strengthening and overseeing the Human Resource activities of the Company and also the guidance being provided to the Ethical Committee of the Company formed for Women welfare, on recommendation of Nomination and Remuneration Committee, your Directors have proposed payment of commission to Mrs. Joshna Johnson Thomas, as per the provisions of Sections 197 and 198 of the Act for a period of three years, from 01<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2019. The amount of commission payable to her shall be decided by the Board of Directors, and the same shall not exceed 1% of the net profits of the Company for each financial year, determined in accordance with the provisions of Section 198 and other applicable provisions of the Act. Such Commission will be in addition to the sitting fee being paid to her by the Company for attending the Board / Committee meetings of the Company.

Accordingly, your Directors recommend the Ordinary Resolution set out under item no. 6 of the Notice for approval of the shareholders.

Other than Mr. Mithun K Chittilappilly, Mr. Kochouseph Chittilappilly and Mrs. Joshna Johnson Thomas and their relatives, to the extent of their shareholding interest, if any, in the Company, no other Director or Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in the Ordinary Resolution set out in item no.6 of the accompanying Notice.

#### Item No. 7

The Board on recommendation of the Audit Committee has approved the appointment of M/s. Ajeesh and Associates, Cost Accountants, Ernakulam, as the Cost Auditors to conduct audit of the Cost records of the Company for the Financial Year ending 31st March, 2017. The Board has also approved payment of ₹1,65,000/- as audit fee payable to the Cost Auditors plus applicable tax and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Act, read with The Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

A certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the Registered Office of the Company on all working days except Saturdays, Sundays and Public Holidays between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting and at the Meeting.

Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for the Financial Year 2016-17 as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors recommend the Ordinary Resolution set out at item No. 7 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel or their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out in the item no. 7 of the accompanying Notice.

#### Item No.8

The members of the Company in their 18<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> July, 2014, had accorded consent to the Board of Directors of the Company to borrow any sum or sums of money upto a limit of ₹350 crores. However, the Company has not availed any long term loans subsequent to the said approval.

Company intends to expand its manufacturing capabilities and is also looking for inorganic growth opportunities in order to keep pace with the changing environment. Your Directors are of the opinion that in order to fund the said requirements, the Company may avail long term financial assistance from various Banks or Financial Institutions.

In terms of the provisions of Section 180(1)(c) of the Act, the Board of Directors of the Company cannot, except with the consent of the members of the Company by way of Special

Resolution, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of aggregate of the paid up share capital and free reserves i.e. reserves not set apart for any specific purpose.

It is therefore, necessary for the members to pass Special Resolution under Section 180(1)(c) and other applicable provisions of the Act, as set out at item no. 8 of the Notice, to enable the Board of Directors to borrow money or monies in excess of the aggregate of the paid up share capital and free reserves of the Company, but not exceeding ₹750,00,00,000/- (Rupees Seven Hundred Fifty Crores only).

The Board of Directors accordingly recommend the Special Resolution set out at item no. 8 of the accompanying Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested financially or otherwise in the Resolution set out at item no. 8 of the accompanying Notice.

#### Item No.9

As a result of various strategic initiatives undertaken by the Management, the Company was able to bring down its working capital requirements and has accrued huge cashflows during the Financial Year 2015-16. The Company's future growth plans may necessitate it to subscribe or acquire securities of other bodies corporate in excess of, 60% of the aggregate of paid up capital or free reserves or 100% of the free reserves. Considering the Company's strategic plans, your Directors propose to seek the approval of the members under section 186 of the Act, by way of passing a Special Resolution, to invest in the securities of other bodies corporate upto a limit of ₹750.00 crores (Rupees Seven Hundred and Fifty Crores only).

Your Directors propose passing of Special Resolution under item no.9 for consideration and approval of members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the Resolution set out at item no. 9.

#### Item No. 10 & 11

The Company had implemented an Employee Stock Option Scheme, 2013 (ESOS 2013), in accordance with erstwhile Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and sought the approval of the members on 14<sup>th</sup> May, 2013, through postal ballot procedure for grant of 11,20,000 numbers of options under the scheme to eligible employees of the Company. The members had also authorized the Board or its Committee to make alterations, modification or variation in the ESOS 2013, from time to time. The scheme is administered by Nomination and Remuneration Committee and options are granted to eligible employees from time to time.

Equity based compensation is considered to be an integral part of employee compensation, which enables alignment of personal goals of the employees with organizational goals.

Directors believe that equity based compensation schemes are an effective tool to reward the employees including the professional Directors in the growth pace of the Company and helps in retaining the existing key resources and also attract new talents, who are required for the future growth.

With this objective, on recommendation of Nomination and Remuneration Committee, your Directors propose, to create, issue, grant, offer and allot at any time to or for the benefit of such person(s) who are in permanent employment of the Company, in India or out of India including Whole-time Director, other than Promoters and Independent Directors of the Company, additional options exercisable into not more than 2,25,000 equity shares of the Company under Employee Stock Option Scheme 2013, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board or Nomination and Remuneration Committee in accordance with the provisions of the law or regulations issued by the relevant authority and that each option would be exercisable into one equity share of face value of ₹10/- each fully paid-up on payment of the requisite exercise price to the Company, subject to approval of members and such other approvals, as the case may be. The Board or the Nomination and Remuneration Committee of the Company is authorised to carry out requisite modifications in ESOS 2013, to enhance the limit of options to be granted, after obtaining the approval of the members.

#### Brief description of ESOS 2013

- a. The Nomination and Remuneration Committee, may, on such dates as it shall determine, grant to such eligible employees and Directors, as it may in its absolute discretion, options under ESOS 2013, on such terms and conditions, as it may decide.
- b. The options granted under the Scheme would vest not less than one year and not more than four years from the date of grant of such options. Vesting of options would be a function of continued employment with the Company.
- c. The exercise price would be equal to a price not less than face value of the shares and not more than the prevailing Fair Market Value of the shares, on the prior date of the meeting of the Nomination and Remuneration Committee, for consideration of grant.
- d. The options granted under the Scheme shall be exercisable at any time during the exercise period, and subject to fulfilment of conditions of vesting. The options shall be deemed to have been exercised when an employee makes an application in writing to the Company accompanied by payment of an amount equivalent to the exercise price in respect of such shares. Exercise of option is permitted upto a period of 6 years from the date of vesting and if the options are not exercised within the said period, it will get lapsed.
- e. The Company will conform to the disclosures and the accounting policies prescribed by SEBI and other regulatory authorities from time to time.

- f. The Company shall use intrinsic value method to value its options. The difference between the employee compensation cost computed under intrinsic value method and the employee compensation cost that shall have been recognized, if it had used the fair value method of the options, shall be disclosed in the Directors' Report and the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As per Regulation 6(3)(d) of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, approval of the Members by way of Special Resolution is required to extent benefits to identified employees under any Employee Stock Option Scheme during any one year equal to or exceeding one percentage of the issued capital of the Company at the time of grant of options.

The Nomination and Remuneration Committee may identify certain employees to whom it may be necessary to grant option exceeding one percentage of the issued capital of the Company in any one year, considering the contributions made by them for the growth of the Company. Approval of the members is sought by way of Special Resolution for the proposal to grant options exceeding one percentage of the issued capital of the Company.

A copy of ESOS 2013 is available for inspection by the Members at the Registered Office of the Company, during business hours between 11.00 a.m. and 1.00 p.m., on any working day, excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting and at the meeting.

The Board of Directors recommend passing of the Special Resolution contained in item nos. 10 & 11 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned, financially or otherwise, in the resolutions set out in Item No.10 & 11, except to the extent of their entitlements, if any, under the ESOS 2013, of the accompanying Notice.

#### Item No. 12 & 13

The Equity Shares of the Company are listed and actively traded on the National Stock Exchange of India Limited and BSE Ltd. The market price of the shares of the Company has increased significantly during the last two years. In order to improve the liquidity of the Company's shares in the stock market and with a view to encourage the participation of small investors by making Equity Shares of the Company affordable, the Board of Directors at their meeting held on 16<sup>th</sup> June, 2016, have considered and approved sub-division of One Equity Share of the Company having face value of ₹10/- each into Ten Equity Shares of face value of Re.1/- each, subject to the approval of the members of the Company and any other statutory and regulatory approvals, as applicable. The Record Date for the aforesaid sub-division of Equity Shares will be fixed by the Board of Directors of the Company.



The sub-division of Equity Shares would require appropriate adjustments with respect to all the stock options of the Company under its Employee Stock Option Scheme and all the stock options that are granted and vested, but not exercised on the Record Date and options which are unvested and lapsed options which are forfeited and available for reissue, shall be proportionately converted into options for Equity Shares of face value of Re.1/- each and the grant price of all the outstanding stock options shall be proportionately adjusted.

The sub-division of equity shares requires consequential amendments to the existing Capital Clause of Memorandum of Association of the Company and hence, your Directors propose passing of Ordinary Resolutions set out in the item nos. 12 & 13 of the accompanying notice, by the members of the Company.

The Memorandum of Association depicting the proposed alteration is available for inspection by the Members at the Registered Office of the Company during business hours between 11.00 a.m. and 1.00 p.m. on any working day, excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting and at the meeting.

None of the Directors and Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in the resolutions set out in item nos. 12 & 13 of the accompanying Notice.

#### Item No.14

Your Company is presently foraying into different product verticals and is strengthening its manufacturing base in various product categories. The Management is also taking various strategic initiatives to build capabilities in various areas, strengthen its Research and Development activities and also resort to various cost reduction programmes across operational areas. To implement all these initiatives, infusion of long term financial resources is required both in terms of equity and external borrowings.

To enable the Company to raise equity, it is proposed to increase the Authorised Capital of the Company from ₹ 35,00,00,000/- (Rupees Thirty Five Crores only) divided into 35,00,00,000 (Thirty Five Crores) Equity Shares of Re.1/- each (Rupee One only) to ₹ 40,00,00,000/- (Rupees Forty Crores only) divided into 40,00,00,000 (Forty Crores) equity shares of Re.1/- each (Rupee One only).

As per the provisions of Section 13 and 61 of the Act, approval of the members of the Company is required for increasing the Authorised Share Capital and altering the capital clause of the Memorandum of Association. Hence, the Board of Directors recommend the resolution set out at item no.14 for approval of the members by way of passing an Ordinary Resolution.

The Memorandum of Association depicting the proposed alteration is available for inspection by the Members at the Registered Office of the Company during business hours between 11.00 a.m. and 1.00 p.m. on any working day, excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting and at the meeting.

None of the Directors and Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in the resolution set out in item no.14 of the accompanying Notice.

By Order of the Board  
For V-Guard Industries Limited

Sd/-  
**Jayasree K**  
Company Secretary  
(Membership No.: ACS 15900)

Place: Kochi  
Date : 27<sup>th</sup> June, 2016

## DIRECTORS PROFILE

Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting in pursuance of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meeting issued by Institute of Company Secretaries of India.

Particulars	Mrs. Joshna Johnson Thomas	Mr. Ramachandran Venkataraman
Date of birth & Age	14.06.1984; 32 years	27.10.1963; 52 years
DIN	02613030	06576300
Date of first appointment to the Board	02.05.2014	01.06.2013
Qualification	MBA - Human Resources	- Bachelor of Science - Master's in Management Studies(Marketing)
Experience in specific functional areas	As a Human Resources professional, she has the opportunity to work across multiple organizations in the Middle East. Currently she is the Non-Executive Director in V-Star Creations Pvt. Ltd.	Having more than twenty five years cross functional experience in Hindustan Uniliver/ Unilever and L G Electronics. He was occupying the position of Director-Marketing and Strategy, of the Company since 1st June, 2013 and has been heading sales and marketing activities of the Company and is leading several new initiatives in the Company.
Relationship with any Director(s) or Manager or Key Managerial Personnel of the Company	Related to Mr. Mithun K Chittilappilly and Mr. Kochouseph Chittilappilly, the Directors of the Company.	Not related to any Director of the Company.
Directorship held in other listed Companies	Nil	Nil
Memberships in the Committees of Board of other listed Companies	Nil	Nil
Membership and Chairmanship in the Committees of the Board of the Company	Member of Nomination and Remuneration Committee	Nil
No. of shares held in the Company	Nil	36,881
Number of meetings of the Board attending during the Financial Year 2015-16	4	6
Terms and conditions of re-appointment along with details of remuneration sought to be paid	Occupies the position of Non-Executive Director and liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013 and being eligible offers herself for re-appointment. Details of remuneration proposed is detailed in the item no. 6 of the Notice of the 20 <sup>th</sup> Annual General Meeting dated 27 <sup>th</sup> June, 2016 as well as in the item no. 6 of the Explanatory Statement.	Re-appointed as Whole-time Director under the designation Director and Chief Operating Officer, for a period of four years effective from 01 <sup>st</sup> June, 2016, subject to the approval of the members in the 20 <sup>th</sup> Annual General Meeting. Details of remuneration payable is given in item no. 5 of the Explanatory Statement.
Details of last drawn remuneration	Not Applicable	During the Financial Year 2015-16, an aggregate amount of ₹ 254.66 lakhs was paid as salary, commission and other perquisites and 68,532 nos. of options were vested under ESOS 2013.





## V-GUARD INDUSTRIES LIMITED

CIN : L31200KL1996PLC010010

Regd. Office: 42/962, Vennala High School Road, Vennala P.O., Kochi - 682 028, Kerala, India  
Tel: + 91 484 - 3005000; Fax: +91 484 - 3005100; E-mail id: mail@vguard.in; website: www.vguard.in

### FORM NO. MGT - 11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014, as amended from time to time]

Name of the member(s) :

Registered address :

E-mail :

Folio No/Client Id :

DP ID :

I/We, being the member(s) ..... shares of the above named company, hereby appoint,

1. Name :

Address :

E-mail Id :

Signature :

or failing him / her

2. Name :

Address :

E-mail Id :

Signature :

or failing him / her

3. Name :

Address :

E-mail Id :

Signature :

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, the 26<sup>th</sup> July, 2016, at 4.30 p.m., at Hotel "The Renai Cochin", Palarivattom P.O, Ernakulam - 682025 and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

## V-Guard Industries Limited - Annual Report 2015-16

Resolution Number	Resolution	Vote (optional see note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Financial Statements for the Financial Year ended 31 <sup>st</sup> March, 2016.			
2	To confirm the payment of interim dividend of ₹4.50 per shares and declaration of final dividend for the Financial Year 2015-16.			
3	Re-appointment of Mrs. Joshna Johnson Thomas, Director, who retires by rotation and offers for re-appointment.			
4	Ratify the appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company from the conclusion of 20th Annual General Meeting upto the conclusion of 21 <sup>st</sup> Annual General Meeting.			
Special Business				
5	Re-appointment of Mr. Ramachandran Venkataraman, as Whole-time Director, designated as Director and Chief Operating Officer, for a period of four years with effect from 1 <sup>st</sup> June, 2016.			
6	Payment of Commission to Mrs. Joshna Johnson Thomas, Non-Executive Director, for a period of three years with effect from 1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2019.			
7	Ratification of payment of ₹1,65,000/- as remuneration and plus applicable tax and reimbursement of out of pocket expenses to M/s. Ajeesh & Associates, the Cost Auditors of the Company for the Financial Year 2016-17.			
8	To increase the borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013, to an aggregate limit of ₹750.00 crores.			
9	To increase the limit for investing in securities of other Bodies Corporate under Section 186 of the Companies Act, 2013, upto aggregate limit of ₹ 750.00 crores.			
10	To issue further number of options to the extent of 2,25,000 nos. for grant under ESOS 2013.			
11	To grant options to identified employees during any one year, equal to or exceeding one percentage of the issued capital of the Company at the time of grant of option.			
12	Sub-division of Equity Shares from the face value of ₹ 10/- per share to face value of Re. 1/- per share.			
13	Alteration of Capital Clause of Memorandum of Association of the Company to effect the sub-division of Equity Shares of the Company.			
14	To increase the Authorised Share Capital of the Company from ₹ 35 crores to ₹40 crores.			

Signed this ..... day of ..... 2016

Signature of shareholder : .....

Signature of Proxy holder(s) : .....

Affix Revenue  
Stamp not  
less than  
Re. 1

**Note :**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'for', 'against', 'abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner he/she may deem applicable.

## V-GUARD INDUSTRIES LIMITED

CIN : L31200KL1996PLC010010

Regd. Office: 42/962, Vennala High School Road, Vennala P.O, Kochi - 682 028, Kerala, India

Tel: + 91 484 - 3005000; Fax: +91 484 - 3005100; E-mail id: mail@vguard.in; website: www.vguard.in

### National Electronic Clearing Service (NECS) Mandate Form (For shares held in physical form)

1. First Shareholder's Name :
2. Shareholder's Folio no. :
3. Particulars of Bank Account :
  - a) Bank Name :
  - b) Branch Name :
  - c) Account no. :
  - d) Account Type : SB ☐ Current ☐ Cash Credit ☐  
(tick whichever is applicable)
  - e) Ledger Folio no. of the Bank A/c :  
(as appearing on the cheque book)
  - f) 9 Digit code no. of the Bank & Branch appearing on the MICR :  
Cheque issued by the Bank

I, hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company responsible.

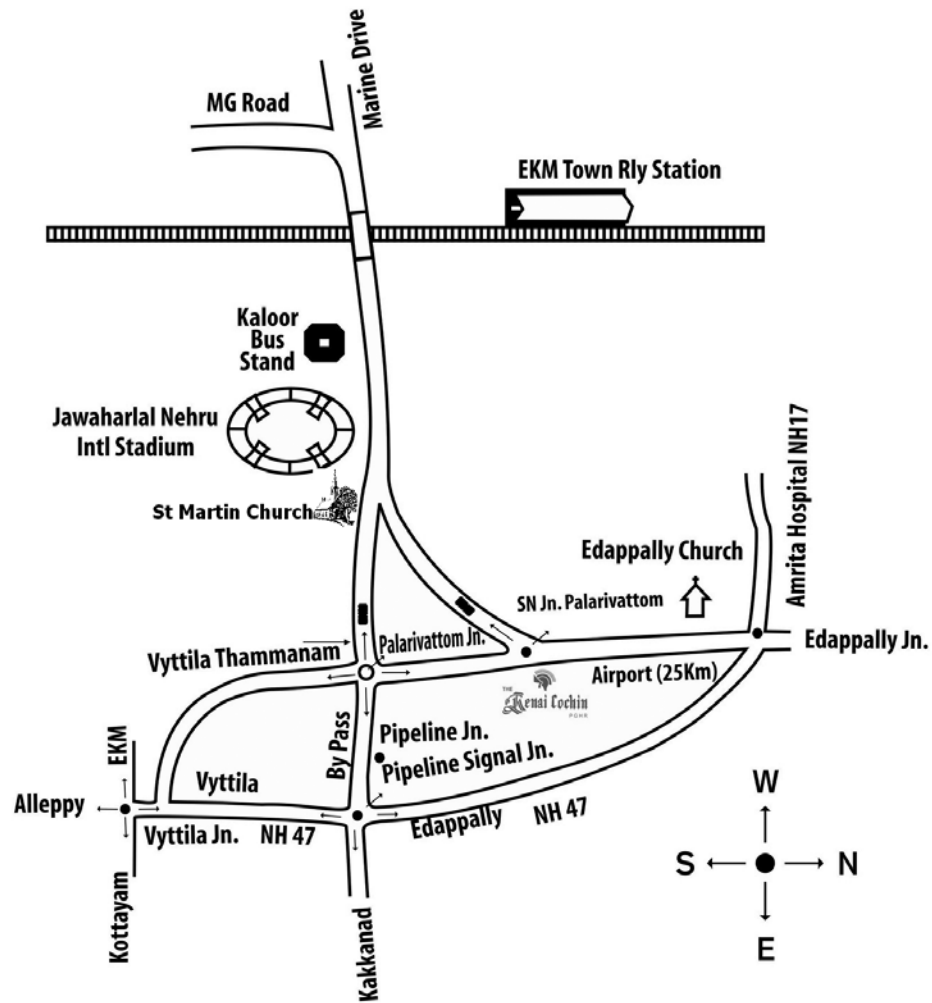
Signature of First Shareholder

Date:

#### Note:

1. Please attach photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the code numbers.
2. Members who are holding shares in physical form and have not opted for NECS facility earlier are requested to fill up the enclosed mandate form and forward the same to Link Intime India Private Ltd, Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028 latest by 17<sup>th</sup> July, 2016.
3. Members who have already availed the NECS facility may intimate Link Intime India Private Ltd in the aforesaid address of any change in the bank account details already furnished latest by 17<sup>th</sup> July, 2016.
4. Members who have received soft copy of the Annual Report may kindly take a print out of the NECS mandate and dispatch the same to the aforesaid address latest by 17<sup>th</sup> July, 2016.

## ROUTE MAP OF THE AGM VENUE







*The name you can trust*

**CORPORATE OFFICE**

**V-GUARD INDUSTRIES LTD.**

**Regd Office.**

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