V-GUARD INDUSTRIES LIMITED
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CIN: L31200KL1996PLC010010

V-GUARD®
www.vguard.in

Date: 10.07.2015

FORM A

Format of Covering letter of Annual Audit Report to be filed with the Stock Exchanges

1	Name of the Company	V-Guard Industries Limited
2	Annual financial statements for the year ended	31st March, 2015
3	Type of audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by -	
	Managing Director :	
	Chief Financial Officer :	
	Audit Committee Chairman :	
	Auditor of the Company : For S R Batliboi & Associates LLP, Chartered Accountants ICAI Firm Registration number : 101049W Per Aditya Vikram Bhauwala Partner Membership number : 208382	

V-GUARD
The name you can trust

V-GUARD INDUSTRIES LIMITED
ANNUAL REPORT 2014-15

POWERING AHEAD

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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.

Powering Ahead

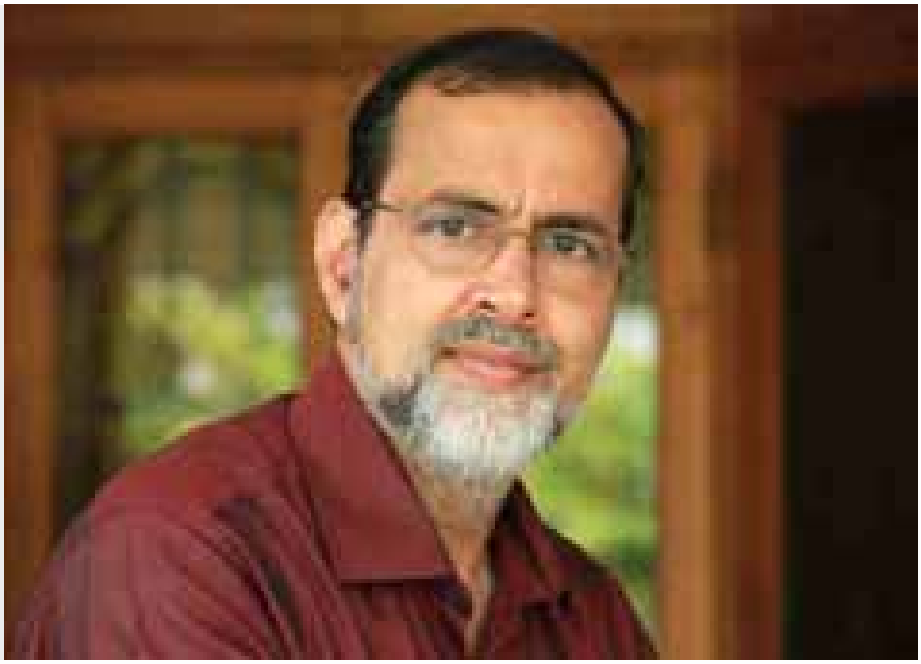
River rafting depends on many skills and factors that don't exist in other sports. In River Rafting teamwork is critically important. Not only it involves situational tactics but also long term strategy for rafting, and this strategy may change over the course of the journey.

An unexpected current can completely change the game. Handling the situation, tactics, strategy and resilience to stay afloat and keep the momentum are essentials to power ahead.

Despite a challenging year, at V-Guard we remained differentiated by implementing our key strategies. During the year under review we registered a y-o-y revenue growth of 15% as well as lowered our debts, increased the cash flows and improved our operational efficiencies.

We maintain our competitive advantage by diversifying our product mix and markets, maintaining an asset light operational model, improving efficiencies across functional areas and strong marketing investments. The V-Guard brand equity continue to uphold its edge by our customer centric product innovations and strong after sales service.

The entrepreneurial spirit and deep commitment from V-Guard management & staff to drive better and smarter solutions for consumers continues to deliver value for our stakeholders and enable us to power ahead.



Chairman's Letter

We are Powering Ahead

Dear Shareholders,

Thank you for taking time to read our annual report of FY 14-15 which comes with the theme " Powering Ahead" - an expression of our operational resilience in the face of changing business conditions.

We continue to successfully stride through diverse challenges powered by the V-Guard brand equity, governance, product innovations, strategic initiatives and by maintaining stakeholder relations.

Performance Review

Your company, though started FY 14-15 on a buoyant note, stumbled upon many macroeconomic challenges in the second half of the year. The favourable consumer sentiments echoed positively on our performance during the first two quarters of the year. During this period our revenue as well as margins improved substantially. However during Q3 & Q4, the initial euphoria plummeted giving way to weak consumer sentiments, lower rural demand on inferior farm incomes and slower-than-expected growth in construction activity. Sales of some of the key products in our electrical segments such as housing wires, cables and pumps were impacted, reflecting on our revenue growth as well as margins.

Though lower than expected, our top line improved by 15% y-o-y basis as against 12% in the previous year. During the year under review we achieved a total revenue of Rs.1746 crores as against 1517 crores in the previous year. The growth in revenue was propelled by increased sales from water heaters, stabilizers, fans and kitchen appliances. Our amplified advertising and aggressive marketing initiatives helped in increasing the revenue share from non south markets to 33% as against 30% in the previous year.

Our margins were impacted due to multiple macroeconomic developments - among them reduction in copper prices which lead to destocking of cables & wires by distributors and subsequent inventory losses. Planned spending for enhancing our manpower in key functional areas of production and marketing along with expansion of our customer service networks also had its impact on our margins. Our PAT remained flat y-o-y basis.

Higher depreciation charges and increased tax outgo impacted the PAT margin. As you may be aware, some of the plants availing tax free status during last five years have now come partly under tax. Our average tax rate has gone up from last year's 26 per cent to 30 per cent.

Consistent with our progressive dividend policy, the Board of Directors have recommended a final dividend of Rs.4.50 per share for FY14-15.

Key Initiatives in FY14-15

During the year when the market became unfavourable, we turned inwards to further improve our operating efficiencies. By deploying rigorous internal controls, inventory management and tight control on receivables, we managed to increase our cash flows substantially. Our working capital cycle marked an improvement by 6 days during the year.

During the year we launched our premium variant of the electrical water heater "Pebble" across India. Pebble comes with engineered polymer anti-corrosion technology for 100 per cent rust resistance. The product was widely accepted by consumers and contributed considerably to our revenue growth. Further leveraging on our brand and distribution network, we expanded market for our cook tops and

mixer grinders by launching them in few other southern states as well.

Customer care is akin to our vision to make V-Guard a trusted household name. In order to improve the quality of our customer service and ensure sustainable growth, we invested in a franchise-based after sales service system, upgraded the IT infrastructure and also setup a unified third-party call center.

With the involvement of an external consultant, we are in the process of making our supply chain leaner and more robust. This new SCM initiative will, among other benefits, help to maintain optimal inventory at various stock points, there by bringing down inventory costs.

Governance

We continue to comply fully with all governance, statutory, reporting and social norms.

The Board is responsible for the leadership, control, development, risk management and long-term success of the company. V-Guard has its own unique culture and ethos established since its inception, to achieve the highest standards of governance through honesty and openness in all business dealings. Our Board comprises of a diverse mix of experienced individuals, chosen for their relevant skill sets, valued for their independent mind-set and collectively supporting the management on all corporate strategic initiatives.

Corporate Social Responsibility

Social responsiveness and community development is embedded into V-Guard business model beyond compliance and regulatory compulsions. Corporate Social Responsibility is an integral part of our culture and we are committed to fulfill our responsibilities as a member of the society and community. V-Guard continues to contribute towards improvements in the field of education, healthcare, disaster relief and environment. Our CSR team, guided by the Board constituted CSR committee, has implemented various social development initiatives across India. In the year FY 14-15 we spent Rs.164 lakhs towards these initiatives.

Outlook

As on today, India has one of the lowest per capita in consumer durables usage. It is estimated that by 2025 India will become the 5th largest consumer durable market in the world. With the government's focus on rural electrification, the usage is expected to increase across the rural heartlands in India. With a healthy product mix, pan-Indian branch, distributor, retail and service networks, we are in full readiness to capitalise on the emerging opportunities.

We will continue to focus on increasing our retail network in non-south states and thereby increase revenue contribution from non-south distributors. A strong foundation has been laid in the non-South markets through aggressive brand building initiatives which will be continued. The focus will be on turning around the underperforming states, resolving product mismatches in these states and strengthening the sales teams.

India is poised to embrace GST, a long cherished uniform tax regime soon. With the implementation of GST, multiple levels of taxation is expected to come down. It could also reduce cost of carrying inventory, since businesses can manage with lesser number of warehouses. It will also reduce the time and cost taken for movement of goods across the country, bringing down logistic cost. V-Guard is poised to take advantage of GST implementation with our advanced technological as well as operational capabilities.

Let me assure you that today V-Guard is a more resilient company with a well nurtured product and process advantage. While we remain committed to increasing the shareholder value, we are equally committed to our responsibility towards corporate governance, society and environment.

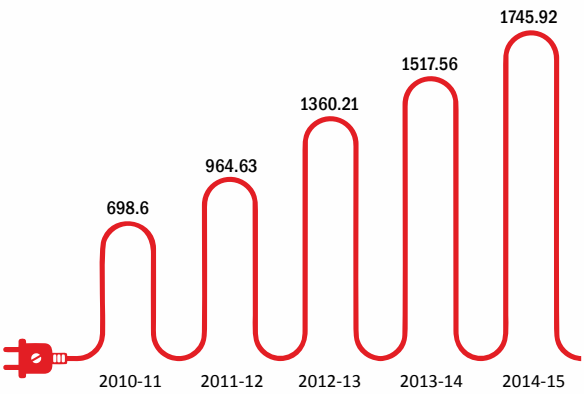
I would like to express my sincere thanks and gratitude to all stakeholders including our esteemed shareholders, valued customers, vendors, banks, Central and various State Governments for the faith reposed by them in the company.

With Best Wishes

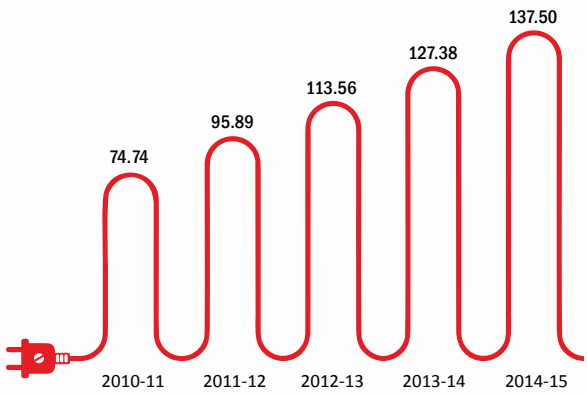
Kochouseph Chittilappilly
Chairman

Financial Highlights (Rs. in crores)

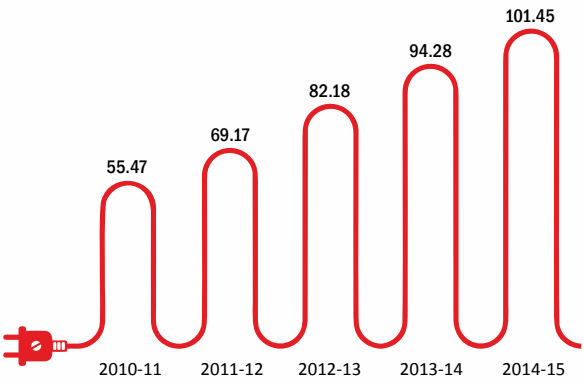
REVENUE



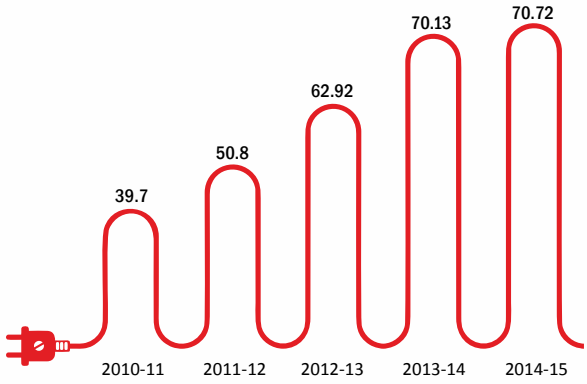
EBIDTA



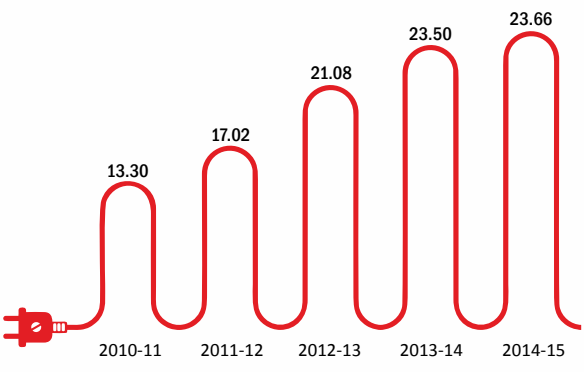
PBT



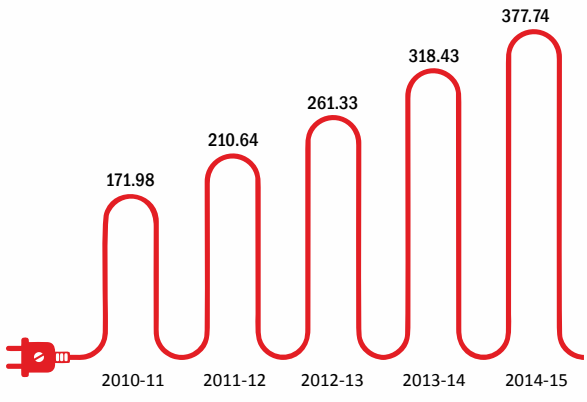
PAT



EPS (Rs.)



NETWORTH



Graph Not to Scale

Financial Highlights - 10 Years at a Glance

(Rs. in crores)

Financial Performance	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Total revenue	161.01	210.85	263.82	301.21	430.04	698.60	964.63	1,360.21	1,517.56	1745.92
EBIDTA	19.13	27.29	30.82	35.06	51.79	74.74	95.89	113.56	127.38	137.5
Profit before tax	14.26	20.70	22.73	26.28	39.51	55.47	69.17	82.18	94.28	101.45
Profit after tax	9.20	13.50	14.64	17.35	25.47	39.70	50.80	62.92	70.13	70.72
Earnings per share - Rs.	30.68	8.68	6.53	5.81	8.53	13.30	17.02	21.08	23.50	23.66
Dividend per share - Rs.	10.00	4.00	6.50	2.50	3.00	3.50	3.50	3.50	4.50	4.50

CAGR FY 11-15

REVENUE
+26%

EBIDTA
+16%

PBT
+16%

EPS
+16%

Financial Highlights - 5 Years at a Glance

(Rs. in crores)

Key Ratios	2010-11	2011-12	2012-13	2013-14	2014-15
EBIDTA / Revenue	10.70%	9.90%	8.30%	8.40%	7.90%
PBT / Revenue	7.90%	7.20%	6.00%	6.20%	5.80%
PAT / Revenue	5.70%	5.30%	4.60%	4.60%	4.10%
ROCE (5 Yrs)	21.65%	25.87%	22.68%	25.33%	25.85%
ROE / Return on Net worth (5 yrs)	24.79%	24.12%	24.07%	22.02%	18.72%
Debt Equity Raio (5 Yrs)	0.81	0.52	0.63	0.34	0.18

	2010-11	2011-12	2012-13	2013-14	2014-15
Share capital	29.85	29.85	29.85	29.85	29.97
Reserves & Surplus	142.13	180.79	231.48	288.58	347.76
Net worth	**171.98**	**210.64**	**261.33**	**318.43**	**377.74**
Borrowings:					
Long term borrowings	4.51	23.94	39.70	40.17	31.00
Short term borrowings	134.93	85.21	125.39	68.18	36.77
Total Borrowings	**139.44**	**109.15**	**165.09**	**108.35**	**67.77**
Current Liabilities (net)	79.27	137.12	214.21	235.70	261.90
Fixed Assets	115.22	134.13	146.97	169.66	163.58
Current Assets	286.64	330.16	489.16	496.29	542.54

Powering Ahead by

Strategic Advantages

Q&A with **Mithun K Chittilappilly** -Managing Director

On FY14-15 Performance

In FY 14-15, our performance was a mixed bag. While our revenue improved by 15%, significant drop in copper prices during the year impacted realizations from wires and cables business and had a pull on our margins. Similarly, the pumps & motors business was impacted during the year in its key markets - Kerala and Karnataka. However on operational efficiency front we made notable strides. Our working capital cycle improved by 6 days Y-o-Y and 7 days Q-o-Q to 70 days resulting in a strong cash flow of 88 crores from operations. We have considerably brought down the debt on our balance sheet - by Rs. 41 crores during the year to Rs. 68 crores. Debt-equity ratio remains robust at 0.2x.

On performance of V-Guard product portfolio

Among our flagships products, voltage stabilizer continue to drive growth for the company with this business delivering a Y-o-Y growth of 23%. The fans business has been a turnaround story for the Company in FY15 with a strong growth of 34% Y-o-Y along with significant growth in the margins. The new kitchen appliance category received favourable response. During the year we launched induction cooktops in Tamil Nadu. Mixer grinders which was introduced in the last financial year, also improved its revenue contribution.

Our new premium variant of water heaters “Pebble” was successfully launched on a pan India basis in FY14-15. This high-end variant was well accepted and also helped us to expand our network among stores which sells premium consumer durables. This is in tandem with our strategy on expanding value added premium products for better margins.

Key Strategic Advantages

Our strategies are aimed at creating a technological and operating synergy across all functional areas for increasing organizational efficiencies.

Today our greatest strategic advantage is having a solid business platform encompassing technology, product development, quality, brand equity and an asset light manufacturing model backed by an efficient supply chain. On the HR front we are driven by leadership, intelligence and motivated people. We continuously develop and support our teams, increasing their engagement and capabilities. Our customer service network was revamped in the recent years under a corporate strategic initiative titled “Parivarthan” . Having a benchmark service model driven by ownership and enabled by technology, we are able to deliver a better brand experience for our customers. Similarly with our SCM initiative titled “Udaan” we aim to improve our value chain making it leaner & seamless.

Future Prospects & Plans

With demand on the central government to speed up implementation of its announced plans, the construction and housing sector is expected to rebound in FY16. Smart cities and housing for all schemes are welcome announcements. Among states, Andhra Pradesh is witnessing a heightened activity with bifurcation of the state and building of its new capital underway. The business and investment climate in Telangana is limping back to normalcy after bifurcation. The much awaited GST once implemented, can rationalise logistics expenses.

While powering ahead for a higher level of growth, we are better equipped to respond flexibly to changes in customer needs, market trends and business conditions. We would focus on increased revenue from value added products for better margins and will continue our efforts to improve cash flows and working capital cycle. On the marketing front, we will maintain ongoing expansion in non-south markets. Adding new retailers under non-south distributors is afoot for increasing average realization.

Powering Ahead by

A Healthy Product Mix

At V-Guard product strategies are driven by our brand vision to enrich consumers by fulfilling their ever changing aspirations to own & experience technologically advanced household durables.

In less than four decades V-Guard's product range has become a synonym of durability and up-to-date technology. Our R&D focus is on designing and manufacturing products that are built to last.

Key Product Strategies :

Reducing lone product dependency and maintaining a diversified product mix

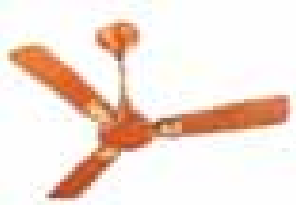
Brand building and increasing retail network

Focus on developing new and improved product variants through R&D

Having an efficient after sales service

Voltage Stabilizers

Water Heaters



Fans

Wires

Power & Control Cables

UPS

Solar Water Heaters

Digital UPS, Inverters & Battery

Domestic & Agricultural Pumps

Switch Gears

Mixer Grinders

Induction Cooktops

Powering Ahead by

Research & Development

The R&D Centre in V-Guard is fully committed in its relentless pursuance for innovation by creating products with a single minded purpose of "customer delight". The continuous endeavours of many years has also resulted in the R & D wing being conferred with the coveted DSIR recognition in 2012-2013 for the 'In-house R & D Centre'. It's a title that only a select few electrical and electronics manufacturing companies have managed to attain. The Centre has over the years played a key role in the designing of a various range of products that have been widely appreciated and accepted nation wide.

Research on Solar PV, Electrical Kitchen Appliances, Solar Water Heaters, Pumps, Motors and Fans are some of the key areas of research being undertaken by the R&D team.

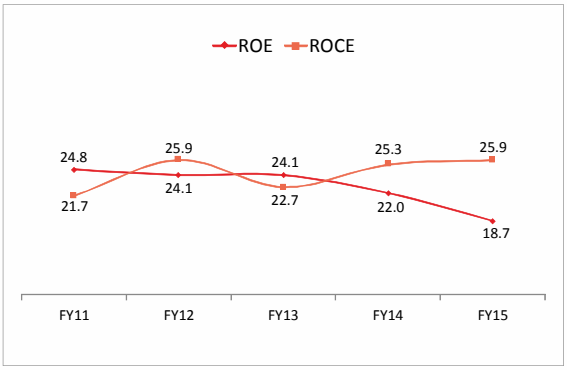
The key focus of the R&D is to develop customer & environment friendly electrical and electronic products. The R&D team also extends its knowhow on manufacturing processes and systems to improve efficiencies in the manufacturing ecosystem. R&D team also handhold V-Guard vendors time to time.

Powering Ahead by

Asset Light Manufacturing

In order to combat multiple challenges related to revenue growth, profitability and shareholder returns V-Guard works on a "asset-light" operating model. The company outsources more than 60% of its production and has tied up with vendors spread across India to manufacture various products. The outsourcing model helps us to maintain return ratios with lower capex requirement as well as frees up resources for brand building, marketing and quality control.

Impact of Asset Light Manufacturing



Key Aspects of V-Guard's Asset Light Model

- Complete control on supply chain
- R&D support to vendors
- V-Guard QA officials posted at Vendors for ensuring quality
- Owns all designs and moulds

Powering Ahead by

Supply Chain Management Excellence

UDAAN
Imagine. Believe. Achieve

Significant proportion of the total value addition in any outsourcing/ manufacturing & marketing organizations like V-Guard happen within its Supply Chain Management (SCM) operations. Hence effective and efficient SCM operations would be critical in determining the organization's success in today's competitive world. V-Guard has significant supply chain operational complexities emanating from its 12+ product categories, 2500+ SKUs, 5 own factories, 200+ vendors, 500+ distributors, 5000+ direct dealers. The scale up of our business together with our planned growth agenda for the coming years provides an opportunity to revisit our supply chain with the objective to enhance our future competitiveness, besides building required capabilities to deliver our growth agenda. With this purpose V-Guard initiated ' Project Udaan' with the objective to revisit our supply chain strategy, adopt industry leading supply chain practices and re-align SCM organisation structure behind critical value drivers for efficient and effective supply chain management. 'Project Udaan', is a multi-year forward looking supply chain management programme which will leapfrog the capability and competitiveness of V-Guard supply chain with the twin objectives of value creation and capability development.

Transformed supply chain management operations will enable efficient inventory management through Integrated Sales and Operations Planning and optimised network, enable margin improvements through efficient procurement and drive sales through improved availability.

Among other things the project will also address long term supply chain strategy for the organisation besides focussing on building roadmap to align with industry leading practices in Quality Management and New product development process. 'Project Udaan' commenced in June 2014 and is progressing well.

Powering Ahead through

Customer Service

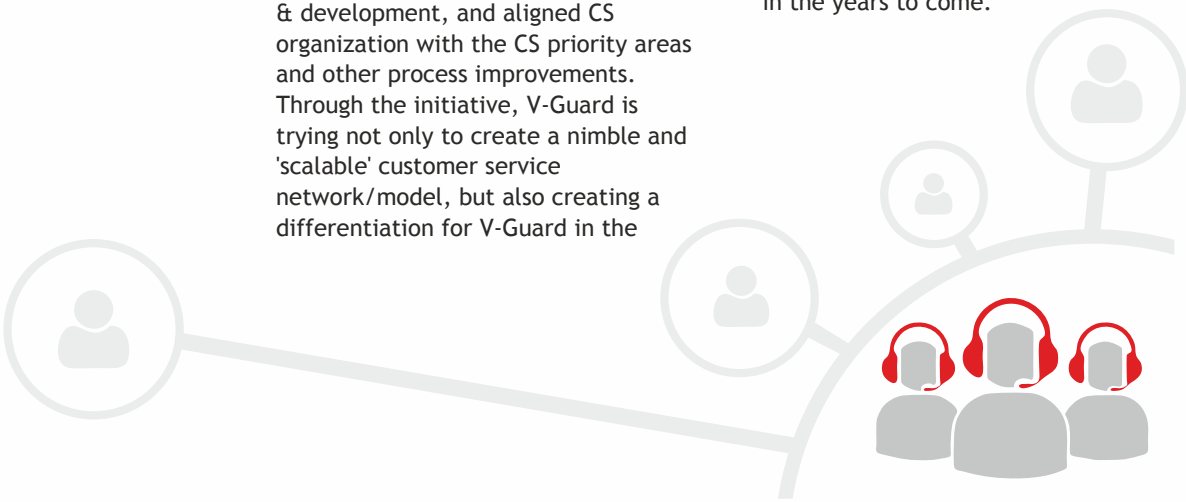
PARIVARTAN
redefining the art of service

V-Guard initiated 'Parivartan', a strategic Customer Service (CS) function transformation initiative in the year FY 2013, to support and augment V-Guard's ambitious growth plan. Effective Customer Service, besides being a key vehicle to deliver customer satisfaction (Positive word of mouth) is also critical to enhance trade/channel confidence, especially in new geographies. It was also conceptualized to strengthen and develop a scalable, sustainable, cost effective, customer centric CS function to aid V-Guard's growth plans.

Through 'Parivartan' a multi-location & fragmented complaint logging system was replaced with a centralized call management (Contact Centre) system, enhanced the service level commitments to the customers, improved the customer experience with timely status updates, replaced a distributor led service network with a geographically spread, multi-product and independent Authorized Service Provider (ASP) network, adopted Oracle Seibel CRM for managing CS operations and for real time visibility, empowered CS manpower through more structured and organized training & development, and aligned CS organization with the CS priority areas and other process improvements. Through the initiative, V-Guard is trying not only to create a nimble and 'scalable' customer service network/model, but also creating a differentiation for V-Guard in the minds of its customers. IT enablement was also becoming necessary for improving the speed and responsiveness of the CS system, due to the network expansion and increased portfolio of products / models.

Current status of Parivartan Initiative:

Centralized call centre with a single toll free number across India is in operation for about a year. Geographically spread and multi-product capable ASP network is in place across India. Currently entire customer service operations are managed using the Oracle Seibel CRM solution and is providing real-time end-to-end visibility not only for CS team, but also for the design and production teams. Visibility has also enhanced CS team's capability to manage the peak season operations. Enhanced training and development initiatives for technicians along with other initiatives are showing positive improvements in technician productivity. More sustained benefits from the new Customer Service system is expected to be visible with stabilization and maturity in the years to come.



Powering Ahead by

Human Capital

Towards achieving our long term growth, we have multiple initiatives to retain and attract critical talent. We initiated ESOP targeted largely towards talent retention. We also undertook a compensation benchmarking exercise to reframe our compensation policy to address challenges towards attracting talent. To better align HR functions with the business goals, we have engaged an external consultant. The deign work on the organisational architecture, benchmarking of all HR business processes, formulation of best in class policies and systems and creation of HR framework for the future has been completed

Key HR Strategies :

Talent Acquisition & Management :
Attracting industry leading talent has been the key focus to supplement our efforts to enhance existing human capabilities. In order to further enhance our ability to attract talent, we have initiated location flexibility. Our talent management initiatives includes review meetings and sharing the feedback with individual employees for individual performance improvement. Over 50 high potential and high performing managers have been indentified for a long term Individual Development Plan (IDP) so as to groom them for shouldering higher responsibilities.

Learning & Development:
The focus during FY15 has been to strengthen our learning programme 'Anytime, Anywhere Learning' by investing in the development of appropriate training content and infrastructure. A beginning has been made by way of Customer Service Training and Certification Program (CSTCP) to develop a team with proper knowledge and skills on customer service. We are determined to develop e-learning as an important platform for Learning and Development. As a beginning, a special e-learning module targeting new recruits has been rolled out.

Performance Management:
The performance management process is being strengthened to improve accountability of managers in completing performance planning and review process. To motivate employees and develop a Performance driven organization, KRA and KPIs has been rolled out across levels aimed at aligning deliverables of an individual employee to the ultimate organization objectives. The new system is business-linked, highly objective and fully transparent, with individuals owning and managing their performance themselves.

Powering Ahead while

Socially Responsible

Social responsibility is akin to corporate ethos of V-Guard. CSR is not just complying with regulatory norms, nor charity but empowerment and partnership and being conscious about needs of the community and responding to it. We have been associating with charitable organizations and women self-help groups to source electronic products. Through this initiative about 3000 rural women find their livelihood.

V-Guard has also, over the years, undertaken various social development activities directly and through various NGOs to improve quality of education, community health and rural infrastructure. During the year under review, the Company has taken CSR activities to the next level by implementing various projects across India. The projects included activities on promoting education, enhancing of vocational skill benefiting children, women and differently abled persons, promotion of health care and sanitation and making available safe drinking water. The Company has also extended helping hand for disaster management by making contribution to the Prime Minister's Relief Fund to combat natural calamities.

The Company is committed to continue its support for social and community development activities in future also.

Key Areas of Social Intervention :

- Women Empowerment
- Healthcare Programmes
- Educare & Skill Development Programmes
- Donation to PM's National Relief Fund
- Swachh Bharath

Board of Directors

Kochouseph Chittilappilly
Chairman

Cherian N Punnoose
Vice-Chairman

Mithun K Chittilappilly
Managing Director

Ramchandran V
Director - Marketing & Strategy

C J George
Director

Joshna Johnson Thomas
Director

Ullas K Kamath
Director

A K Nair
Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri. Kochouseph Chittilappilly	Chairman
Shri. Cherian N Punnoose	Vice-Chairman
Shri. Mithun K Chittilappilly	Managing Director
Shri. Ramachandran V	Director-Marketing and Strategy
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

REGISTRAR & SHARE TRANSFER AGENTS

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

BANKERS

The Dhanalaxmi Bank Ltd.
Standard Chartered Bank
HDFC Ltd
Citi Bank
State Bank of Travancore
South Indian Bank Ltd.
The Federal Bank Ltd.
State Bank of India
DBS Ltd.
Axis Bank Ltd.
Yes Bank Ltd.

CHIEF FINANCIAL OFFICER

Shri. A Jacob Kuruvilla

COMPANY SECRETARY

Smt. Jayasree K

AUDITORS

M/s S R Batliboi & Associates LLP
Chartered Accountants
Kochi-682016

LISTED AT

The National Stock Exchange of India Ltd.
The BSE 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, Udhamsing 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 (Dt), Coimbatore - 638052

Management Discussion & Analysis

1. Economic Review & Outlook

Based on the revised calculation methodology, India is estimated to have delivered 7.4% growth in GDP during 2014-15 compared to 6.9% in 2013-14. This positive change in economic momentum is perhaps the driver the country needed to break out of the slowing growth trajectory of the last few years. In addition, a stable government at the center and consolidation of the electoral mandate at every level of governance has brought a greater level of political stability to the economic outlook that could drive us into the next level of growth over the next few years. Already, the Indian economy is seen to be driving ahead faster than any other leading global economy including that of China.

Apart from some weakness forecast in this year's monsoon, most other economic drivers are looking positive with industry and services continuing to provide growth thrust. Factory output and new capex activity are both expected to drive ahead in the current year, setting the stage for increased utilization of existing capacities while more investments are committed for expansion and previously stalled projects are revived.

The Reserve Bank of India has started linking its monetary policy initiatives more closely with consumer price inflation. While a weak monsoon may impact food inflation, commodity prices are expected to remain subdued in line with the trend of the recent past. A benign interest rate environment may also be supported by the government's decision to adhere strictly with its borrowing program while aggressively focusing on its disinvestment program.

Within the framework of a more positive outlook is the weakness in foreign trade numbers that came up lower than initial estimates on the back of subdued world trade and commodity prices as global demand remained tepid. However, India continued to attract stronger remittances and foreign investments with its economy being seen as a growth frontrunner by investors across the world. As a consequence, coming into the current year, India's foreign exchange reserves continue to expand and the Indian rupee has remained relatively stable vis-à-vis several other global currencies.

Overall, India's fundamental parameters remain strong as compared to other emerging economies globally and the bias is further positive from this point. Consumer demand expansion could be a key driver of the country's economic activity once the currently optimistic outlook translates into an entrenched long-term trend that supports the aspirations of an India driving into the future with great confidence.

2. Sector Overview

After two subdued years, FY15 turned out to be a mixed bag year for the household electrical sector. The pent up demand over the last two years resulted in strong volume growth for the industry during the first half of the year, as consumer sentiment picked up owing to the formation of a stable, majority government at the Centre.

By the second half of the year, ground realities came to fore. Rural incomes continued to be under pressure on account of a weakness in commodity prices of some cash crops. Secondly, owing to the persistently high inflation over the last few years, household savings have gone down drastically. Consumers are looking at increasing their savings once again before they start spending. Several high-ticket purchases have been deferred, on expectations of a reduction in interest rates and prices with the start of the interest rate cut cycle. Further, construction demand which forms a large part of the demand for industry has been lackluster. All these factors severely impacted channel health with large inventory getting piled up.

Going forward, the outlook for the industry looks promising given the various initiatives undertaken by the Government to promote growth. The household durables sector is a unique play that will benefit from further rate cuts by the RBI, a revival in the capex cycle and a pick-up in construction demand. The sector will benefit as disposible income rise, renovation cycles shorten and aspirations of people move higher.

The year started on a very positive note for the company. The formation of a stable, majority government at the Centre brought in much needed optimism and improved consumer sentiment through the first half of the year. However, ground realities caught up during the second half of the fiscal year, with rural incomes not growing and increasing the strain on channel health, leading to a subdued performance for the company as well as the industry as a whole.

Rural demand was affected on account of weakness in commodity prices leading to a considerable decline in rural incomes. Secondly, sustained

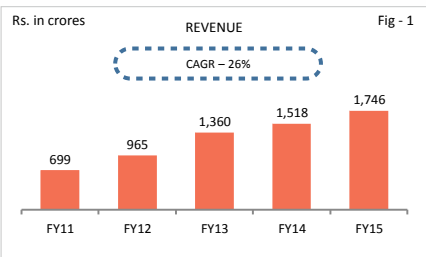
Key Ratios (%)	FY15	FY14
Gross Margin	26.1%	25.5%
Staff Cost/ Total Operating Income	6.3%	5.7%
EPS (Basic) (Rs.)	23.66	23.50

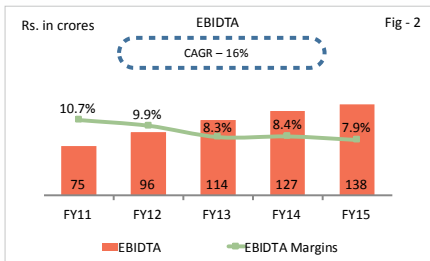
Key Ratios	31 March 2015	31 March 2014
Inventory (days)	74	82
Debtor (days)	51	51
Creditor (days)	55	57
Working Capital Turnover (days)	70	76
RoE (%)	19%	22%
RoCE (%)	26%	25%
Debt / Equity (x)	0.2	0.3

inflation over last 2-3 years has resulted in lower savings and consumers are looking at increasing their savings once again before they start spending. Several high-ticket purchases have been deferred, of expectations of a reduction in interest rates or prices with the start of the interest rate cut cycle. Further, construction demand which forms a large part of the demand for some of the Company's product categories has been lackluster.

In such an environment, the Company adopted a prudent approach and took a conscious decision not to flood the channel for the sake of growth.

Despite the challenges confronted during the year, the Company delivered a growth of 15% year on year in top line to Rs. 1,745.92 crore (Refer Fig -1). EBIDTA increased 7.9% year on year to Rs.137.50 crore while margins stood at 7.88%, down 52 bps. Margins have been impacted this year on account of inventory write-down due to the reduction in commodity prices, mainly copper, which had an impact of 13 bps. Net profit for the year increased by 7.6% to Rs. 101.45 crore.



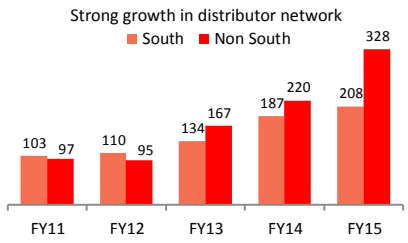


The Company's past experience has shown that although there were short-term shocks on account of soft commodity prices and short-term reduction in margins, in subsequent periods it had more than made up for those reductions as two factors play out. Firstly, inventory has been written down but the product may still sell at higher prices than the marked price of inventory. Secondly, copper is one key raw material in the wires segment which gets impacted with price volatility, but it is also used in many of the Company's other products which will start seeing a benefit of lower commodity prices flowing into lower costs and higher gross margins in the medium term.

V-Guard is committed towards building a sustainable organization and has undertaken various initiatives during the year to ensure profitable growth for years to come. The company has built on its competitive strengths and expanded its network of channel partners and retailers across the country almost three-fold since FY10 to 536 distributors, 5,194 dealers and about 25000 retailers at the end of FY15 (Refer Fig-3).

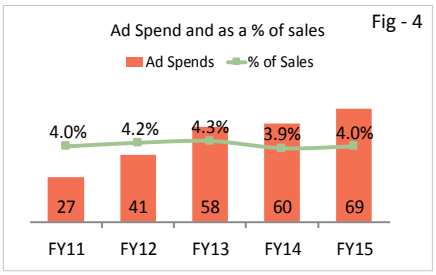
In numbers

Fig - 3



With a view to enhance its brand recall in the non-South markets and become a pan-India player, the Company continued its aggressive investments in advertisements and other promotional activities through the year. The total advertising and promotion spend for FY15 stood at Rs. 69 crore or 3.9% of sales as compared to Rs. 60 crore or 3.9% of sales in FY14. Ad spends will be maintained between 3.5-4% of revenues going forward (Refer Fig-4).

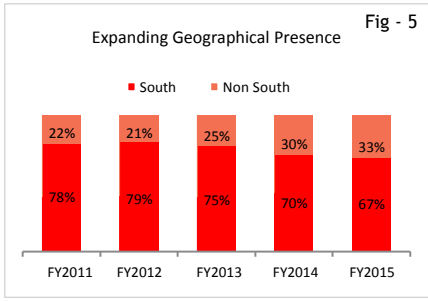
Fig - 4



In order to improve the quality of its customer service and establish a perpetual relationship with the customer, the Company has invested in a franchise-based after-sales service system and has upgraded the IT infrastructure to Oracle Seibel, one of the best after-sales service management IT software available today. The Company also setup a unified third-party call center during the year in Noida in order to get better visibility on service. The Company addresses around 800,000 calls every year and over 95% of complaints are addressed within 48 hours.

The Company continued to make rapid strides and gained market share in the non-South markets. Non-South markets have recorded a growth of 27% year on year in FY15 and now account for 33% of total revenues as compared to 22% in FY11 (Refer Fig-5).

Fig - 5



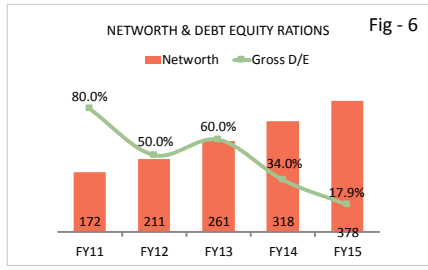
This bears testimony to the acceptance of the V-Guard brand in these markets and marks a significant step towards further diversification of the revenue base. Uttar Pradesh, Rajasthan, West Bengal, Orissa, Bihar and the north eastern states have been the key contributors to the strong growth. Over the last three years, the Company has been successful in scaling down the discounts progressively and it is a matter of great pride that non-South operations ended the year breaking even at the PBT level.

The focus going forward will be to increase the number of retailers under each distributor in the non-South, thereby increasing revenue contribution per distributor. At present, revenue per distributor in the non-South is significantly lower than the Company average, providing substantial operating leverage. The Company is targeting pricing parity across all its markets over the next 3-5 years, something that has already been achieved in the house-wiring cables segment. A strong foundation has been laid with an entry into 10-12 states over the last few years. The focus will be on strengthening the underperforming states, resolving product mismatches in these states and strengthening the sales teams going forward.

Southern markets reported a much improved performance as compared to last year. The South markets recorded a growth of 8.61 % year on year for the Company. The main driver of demand in the South was the resolution of the disputes in Telangana and Andhra regions of old Andhra Pradesh. The performance in Kerala and Karnataka was muted on account of the weakness in the pumps segment during the year.

The Company has operated in a very prudent manner during the course of the year with its primary focus on quality of revenue and cash flows. The working capital cycle has seen an improvement of 6 days this year to 70 days. This improvement has been driven by better inventory and debtor management. The Company continued to use channel financing initiatives during the year. Inventory levels at channel partners have been rationalized to 30 days on account of strict action taken by the company on non-paying channel partners. All these initiatives have led to strong cash generation of Rs. 88.30 crore during the year which was utilized to substantially pare down debt. The balance sheet continues to be robust with a debt-equity ratio of 0.2x as on 31st March 2015 (Refer Fig-6).

Fig - 6



The Company also engaged on a project with an external consultant during the year to develop an integrated supply chain system for the Company, from procurement, planning, distribution and inventory management. It involved reviewing and developing a more efficient sourcing strategy, optimizing movement of goods from factory to warehouses to distributors/dealers, product development and better

inventory management. The results of the project will accrue from FY16 onwards.

4. Dividend

The Board has recommended final dividend of Rs. 4.5 per equity share having face value of Rs. 10 each for the financial year ended on 31st March, 2015, payable subject to approval at ensuing annual general meeting.

This will result in a total payout for the year 2014-15 (including dividend distribution tax) of Rs. 16.23 crore (Rs. 15.7 crore in 2013-14) translating into a dividend payout of 22.9% (compared to 22.4% 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 contingency.

5. Segment-wise Review

a. Voltage Stabilizers

The Company continued to expand its prominence in this segment during the year. The segment recorded a growth of 22.7% year on year to Rs. 326.5 crore in FY15, contributing to 19% of total revenues, and the Company expanded its share of the organized market. The growth was led mainly from the expansion into the non-South markets which accounted for 41% of the segmental sales from ~35% in FY14.

This product bears direct correlation with the sales of white goods. In FY15, AC stabilizers accounted for 46.5% of the sales, refrigerators another 20.5% while the fast-growing LCD/LED segment accounted for 24.5%. The Company expects increasing penetration and spending on white goods in Tier II and III cities to propel further sales going forward and derive margin improvement on account of operating leverage.

b. House wiring cables

The wire segment has reported a subdued performance this year, recording a growth of 11.3% year on year to Rs. 529.2 crore. The segment continues to be the Company's largest product category, accounting for 30% of revenues in FY15, down from 31.3% in FY14. The product has gained strong acceptance even in the non-South

Products	FY2015 (Rs. cr.)	Contribution (%)	FY2014 (Rs. cr.)	Contribution (%)	YoY growth (%)
Stabilizers	326.8	18.7%	266.4	17.6%	22.7%
Standalone UPS	25.4	1.5%	36.3	2.4%	-30.1%
Digital UPS	196.7	11.3%	147.7	9.7%	33.1%
Electronics Segment Total	**548.9**	**31.4%**	**450.4**	**29.7%**	**21.9%**
Pumps	189.0	10.8%	202.2	13.3%	-6.5%
House wiring cable	529.2	30.3%	475.7	31.3%	11.3%
LT cable	54.5	3.1%	70.9	4.7%	-23.1%
Electric water heater	177.0	10.1%	135.8	8.9%	30.4%
Fan	137.5	7.9%	102.4	6.7%	34.3%
Other Products	58.9	3.4%	41.0	2.7%	43.8%
Electricals Segment Total	**1,146.1**	**65.6%**	**1,027.8**	**67.7%**	**11.5%**
Solar water heater	48.1	2.8%	37.6	2.5%	27.9%
Others	2.9	0.2%	1.7	0.1%	70.6%
Others Segment Total	**51.0**	**3%**	**39.3**	**2.6%**	**29.7%**
GRAND TOTAL	**1,745.9**	**100%**	**1,517.6**	**100.0%**	**15.0%**

markets and is the only product in the Company's portfolio which is operating on a unified pricing policy pan-India.

The weak performance could be attributed to two main factors. Firstly, there was a sharp reduction in copper prices in FY15 which resulted in the Company taking inventory write-downs through the course of the year. A reduction in raw material price also implied that the benefit be passed on to the end consumer, resulting in lower average price realizations. Secondly, there was also a slowdown in volume growth towards the second half of the year as construction activity, which is the main demand driver for this product category, continued to be sluggish.

The Kashipur plant operated at a capacity utilization of 81% in FY15 while the Coimbatore plant operated at 32%. Hence, the existing assets can be further sweated before additional capacities are commissioned. The Company will undertake the next round of capacity addition for wires in FY16, preparing for future growth.

With the government's strong impetus on housing for all by 2022, spending on residential housing infrastructure is expected to increase manifold and provide an enormous growth opportunity, especially in Tier II and Tier III cities.

c. LT Cables

Most of the sales in this segment are B2B in nature and are directly linked to the growth of allied industries like construction, power etc. The Company has adopted a cautious approach in this segment given the weak industrial sentiment prevailing over the last few years and the high risk of receivables. The Company reported a turnover of Rs. 54.5 crore in FY15 against Rs. 71 crore in FY14.

d. Pumps and Motors

This has been one of the under performing segments for the Company this year. The segment registered sales of Rs. 189 crore in FY15, down 6.5% year on year. The Kerala and Karnataka markets which together contribute to majority of the sales in this category faced certain difficulties. The Karnataka market has been impacted by the severe restrictions that have been imposed on drilling new bore-wells, owing to safety reasons. In Kerala, the primary issue is, with better than normal rainfall for two consecutive years water table is now higher than the longer-term average level of the previous years. So demand for replacement pumps has gone down. These are the two main factors contributing to the slowdown in the segment for V-Guard.

Apart from this, there is a larger issue with weakness in rural demand on account of soft commodity prices for various cash crops like rubber, cotton, and sugar. The ability of people to undertake agriculture investments has come down substantially as their incomes reduce. Further, slowdown in the construction sector resulted in decline in new purchases.

Going into FY16, the Company expects these issues to fade away as a normal summer season will translate into stronger growth momentum and provide an impetus to overall Company-level growth.

e. Fans

The fans segment has been a turnaround story for the Company in FY15. The segment recorded strong growth of 34.6% year on year to Rs. 137.3 crore along with significant margin expansion. Ceiling fans contributed 55.33% of the revenues in FY15 as compared to 58% in FY14 while TPW segment accounted for 40% of revenues as compared to 38% last year.

The recovery in this product segment was initiated in the previous fiscal year when the Company re-aligned its product mix to focus on selling differentiated models with better designs at higher margins. Further, the Company concentrated on selling the product in select markets which included the Southern states and East India while exiting from non-profitable regions. The Company also increased its advertising budget on this product during the year which enabled it to generate strong demand.

Going forward, the Company is confident of sustaining the growth trajectory and improving margins further towards the Company average.

f. Electric Water Heaters

The electric water heater segment saw a strong growth of 30.4% year on year to Rs. 177 crore in FY15. The growth was driven by the expansion into new geographies in the non-South as well as the introduction of new variants which has enabled the Company to grow faster than the market and garner market share.

The new premium variant of water heaters, 'Pebble', was launched on a pan-India basis during the course of the year, following its launch in the South market last year. This high-end variant received a phenomenal response and contributed majorly to the growth this year. The rapid product acceptance allowed the Company to enter new stores in the non-South markets which were catering only to premium customers.

The Company has significantly upgraded its product technology over the years. Product quality and reliability has improved immensely allowing the Company to even increase the warranty period in some of the product variants and command premium pricing.

g. Solar Water Heaters

As per Company estimates, the current market size for solar water heaters is Rs. 650 crore, of which 65% is dominated by the organized market. V-Guard clocked a turnover of Rs. 44.04 crore in FY15 as against Rs. 37.1 crore reported in FY14, an increase of 18.9% year on year.

The Company is focused on the

residential solar market. The product is sold through direct marketing agents. The solar water heater segment is expected grow at a healthy rate going forward as technological advancements have brought down initial capital costs and considerably reduced the payback period. The segment is expected to attract significant demand in the light of rising power tariffs and the continued push from the government under the National Solar Mission. The Company expects the solar water heaters' market size to exceed that of electric water heaters over the next five years.

h. Digital UPS & Inverters

After subdued sales in the last fiscal year, there was a strong uptick in demand for DUPS in this financial year as coal shortage issues and power cuts resumed, especially in South India. Given the weak demand last year, there was a large pile up of inventory in the channel which prevented manufacturers from taking price hikes during the first half of the year. Further, the Company decided to drive the product pan-India, adding significant manpower across the country and spending on advertising and promotion activity. The margins are expected to improve going into the next financial year as the Company acquires the requisite scale.

The Company expects the segment to be a key growth driver going forward and is carrying out extensive R&D into newer products and platforms based on solar in order to future proof the segment.

i. Standalone UPS Systems (Desktop UPS)

The Company recorded a turnover of Rs. 25.4 crore in this segment during the year under review, as compared to Rs. 36 crore in the preceding year. With the increased penetration of laptops, tablets, smartphones etc, the demand for PC's has fallen and consequently the demand for the offline UPS segment has been diminishing. However, this is a legacy product for the Company and the capital employed in this segment is extremely low given that supply is completely outsourced.

j. New Product Categories

New product categories like switchgears, induction cooktops and mixer grinders continue to elicit a good response even in a challenging environment. The combined revenue increased 43.8% to Rs. 58.9 crore in FY15 from Rs. 41 crore last year and now accounts for 3% of total sales from 2.6% in FY14.

The Company caters to only the domestic switchgear segment. During the course of the year, the Company was able to resolve the quality and supply issues that it faced last year. This resulted in strong growth in the switchgear segment of 37.70% in FY15 to Rs. 22.03 crore. Given the strong brand name, barriers to entry and technology required to manufacture the product, the Company is already reporting profitable growth despite low volumes. The product is supported by an excellent distribution network given its overlap with the wire segment.

The Company's appliance business currently comprises two products – induction cooktops and mixer grinders. In the induction cooktop business, the Company reported a strong growth of 37.8% year on year to Rs. 30.2 crore in FY15. After two successful years in Kerala, the Company launched the product in the Tamil Nadu market this year. Mixer grinders as a category was introduced last financial year, leveraging the channel synergies from the induction cooktop segment. The product has been well received and recorded sales of Rs. 6.7 crore in FY15.

The Company has added few senior resources to help scale up the appliances segment rapidly. The sale of products has been restricted to South India and will be extended to the non-South geographies on attaining a certain scale. Appliances as a category have inherent strength if one can showcase a wide range of products. Once both the kitchen businesses attain a sizable scale, the Company contemplate adding more premium kitchen appliance products to the portfolio, given the potentially huge channel synergies.

6. 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 about 586 distributors, 5194 channel partners and 25000 retailers
- To increase more retailers working under these distributors going forward, thereby increasing revenue contribution per distributor, providing significant scope for expansion of returns on existing investments

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

- To achieve pricing parity across the country over next few years through further scaling down of discounts and favourable payment terms
- To consolidate position in performing States while resolving product mismatches and adding sales manpower in underperforming States

Working Capital Management

- To further increase proportion of channel financing going forward
- To ensure better control over the entire supply chain from procurement, planning, distribution and inventory management

Financial Performance

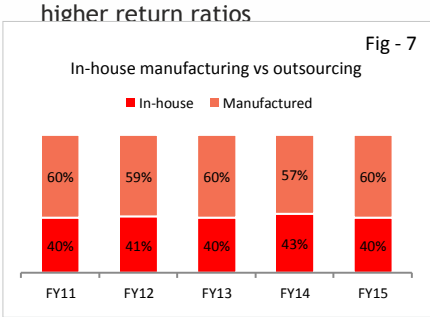
- Expecting topline growth of 15% in FY16 through expansion into the non-South markets
- Growth to be driven by Digital UPS, Electric Water Heater, Stabilizer and Pump segments and consolidation in House-wiring Cable and Stabilizer segments
- EBITDA margins to inch upwards between 8%-8.5% in FY16

7. 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
- Competitive positioning in its flagship product - stabilizers - is very strong given its unique outsourcing model
- 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 activitiies, resulting in reduced working capital requirement and higher return ratios

Fig - 7



Opportunities

- Strong construction demand driven by Government ambitious target of housing for all by 2022 will require 111 million housing units, and will lead to increased demand for electrical goods and penetration into Tier II and III cities.
- Shortening renovation cycles for wires, fans and heaters segments due to increased disposable income and easy availability of credit
- Roll-out of GST will accelarate 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

8. 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.

9. Risk Management

The Company's multiple product portfolio spread across different segments, and its pan Indian operations combines opportunities with uncertainty and associated risks. Over the last few years, Enterprise Risk Management has evolved in

V-Guard as an important function adding value to the business. The Company has developed systems and processes to map the risks across products and geographies and respond effectively to achieve the strategic objectives set by Management.

V-Guard have set up a dynamic three tier risk monitoring structure. The first tier of Product Risk Groups, which comprises of the production and marketing heads of each product and representatives from other disciplines like Customer service, HR, legal, IT, Finance, Internal Audit etc. review and monitor risks to each product category. The reports of the Product risk groups are placed before the next tier of Risk Management Committee which is headed by the Managing Director and comprises of two other Directors and two senior officers including CFO, who acts as the Chief Risk Officer. Other senior management leaders also attend its meetings as invitees. The Committee reveiws the risk management practices of the Company and reports of the Product Risk Groups. On the identification, evaluation and formulation of mitigation strategies of operational and external risks, a quarterly report is presented to the Audit committee and Board of Directors. The Board of Directors and Audit Committee are responsible for the overall review of the system and assessing the performance of the Risk Management Committee on a quarterly basis.

The Company is aware of the need for strengthening the risk management system with the increase in Company's operations and its entry into new products and geographies. With these objectives in mind, processes to address risks in areas like information security, regulatory compliance, financial reporting and controls, liquidity management, contracts management, talent acquisition and retention, business continuity and disaster recovery systems etc. are being designed and implemented to ensure sustainable growth and profitability across the organisation.

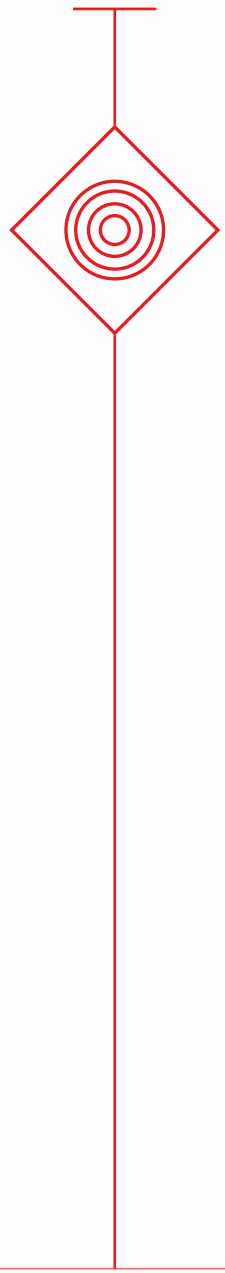
The major risks identified and mitigated during the year include the following.

- Slowdown in economic growth.
- Low profitability in certain products.
- Volatility in currency & commodities.
- Increased Competition in the market place.
- Shortages in supplies by vendors affecting sales.
- Lack of clarity on how GST will finally be rolled out
- Adverse season impacting demand of the products.
- Delay in release of MNRE subsidy for solar water heaters.
- Duplicate products appearing in V-Guard brand name in market.
- Improved power availability leading to decreased demand for DUPS.
- Increase in e-commerce sales of products disrupting existing channels.
- Increase in expenses and provisioning for warranty primarily due to the investment in the franchise-based after-sales service system.

We appreciate that risks are integral part of any business and is committed to imbibe a culture of informed risk taking within defined parameters.

10. Audit & Internal Control System

The Company has well-equipped and operative internal control systems in place. These stringent and comprehensive controls that we have put in place ensure the optimal and efficient utilization of resources making sure that the assets and interests of the Company are safeguarded, transactions are authorized, recorded and properly reported, and reliability and correctness of accounting data is ensured with checks and balances. An extensive program of internal audits and regular reviews by the Audit Committee is carried out to confirm compliance with the best practices.



DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the Nineteenth Annual Report of the Company on the business and operations together with the audited financial statements for the year ended 31st March, 2015.

1. Financial Summary

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Revenue from operations (Gross)	1,75,994.74	1,53,792.61
Less : Excise Duty	1,402.67	2,036.30
Revenue from operations (Net)	**1,74,592.07**	**1,51,756.31**
Operating expenditure	1,61,290.79	1,39,501.69
Operating profit before Depreciation, Interest, Tax & Exceptional Item	13,301.28	12,254.62
Finance Cost	2,061.43	2,106.31
Depreciation and amortization expense	1,543.91	1,203.86
Other Income	448.71	483.88
Profit Before Tax & Exceptional Item	10,144.66	9,428.33
Exceptional Item	-	-
Profit Before Tax	10,144.66	9,428.33
Tax Expense:		
a) Current Tax	3,048.44	2,250.54
b) Deferred Tax	24.07	164.39
Profit After Tax	7,072.15	7,013.40
Balance in Profit & Loss account brought forward	18,656.84	14,014.84
Adjustment on account of change in useful life of fixed assets	(106.32)	-
Profit available for appropriation	**25,622.67**	**21,028.24**
Appropriations		
a) Transfer to General Reserve	800.00	800.00
b) Dividend proposed	1,348.79	1,343.13
c) Tax on Dividend proposed	274.58	228.27
d) Balance carried to Balance Sheet	**23,199.30**	**18,656.84**

2. Company's Performance

During the Financial Year 2014-15, the Company has registered net revenue from operations of ₹ 1,745.92 crores, as compared to ₹ 1,517.56 crores in the previous year, an increase of 15% year-on-year. Profit Before Tax for the year under review was ₹ 101.45 crores, higher by 7.61%, as compared to ₹ 94.28 crores in the previous year. Profit After Tax for the year under review was ₹ 70.72 crores, which remained at same level of the previous year. Performance of each product vertical is detailed under the Section Management Discussion and Analysis which forms part of the Annual Report.

3. Changes to the Share Capital

During the year, the Company has vested 56,606 and 1,83,869 number of options of ₹ 10/- and ₹ 485/- respectively to eligible employees under ESOS 2013 and out of total number of 2,40,475 options vested, the employees have exercised 51,241 and 74,380 number of options of ₹ 10/- and ₹ 485/- respectively. The options exercised were allotted and subsequent to the allotment, the paid-up capital of the Company as on 31st March, 2015 has increased to ₹ 29.97 crores.

4. Appropriations made from the profits

a) Transfer to Reserves

Your Directors proposes to transfer an amount of ₹ 8.00 crores to the General Reserve out of the profits available for appropriation during the year.

b) Final Dividend

Your Directors are pleased to recommend a final dividend of ₹ 4.50 per share (45% on par value of ₹ 10/- per share). The final dividend, if declared as recommended, would involve an outflow of ₹ 13.49 crores and ₹ 2.74 crores towards dividend tax, resulting in a total outflow of ₹ 16.23 crores. If approved by the shareholders at the ensuing Annual General Meeting, the dividend will be paid as per the applicable regulations. Dividend would be payable to all the shareholders / beneficial owners whose names appear in the Register of Members as on the Book Closure Date.

The Register of Members and Share Transfer Books will remain closed from 28th July, 2015 to 3rd August, 2015 (both days inclusive).

5. Fixed Deposit

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

6. 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.

7. Change in the Nature of Business, if any

There was no change in the nature of business of the Company during the Financial Year 2014-15.

8. 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.

9. 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 includes, four Independent Directors. The composition of the Board of Directors is in compliance with Clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013.

B. Details of Directors and KMPs of the Company and change in their offices

Mr. Kochouseph Chittilappilly (Executive Chairman, DIN: 00020512)

One of the promoters of V-Guard Industries Limited, a visionary and a person with a strong commitment to the principles of Quality and Good Governance, Mr. Kochouseph Chittilappilly has lead the Company to the heights of many achievements.

He holds a Master's degree in physics. He was appointed as the Executive Vice Chairman of the Company by the members in their meeting held on 25th July, 2012 for a term of 3 years effective from 1st April, 2012 and was re-designated as Chairman of the Board effective from 1st November, 2012. The Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, in their meeting held on 16th March, 2015, re-appointed Mr. Kochouseph Chittilappilly, as Executive Chairman of the Company, for a term of 3 years, with effect from 1st April, 2015, subject to the approval of the members in the ensuing Annual General Meeting.

Mr. Cherian N Punnoose (Vice Chairman, DIN: 00061030)

Mr. Cherian N Punnoose is a Chartered Accountant having vast experience in the field of Finance and General Administration in various organisations. He was appointed by the members as an Independent Director, in their meeting held on 29th July, 2014, for a term of 5 years. He has been appointed as the Chairman of the Audit Committee of the Board.

Mr. Mithun K Chittilappilly (Managing Director, DIN: 00027610)

He holds a Master's degree in Marketing & Finance. He has played an active role in taking the Company to new markets in Non-South India thereby building the brand pan India. He was instrumental in introducing various new products to the portfolio and has led many new initiatives in the Company. He was appointed as the Managing Director of the Company by the Members at their meeting held on 25th July, 2012, for a period of three years with effect from 1st April, 2012.

The Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, in their meeting held on 16th March, 2015, re-appointed him as the Managing Director for a period of 3 years w.e.f. 1st April, 2015, subject to the approval of the members in the ensuing Annual General Meeting. He is liable to retire by rotation.

Mr. Ramachandran Venkataraman (Director-Marketing and Strategy, DIN: 06576300)

Mr. Ramachandran Venkataraman, a Masters' in Management Studies (Marketing) having vast experience in the field of Marketing and Strategy, was appointed by the members of the Company as a Whole-time Director, in their meeting held on 23rd July, 2013, effective from 1st June, 2013. Presently, he is leading various transformation initiatives in the Company.

In terms of section 152 of the Companies Act, 2013, Mr. Ramachandran V, Director – Marketing and Strategy, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. C J George (Independent Director, DIN: 0003132)

Mr. C J George was appointed as an Independent Director, by the Members of the Company in their Meeting held on 29th July, 2014 for a term of 5 years. He is holding Master's degree in Commerce and Certificate of Financial Planning. He is having vast experience in the field of Finance, Capital Market, General Administration and is presently the Managing Director of Geojit BNP Paribas Financial Services Limited, a Company listed at BSE Ltd. and National Stock Exchange of India Ltd.

The Board has also appointed him as the Chairman of Nomination and Remuneration Committee and Stakeholders' Relationship and Share Transfer Committee.

Mr. A K Nair (Independent Director, DIN: 00009148)

Mr. A K Nair was appointed as an Independent Director, by the Members of the Company in their Meeting held on 29th July, 2014 for a term of 5 years. He is a Mechanical Engineer and Management degree holder, having more than 45 years of Industry experience especially in the field of Engineering, Finance, Management and General Administration.

Mr. Ullas K Kamath (Independent Director, DIN: 00506681)

Mr. Ullas K Kamath, was appointed as an Independent Director, by the Members of the Company in their Meeting held on 29th July, 2014 for a term of 5 years. He is a member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India, holds a degree in Law and has also attended Advanced Program at The Wharton Business School, USA and Harvard Business School, USA. He is currently the Joint Managing Director of Jyothy Laboratories Limited.

Mrs. Joshna Johnson Thomas (Non-Executive Director, DIN: 02613030)

Mrs. Joshna Johnson Thomas was appointed as a Non-Executive Director liable to retire by rotation, by the Members of the Company in their Meeting held on 29th July, 2014. She holds a Management degree in Human Resources and is having rich experience in the Human Resources areas with her association with many organisations.

Mr. A Jacob Kuruvilla (Chief Financial Officer & Compliance Officer)

Mr. A Jacob Kuruvilla, Chief Financial Officer of the Company has been noted as a Key Managerial Personnel by the Board in its meeting held on 2nd May, 2014. He is also designated as the Compliance officer as per Clause 49 of the Listing Agreement and Chief Investor Relations Officer under SEBI (Prohibition of Insider Trading) Regulations, 2015.

Mrs. Jayasree K (Company Secretary)

Mrs. Jayasree K, Company Secretary of the Company has been noted as a Key Managerial Personnel by the Board in its meeting held on 2nd May, 2014.

The Notice dated 7th July, 2015 of the ensuing Annual General Meeting includes the proposals for re-appointment of the Directors. Brief resume of the directors proposed to be re-appointed have been provided in the notice convening the ensuing Annual General Meeting. 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 under clause 49 of the Listing Agreement, have also been included.

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 Clause 49 of the Listing Agreement.

D. Number of Meetings of the Board of Directors

During the Financial Year 2014-15, the Board of Directors of the Company, met five times, on 2nd May, 2014, 29th July, 2014, 4th November, 2014, 16th January, 2015 and 16th March, 2015.

A separate meeting of the Independent Directors of the Company was also held on 21st March, 2015, and the Directors held reviews and assessment enumerated under Schedule IV(VII)(3) to the Companies Act, 2013 and Clause 49II(B)(6)(b) of the Listing Agreement. All the Independent Directors of the Company attended the 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.

During the year under review Audit Committee and Nomination and Remuneration Committee were re-constituted. Mr. Ullas K Kamath, Independent Director, was inducted as a member of the Audit Committee. Mrs. Joshna Johnson Thomas, was appointed as a member of the Nomination and Remuneration Committee and Mr. Kochouseph Chittilappilly, a member of the said Committee has resigned.

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 Clause 49 of the Listing Agreement. A detailed note on the said Committees of the Board of Directors is given in the Corporate Governance Report forming part of the 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 five times during the year under review, on 2nd May, 2014, 29th July, 2014, 4th November, 2014, 16th January, 2015 and 16th March, 2015 and 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 Clause 49 of the Listing Agreement, the Board of Directors, has carried out an annual performance evaluation of its own, 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 flow of information to the Board, effective role played by the Board in decision making etc.

The performance of 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 Clause 49 of the Listing Agreement, effective functioning of the committees as per the terms of reference etc.

The performance of 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, contributions made for adoption of better corporate governance practice 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 to the 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; and

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.

vi) proper systems to ensure compliance with the provisions of all applicable laws were devised and such systems were adequate and operating effectively.

10. Audit Related Matters

A. Statutory Auditors

M/s. S R Batliboi & Associates LLP, Chartered Accountants, Kochi, with firm registration number - 101049W, who are the Statutory Auditors of the Company will hold office, upto the conclusion of the ensuing Annual General Meeting. The Board of Directors upon the recommendation of the Audit Committee proposes the re-appointment of M/s. S R Batliboi & Associates, LLP, Chartered Accountants, Kochi, as the Statutory Auditors of the Company

to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of 21st Annual General Meeting as per the provisions of Section 139 of the Companies Act, 2013.

The Auditors' Report for the Financial Year 2014-15, does not contain any qualification, reservation or adverse remarks.

B. Cost Auditors

M/s. Ajeesh & Associates, Cost Accountants, Ernakulam, were appointed as the Cost Auditors of the Company for the Financial Year 2014-15. Since the Company was not required to carry out Cost Audit mandatorily for the Financial Year 2014-15, it is not required to file the Audit Report with the Ministry of Corporate Affairs.

Vide the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company has to now maintain cost records and get the same audited by a Cost Accountant in practice. Accordingly, the Board of Directors in their meeting held on 4th May, 2015, have approved the appointment of M/s. Ajeesh & Associates, Cost Accountants, Ernakulam, as the Cost Auditors of the Company for the Financial Year 2015-16 and also fixed the audit fee payable to them subject to ratification by members at the ensuing Annual General Meeting. Necessary resolution for ratification of remuneration payable to Cost Auditors for the Financial Year 2015-16 has been included in the notice dated 7th July, 2015, convening the ensuing Annual General Meeting and requisite details have been provided in the explanatory statement of the notice.

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 for the Financial Year 2014-15.

Secretarial Audit Report

Secretarial Audit Report, issued by M/s. Keyul M Dedhia & Associates, Secretarial 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 few observations. The Board's clarifications for the same are as follows.

Intimation to stock exchanges regarding allotment of shares under ESOS: Company has provided all information relating to allotment of shares to eligible employees under ESOS 2013, along with requisite declarations and disclosures to the stock exchanges, where the shares of the Company are listed, at the time of seeking approval for listing of the shares alloted and therefore, separate intimation in respect of allotment of shares was not given.

Intimation regarding date on which dividend shall be paid/ dispatched not included with filing of result: The Company had made the payment of dividend to the shareholders within the time specified. However, the date of disbursement of dividend was not included in the intimation filed with the Stock Exchanges, regarding recommendation of dividend.

Filing of annual return on foreign liabilities and assets with RBI: In the said case, omission in intimation was by oversight. Same will be complied with, in future.

11. 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 the 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.

The said policy has been amended in line with the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement 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 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, as amended. The said policy is posted on the web site of the Company www.vguard.in./CSR.

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 of risks, monitoring and mitigation of identified risks etc. As per the risk profile, the various risks associated with the Company are classified as marketing risks, product risks, inventory risks, compliance risk, financial risks and Organisation risks. In compliance with the provisions of Clause 49 of the Listing Agreement, the Board has constituted a Risk Management Committee to monitor and review the risks identified by various product risk groups and also suggest measures to mitigate the risks identified. During the year under review, the Board of Directors has adopted an Enterprise Risk Management Policy, formalizing the Company's policy of identification, assessment, monitoring, mitigation and reporting procedures of enterprise risks and covering the structure and role of various forums constituted for monitoring and reviewing the risks.

12. Other Matters

A. Internal Financial Controls

Company had adequate internal financial controls in place with reference to the Financial Statements. During the year under review, the controls were evaluated by the Internal Audit Team and no significant weakness was identified, in design or operations of the controls.

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, 24,004 numbers of options were cancelled during the said year.

During the year under review, the Company had obtained in-principle approval of the Stock Exchanges where the shares of the Company are listed, for listing of 11,20,000 number of options granted under ESOS 2013. Considering the parameters for vesting of options, 2,40,475 number of options were vested during the first year to eligible employees and out of total number of shares vested, 1,25,621 numbers of options were exercised by the employees. Details of options granted, vested and exercised are given in the **Annexure 4,** which forms part of this Report.

E. Code of Conduct

As prescribed under Clause 49 of the Listing Agreement, 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 2014-15 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 provisions of Clause 49 of the Listing Agreement, 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 had granted inter corporate loan of ₹ 5.00 crores, to Sakthi Accumulators Pvt. Ltd., Bangalore, one of the vendors of the Company at an interest rate of 18% per annum and the loan is repayable in five years after three years from the date of disbursement of last installment.

I. 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, read with Clause 49 of the Listing Agreement. There was nil information to be given in Form AOC-2 and accordingly, the same is not provided.

J. Corporate Governance

Your Company has complied with the Corporate Governance norms as stipulated under the provisions of Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A detailed report on Corporate Governance forms part of the 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.

K. 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.

L. 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 Sections 134 and 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, has been provided in **Annexure 7** to this Report.

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.

13. 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/-	Sd/-
Kochouseph Chittilappilly	**Mithun K Chittilappilly**
Chairman	Managing Director

Place: Kochi
Date : 4th May, 2015

Annexure - 1

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015
[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
42/962, Vennala High School Road, Vennala, Kochi-682028.

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). 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 authorities 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 on March 31, 2015 ('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 further report that maintenance of proper and updated Books, Papers, Minutes 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, 2015, as per the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit period)**;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit period)**;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit period)**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998 **(Not applicable to the Company during the Audit period)**;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India **(Not applicable to the Company during the Audit period)**.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange Limited;

We further report that, based on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with 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.

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 no material observation or instances of non compliance in respect of the same subject to the following observations:

1. The Company had obtained in-principle and listing approval in respect of shares allotted under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 from the Stock Exchanges. However, intimation to the Stock Exchanges regarding the said allotment of shares has not been made.
2. The Company has intimated about dividend recommended by the Board of Directors per share basis along with the annual audited financial results which described the total turnover, gross profit, provision for depreciation, tax provision and net profits. However, the intimation regarding the date on which dividend shall be paid or dispatched had not been mentioned in the intimation.
3. The Company has not filed Annual Return on Foreign Liabilities & Assets with Reserve Bank of India under A.P. (DIR Series) Circular No.145 dated June 18, 2014.

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 and the Listing Agreement.

We also report that adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a reasonable system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and proper system is in place which facilitates / ensures capturing and recording, the dissenting member's views, if any, as part of the Minutes.

Based on the representation made by the Company and its Officers explaining us in respect of internal systems and mechanism established by the Company which ensures compliances of other Acts, 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 and regulations.

We further report that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, etc, referred to above.

For Keyul M. Dedhia & Associates
Company Secretaries

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

May 4, 2015, 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-682028.

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 as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test-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
FCS No: 7756 *COP No: 8618*

May 4, 2015, Mumbai

Annexure 2

Nomination Remuneration & Evaluation Policy

I. PREAMBLE

As per the provisions of Section 178 of the Companies Act, 2013 and Clause 49(IV) of the Listing Agreement, 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 Clause 49(IV) of the Listing Agreement 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 Agreement 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 Section 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 Agreement 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 Agreement.

ix) The Board shall ensure that as per the provisions of the Act and Listing Agreement, 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

a. 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

b. 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 Agreement.

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

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 in their meeting held on 20th March, 2014, adopted CSR Policy and the policy enables the Company to carry out all the activities which are mentioned in the Schedule VII to the Act. The CSR initiatives carried out by the Company during the year under review, was based on activities relating to education & skill development, health care and protection of flora and fauna and contribution to the Prime Minister's National Relief and all the projects undertaken during the Financial Year 2014-15 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

2. The composition of the CSR committee: The Company has constituted a CSR Committee of the Board, consisting 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: ₹ 8,187.67 Lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 163.75 Lakhs

5. Details of CSR spent during the Financial Year:

   a. Total amount spent for the Financial Year: 163.75 Lakhs

   b. Amount unspent: Nil

   c. Manner in which the amount spent during the Financial Year: Attached

6. In case the company has failed to spend the 2% 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/-	**Sd/-**	**Sd/-**
Kochouseph Chittilappilly	**Cherian N Punnoose**	**Mithun K Chittilappilly**
Chairman, CSR Committee	Member	Member

Place: Kochi
Date: 4th May, 2015

5(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 (Rs)	Amount spent on the projects or programs Subheads : (1) Direct Expenditure (2) Overheads (Rs)	Cumulative Expenditure upto the reporting period (Rs)	Amount Spent : Direct or through implementing agency
1	V-Guard Edu-care and Skill Development Programs Providing education support to the students 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 enchancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Palakkad, Ernakulam, Trivandrum, Kannur(Kerala), coimbatore, Kanyakumari (Tamil Nadu), Kashipur (Uttarakhand), Bubaneswar (Orissa), Ludhiana (Punjab), Hubli (Karnataka), Gurgaon (Haryana), Jammu and Kashmir, Raipur(Chattisgarh).	84,66,304	84,66,304	84,66,304	Direct: 82,26,304 Agency: 2,40,000
2	V-Guard Health Care Programs Providing technical equipments for palliative care units, furniture and hospital equipments to Govt. Hospitals, other equipments for the use at clinics of physically/ mentally challenged persons and supplying food to patients at hospitals.	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swatch Bharath Kosh set up by the central Government for the promotion of sanitation and making available safe drinking water.	Ernakulam, Palakkad (Kerala), Kashipur (Uttarakhand), Bubaneswar (Orissa), Telengana, Seemandhra, Gaziabad (Uttar Pradesh), Erode (Tamil Nadu).	41,74,351	41,74,351	41,74,351	Direct: 14,99,351 Agency: 26,75,000

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 (Rs)	Amount spent on the projects or programs Subheads : (1) Direct Expenditure (2) Overheads (Rs)	Cumulative Expenditure upto the reporting period (Rs)	Amount Spent : Direct or through implementing agency
3	V-Guard Build India & Relief Intitatives in the environmental development of the society, quality of life of the society/ community and Contribution to Prime Minister's National Relief Fund.	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 (Kerala), Dehradun (Uttarakhand), Jaipur (Rajasthan), Coimbatore (Tamil Nadu)	35,02,858	35,02,858	35,02,858	Direct: 35,02,858
	Subtotal			1,61,43,513	1,61,43,513	1,61,43,513	
	Overhead				2,41,021	2,41,021	
	Total CSR spend				1,63,84,534	1,63,84,534	

Details of Agency:

1. Government General Hospital, Ernakulam;
2. Society for Rehabilitation of the Visually Challenged, Kochi;
3. Lions Club, Kashipur, Uttarakhand and
4. Catholic Health Association of India (CHAI), Telangana.

Annexure 4

Disclosure as at 31st March, 2015 pursuant to SEBI (Share Based Employee Benefits) Regulations, 2015 and under 12(9) of the Companies (Share Capital and Debentures) Rules, 2014

Sl. No.	Particulars	ESOS 2013	
a	Options granted & pricing formula	During the Financial Year 2013-14, the Company had granted, 7,01,184 number of options @ ₹ 485/-, which is the fair market value of the share on the relevant date and 2,16,138 number of options @ ₹ 10/-. Out of the options granted, 18,153 and 5,851 numbers of options granted @ ₹ 485/- and ₹ 10/- respectively were cancelled during the said Financial Year.	
b	Options outstanding at the beginning	6,83,031 number of options of ₹ 485/- 2,10,287 number of options of ₹ 10/-	
c	Options Vested upto 31st March, 2015	1,83,869 number of options @ ₹ 485/- 56,606 number of options @ ₹ 10/-	
d	Options exercised upto 31st March, 2015	74,380 number of options were exercised @ ₹ 485/- and 51,241 number of options were exercised @ ₹ 10/-.	
e	Total no. shares arising as a result of exercise of option	1,25,621 number of shares of face value of ₹ 10/- each.	
f	Options lapsed or cancelled as at 31st March, 2015	71,784 and 22,109 numbers of options granted @ ₹ 485/- and @ ₹ 10/- respectively were cancelled.	
g	Exercise price	Refer point no. **c** above.	
h	Variation of terms of options	Not Applicable	
i	Money realized by exercise of options	Share Capital: ₹ 12.56 lakhs Share Premium: ₹ 353.28 lakhs Total: ₹ 365.84 lakhs	
j	Total number of options in force	5,36,867 number of options of ₹ 485/- 1,36,937 number of options of ₹ 10/-	
k	Employee wise details of options granted to:	**Name**	**Options**
	(i) Senior Managerial Personnel and Key Managerial Personnel	Mr. Ramachandran V	2,59,588
		Mr. Antony Sebastian K	29,923
		Mr. A Jacob Kuruvilla	26,919
		Mr. Muralidharan M V	30,484
		Mr. Deepak Augustine	39,864
		Ms. Jayasree K	11,127
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year	No options have been granted during the year under review.	
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil	

l.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 – Earnings Per Share.	₹ 23.40
m.	(i) Method of calculation of employee compensation cost.	Intrinsic Value Method
	(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options.	The stock-based compensation cost calculated as per the intrinsic value method for the period from 1st April, 2014 to 31st March, 2015, is ₹ 222.12 lakhs. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognized in the financial statements for the period from 1st April, 2014 to 31st March, 2015, would be ₹ 634.70 lakhs.
	(iii) The impact of this difference on profits and on EPS of the Company.	(₹ in lakhs) Profit After Tax as reported 7,072.14 Add: Intrinsic value compensation cost 222.12 Less: Fair value compensation cost 634.70 Adjusted Profit After Tax (Proforma) 6,659.56 Earnings Per Share (Basic) As reported ₹ 23.66 per share Proforma ₹ 22.28 per share Earnings Per share (Diluted) As reported ₹ 23.40 per share Proforma ₹ 22.03 per share
n.	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	No options have been granted during the year under review.
o.	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information.	No options have been granted during the year under review.
	Variables	
	(i) Risk-free interest rate	
	(ii) Expected life of options as on grant date.	
	(iii) Expected volatility	
	(iv) Expected dividend	
	(v) The price of the underlying share in the market at the time of option grant.	

Annexure 5

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the Financial Year ended on 31st March, 2015
[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	30.29
2	Stabilizer	31901	18.71
3	Digital UPS	31104	11.19
	Battery	31401	
4	Electric Water Heater	29305	10.14

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 BREAKUP 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				
		Number of shares held in demate-rialized form	Number of shares held in physical form	Total number of shares	% of Total number of shares	Number of shares held in demate-rialized form	Number of shares held in physical form	Total number of shares	% of Total number of shares	% Change during the year
(A)	**Promoters**									
1	**Indian**									
(a)	Individuals / Hindu Undivided Family	10686845	0	10686845	35.80	10686845	0	10686845	35.65	0.00
(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	9059515	0	9059515	30.35	9080015	0	9080015	30.29	0.00
	Sub Total(A)(1)	**19746360**	**0**	**19746360**	**66.16**	**19766860**	**0**	**19766860**	**65.95**	**-0.21**
2	**Foreign**									
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
	Sub Total(A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**19746360**	**0**	**19746360**	**66.16**	**19766860**	**0**	**19766860**	**65.95**	**-0.21**
(B)	**Public shareholding**									
1	**Institutions**									
(a)	Mutual Funds / UTI	348511	0	348511	1.17	1574958	0	1574958	5.25	4.08
(b)	Financial Institutions / Banks	605	0	605	0.00	2529	0	2529	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
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Institutional Investors	5640550	0	5640550	18.90	5583363	0	5583363	18.63	-0.27

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(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
	Sub-Total (B)(1)	**5989666**	**0**	**5989666**	**20.07**	**7160850**	**0**	**7160850**	**23.89**	**3.82**
B 2	**Non-institutions**									
(a)	Bodies Corporate									
	1) Indian	328846	1800	330646	1.11	124981	1800	126781	0.42	-0.69
	2) Overseas	0	0	0	0.00	0	0	0	0.00	
(b)	Individuals									
I	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	2398005	170623	2568628	8.61	2072015	123304	2195319	7.32	-1.29
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	859271	13300	872571	2.92	519456	0	519456	1.73	-1.19
(c)	Any Other (specify)									
	1) Clearing Member	50582	0	50582	0.17	15769	0	15769	0.05	-0.12
	2) Market Maker	703	0	703	0.00	849	0	849	0.00	0.00
	3) Non-Resident Indians (Repatriable)	202330	0	202330	0.68	159549	0	159549	0.53	-0.15
	4) Non-Resident Indians (Non-Repatriable)	43993	0	43993	0.15	27708	0	27708	0.09	-0.06
	5) Trust	42041	0	42041	0.14	0	0	0	0.00	-0.14
	Sub-Total (B)(2)	**3925771**	**185723**	**4111494**	**13.77**	**2920327**	**125104**	**3045431**	**10.16**	**-3.61**
(B)	**Total Public Shareholding (B)= (B)(1)+(B)(2)**	**9915437**	**185723**	**10101160**	**33.84**	**10081177**	**125104**	**10206281**	**34.05**	**0.21**
(C)	**Shares held by Custodians and against for GDRs and ADRs**	0	0	0	0.00	0	0	0	0.00	0
	Sub-Total (C)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**
	GRAND TOTAL (A)+(B)+(C)	**29661797**	**185723**	**29847520**	**100.00**	**29848037**	**125104**	**29973141**	**100.00**	

(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	24.68	0	7366518	24.58	0	0.00
2	Sheela Kochouseph	3320327	11.12	0	3320327	11.08	0	0.00
3	Mithun K Chittilappilly*	5089818	17.05	0	5110318	17.05	0	0.00
4	Arun K Chittilappilly*	3969697	13.30	0	3969697	13.24	0	0.00
	TOTAL	**19746360**	**66.16**	**0**	**19766860**	**65.95**	**0**	**0.00**

*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.	Name of promoter / promotor group member	Shareholding at the beginning and end of the year		Cumulative shareholding during the year	
1	**Mithun K Chittilappilly* (Managing Director)**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	5089818	17.05	5089818	17.05
	Inrease/decrease during the year				
	01.04.2014 - Market Purchase	9000	0.03	5098818	17.08
	02.04.2014 - Market Purchase	2000	0.01	5100818	17.09
	03.04.2014 - Market Purchase	3500	0.01	5104318	17.12
	04.04.2014 - Market Purchase	6000	0.02	5110318	17.12
	At the end of the year			5110318	17.05

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

(iv) SHAREHOLDING PATTERN 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		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**NALANDA INDIA EQUITY FUND LIMITED**				
	At the beginning of the year	**1304485**	**4.37**	1304485	4.37
	Increase/Decrease during the year	-	-		
	At the end of the year			**1304485**	**4.35**

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
2	STEADVIEW CAPITAL MAURITIUS LIMITED				
	At the beginning of the year	**1095250**	**3.67**	1095250	3.67
	Increase/Decrease during the year	-	-	-	-
	At the end of the year			**1095250**	**3.65**
3	MASSACHUSETTS INSTITUTE OF TECHNOLOGY - SCM *				
	At the beginning of the year	**996228**	**3.34**	996228	3.34
	Decrease on - 04.07.2014 / Transfer	-41021	-0.14	955207	3.20
	Decrease on - 31.12.2014 / Transfer	-955207	-3.20	0	0.00
	At the end of the year			**Nil**	**Nil**
4	NALANDA INDIA FUND LIMITED				
	At the beginning of the year	**789964**	**2.65**	789964	2.65
	Increase/Decrease during the year	-	-	-	-
	At the end of the year			**789964**	**2.64**
5	LTR FOCUS FUND				
	At the beginning of the year	**701250**	**2.35**	701250	2.35
	Decrease on - 30.06.2014 / Transfer	-10279	-0.03	690971	2.32
	Decrease on - 04.07.2014 / Transfer	-83447	-0.28	607524	2.04
	Decrease on -20.03.2015 / Transfer	-30000	-0.10	577524	1.93
	At the end of the year			**577524**	**1.93**
6	EMBLEM FII				
	At the beginning of the year	**399819**	**1.34**	399819	1.34
	Increase/Decrease during the year	-	-		
	At the end of the year			**399819**	**1.33**
7	PRIYA SARAH ARUN CHITTILAPPILLY				
	At the beginning of the year	307667	1.03	307667	1.03
	Increase/Decrease during the year	-	-		
	At the end of the year			307667	1.03

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
8	**SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND**				
	At the beginning of the year	303466	1.02	303466	1.02
	Decrease on -11.04.2014 / Transfer	-1660	-0.01	301806	1.01
	Decrease on - 02.05.2014 / Transfer	-12806	-0.04	289000	0.97
	Decrease on - 16.05.2014 / Transfer	-2000	-0.01	287000	0.96
	Decrease on - 30.05.2014 / Transfer	-3000	-0.01	284000	0.95
	Decrease on -04.07.2014 / Transfer	-2000	-0.01	282000	0.94
	Decrease on - 22.08.2014 / Transfer	-335	0.00	281665	0.94
	Increase on - 12.09.2014 / Transfer	23324	0.08	304989	1.02
	Increase on - 30.09.2014 / Transfer	11000	0.04	315989	1.06
	Decrease on -17.10.2014 / Transfer	-324	0.00	315665	1.06
	Increase on - 14.11.2014 / Transfer	114677	0.38	430342	1.44
	Increase on - 21.11.2014 / Transfer	6579	0.02	436921	1.46
	Increase on - 05.12.2014 / Transfer	51648	0.17	488569	1.63
	Increase on - 02.01.2015 / Transfer	13407	0.04	501976	1.68
	Increase on - 09.01.2015 / Transfer	8393	0.03	510369	1.71
	Increase on - 23.01.2015 / Transfer	1226	0.00	511595	1.71
	Increase on - 06.02.2015 / Transfer	2202	0.01	513797	1.71
	Increase on - 20.03.2015 / Transfer	183786	0.61	697583	2.33
	At the end of the year			**697583**	**2.33**
9	**FIDUCIAN INDIA FUND ***				
	At the beginning of the year	**101780**	0.34	101780	0.34
	Increase/Decrease during the year	-	-	-	-
	At the end of the year			101780	0.34
10	**Sadhana Ashokkumar Patni ***				
	At the beginning of the year	**93825**	**0.31**	93825	0.31
	Decrease on - 09.05.2014 / Transfer	-19366	-0.06	74459	0.25
	Decrease on - 30.05.2014 / Transfer	-1690	-0.01	72769	0.24
	Decrease on - 06.06.2014 / Transfer	-14472	-0.05	58297	0.19
	Decrease on -13.06.2014 / Transfer	-8093	-0.02	50204	0.17
	Decrease on - 20.06.2014 / Transfer	-28020	-0.10	22184	0.07
	Decrease on - 30.06.2014 / Transfer	-22184	-0.07	0	0.00
	At the end of the year			Nil	Nil

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
11	**ABG CAPITAL**				
	At the beginning of the year	-	-	-	-
	Increase on - 31.12.2014 / Transfer	955207	3.19	955207	3.19
	Decrease on - 09.01.2015 / Transfer	-15480	-0.05	939727	3.14
	Decrease on -16.01.2015 / Transfer	-2755	-0.01	936972	3.13
	Decrease on - 06.02.2015 / Transfer	-1569	-0.01	935403	3.12
	Decrease on - 27.02.2015 / Transfer	-1902	-0.01	933501	3.12
	Decrease on - 06.03.2015 / Transfer	-16403	-0.05	917098	3.06
	Decrease on - 13.03.2015 / Transfer	-12762	-0.04	904336	3.02
	Decrease on - 20.03.2015 / Transfer	-154602	-0.52	749734	2.50
	At the end of the year			**749734**	**2.50**
12	**ICICI PRUDENTIAL VALUE FUND SERIES 2**				
	At the beginning of the year	-	-	-	-
	Increase on - 09.05.2014 / Transfer	130586	0.44	130586	0.44
	Increase on - 16.05.2014 / Transfer	55066	0.18	185652	0.62
	Increase on - 23.05.2014 / Transfer	18514	0.06	204166	0.68
	Increase on - 06.06.2014 / Transfer	98590	0.33	302756	1.01
	Increase on -13.06.2014 / Transfer	46000	0.15	348756	1.17
	Increase on - 20.06.2014 / Transfer	225182	0.75	573938	1.92
	Increase on - 30.06.2014 / Transfer	185656	0.62	759594	2.54
	Increase on - 04.07.2014 / Transfer	50477	0.17	810071	2.71
	Decrease on - 01.08.2014 / Transfer	-17840	-0.06	792231	2.65
	Decrease on - 30.09.2014 / Transfer	-75174	-0.25	717057	2.40
	Decrease on - 03.10.2014 / Transfer	-1304	-0.004	715753	2.40
	Decrease on -10.10.2014 / Transfer	-23340	-0.08	692413	2.32
	Decrease on - 17.10.2014 / Transfer	-5748	-0.02	686665	2.30
	Decrease on - 31.10.2014 / Transfer	-8487	-0.03	678178	2.27
	Decrease on - 14.11.2014 / Transfer	-104677	-0.35	573501	1.92
	Decrease on - 28.11.2014 / Transfer	-7631	-0.03	565870	1.89
	Decrease on - 05.12.2014 / Transfer	-5702	-0.02	560168	1.87
	Decrease on -12.12.2014 / Transfer	-338	-0.001	559830	1.87
	Decrease on - 09.01.2015 / Transfer	-1971	-0.01	557859	1.86
	Decrease on - 16.01.2015 / Transfer	-43029	-0.14	514830	1.72
	Decrease on - 23.01.2015 / Transfer	-5308	-0.02	509522	1.70
	Increase on - 13.02.2015 / Transfer	1389	0.005	510911	1.71
	Increase on - 06.03.2015 / Transfer	2238	0.008	513149	1.71
	Increase on - 27.03.2015 / Transfer	5062	0.02	518211	1.73
	Increase on - 31.03.2015 / Transfer	14853	0.05	533064	1.78
	At the end of the year			**533064**	**1.78**

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
13	**KOTAK EMERGING EQUITY SCHEME**				
	At the beginning of the year	12190	0.04	12190	0.04
	Increase on - 04.04.2014 / Transfer	12516	0.04	24706	0.08
	Increase on - 11.04.2014 / Transfer	2000	0.01	26706	0.09
	Increase on - 18.04.2014 / Transfer	2000	0.01	28706	0.09
	Increase on - 20.06.2014 / Transfer	4900	0.02	33606	0.11
	Increase on - 30.06.2014 / Transfer	4000	0.02	37606	0.12
	Increase on - 04.07.2014 / Transfer	3200	0.01	40806	0.13
	Increase on - 18.07.2014 / Transfer	5542	0.02	46348	0.15
	Increase on - 22.08.2014 / Transfer	4514	0.02	50862	0.17
	Increase on - 29.08.2014 / Transfer	17283	0.06	68145	0.23
	Increase on - 12.09.2014 / Transfer	9986	0.03	78131	0.26
	Increase on - 19.09.2014 / Transfer	5696	0.02	83827	0.28
	Increase on - 30.09.2014 / Transfer	2310	0.01	86137	0.29
	Increase on - 24.10.2014 / Transfer	4000	0.01	90137	0.30
	Decrease on - 28.11.2014 / Transfer	-5351	-0.02	84786	0.28
	Increase on - 19.12.2014 / Transfer	4196	0.01	88982	0.29
	Decrease on - 31.12.2014 / Transfer	-14237	-0.05	74745	0.25
	Decrease on - 02.01.2015 / Transfer	-2447	-0.01	72298	0.24
	Increase on - 23.01.2015 / Transfer	22000	0.07	94298	0.32
	Increase on - 30.01.2015 / Transfer	18656	0.06	112954	0.38
	Increase on - 06.02.2015 / Transfer	625	0.00	113579	0.38
	Increase on - 13.02.2015 / Transfer	3480	0.01	117059	0.39
	Increase on - 06.03.2015 / Transfer	1597	0.01	118656	0.40
	Increase on - 13.03.2015 / Transfer	2608	0.00	121264	0.41
	Increase on - 20.03.2015 / Transfer	18492	0.06	139756	0.47
	Increase on - 27.03.2015 / Transfer	23497	0.08	163253	0.54
	At the end of the year			**163253**	**0.54**

Note: * Included in the Top ten at the beginning of the Financial Year.

(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	
1	**Kochouseph Chittilappilly (Chairman)**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	7366518	24.68	7366518	24.68
	Inrease/decrease during the year	0	0.00	0	0.00
	At the end of the year			7366518	24.58
2	**Mithun K Chittilappilly (Managing Director)**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	5089818	17.05	5089818	17.05
	Inrease/decrease during the year				
	01.04.2014 - Market Purchase	9000	0.03	5098818	17.08
	02.04.2014 - Market Purchase	2000	0.01	5100818	17.09
	03.04.2014 - Market Purchase	3500	0.01	5104318	17.10
	04.04.2014 - Market Purchase	6000	0.02	5110318	17.10
	At the end of the year			5110318	17.05
3	**Ramachandran V (Director - Marketing & Strategy)**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	0	0.00	0	0.00
	Inrease/decrease during the year				
	04.11.2014 - Allotment (Stock options)	15044	0.05	15044	0.05
	16.01.2015 - Allotment (Stock options)	7100	0.02	22144	0.07
	At the end of the year			22144	0.07
4	**A Jacob Kuruvilla (Chief Financial Officer)**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	500	0.00	500	0.00
	Inrease/decrease during the year				
	29.07.2014 - Allotment (Stock options)	1900	0.01	2400	0.01
	19.09.2014 - Market Sale	100	0.00	2300	0.01
	23.09.2014 - Market Sale	50	0.00	2250	0.01
	25.09.2014 - Market Sale	50	0.00	2200	0.01
	29.09.2014 - Market Sale	50	0.00	2150	0.01
	04.11.2014 - Allotment (Stock options)	2355	0.01	4505	0.01
	05.12.2014 - Market Sale	200	0.00	4305	0.01
	16.01.2015 - Allotment (Stock options)	3000	0.01	7305	0.02
	At the end of the year			7305	0.02
5	**Jayasree K (Company Secretary)**	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	330	0.00	330	0.00
	Inrease/decrease during the year				
	04.11.2014 - Allotment (Stock options)	1496	0.01	1826	0.01
	05.12.2014 - Market Sale	160	0.00	1666	0.01
	16.01.2015 - Allotment (Stock options)	1564	0.01	3230	0.01
	At the end of the year (Stock options)			3230	0.01

Note: During the year under review, the paid-up capital of the Company has increased to Rs. 29.97 crores 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

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	10,835.12	-	-	10,835.12
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	21.24	-	-	21.24
Total (i+ii+iii)	10,856.36	-	-	10,856.36
Change in Indebtedness during the Financial Year				
Addition	-	3,000.00	-	3,000.00
Reduction	(6,070.87)	(1,000.00)	-	(7,070.87)
Net Change	(6,070.87)	2000.00	-	(4,070.87)
Indebtedness at the end of the Financial Year				
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
Total (i+ii+iii)	4,785.49	2,000.00	-	6,785.49

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
		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	36,59,047	55,90,200	1,60,87,500	2,53,36,747
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	13,46,911	2,27,000	1,40,625	17,14,536
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	1,77,30,942	1,77,30,942
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify…	52,96,451	79,44,677	52,96,451	1,85,37,579
5	Others	-	-	-	-
	Total (A)	1,03,02,409	1,37,61,877	3,92,55,518	6,33,19,804
	Ceiling as per the Act	10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 is ₹ 10,67,88,030/-			

B. Remuneration to other directors: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Cherian N Punnoose	C J George	A K Nair	Ullas K Kamath	
	Fee for attending board / committee meetings	2,90,000	1,05,000	2,20,000	1,05,000	7,20,000
	Commission	5,83,333	-	-	-	5,83,333
	Others, please specify	-	-	-	-	-
	Total (1)	8,73,333	1,05,000	2,20,000	1,05,000	13,03,333
2	Other Non-Executive Directors	Joshna Johnson Thomas	-	-	-	-
	Fee for attending board / committee meetings	1,00,000	-	-	-	1,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	1,00,000	-	-	-	1,00,000
	Total (B)=(1+2)	-	-	-	-	14,03,000
	Total Managerial Remuneration	-	-	-	-	6,47,22,804
	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. ₹ 11,74,66,833.49. Non-Executive Directors : 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 i.e. ₹ 1,06,78,803.04.				

*Total Managerial Remuneration = Total (A) + Total (B)(1), but does not include sitting fee paid.

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
		A Jacob Kuruvilla Chief Financial Officer	Jayasree K Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22,39,063	13,43,358	35,82,421
	(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	42,06,808	19,61,540	61,68,348
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (C)	64,85,471	33,26,498	98,11,969

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)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

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	To improve the conservation of energy, the following measures were taken in our manufacturing and distribution system:- a) Upgraded 30 models of 'Electric Water Heater' as per revised slab of BEE. b) Replaced 15 watts CFL lamps with 3 watts LED lamps in the work station of silicon sealant application in solar water heater plant, thereby reducing the power consumption. c) Introduced In-house developed 'Voltage Controller', in the Cable Manufacturing Plant, to limit variation in incoming voltage between phases. d) Installed 2kVA Solar (SPV) Power System for 'Air Delivery Tests' of Ceiling Fan at our R&D Test Labs, at Head Office. e) Modified the product design of about 40 SKUs in pumps enabling improvement of average 5% in overall efficiency. The expected annual energy saving from this modification will be about 3.5 Lakh KWH per year.
(b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.	a) Replacement of Sodium Vapour Lamp with LED lamps for campus street lighting
(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.	By implementing the aforesaid measures, a) Energy consumption has been reduced by almost 10% as compared to models which were manufactured in previous year. There is a slight increase in material cost (about 0.22 %) for achieving the new rating. b) By using LED lamps in place of CFL lamps, there is a savings of ₹ 15000 for FY14-15. c) The introduction of Voltage Controller has resulted in a savings of Rs 16.9 Lakhs for the FY 2014-15 by eliminating DG Usage during Voltage fluctuation. d) By installing 2KV Solar Inverter, it is expected to save approximately 1500 to 2000 Units of electric power per anum. e) Expected to save approximately 3.5 Lakh Units of electric power per anum to the customers. f) By using LED lamps in place of Sodium vapour lamps, a savings of Rs 0.93 Lakhs could be made for FY 2014-15.
(d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure in respect of Industries specified in the Schedule thereto.	**N.A**

B) Technology absorption :

1. Efforts made in technology absorption as per Form B of Annexure

Research and Development (R&D)	
1. Specific areas in which R&D carried out by the Company	a. R&D Department carried out various activities to develop cost effective, efficient Toroidal Transformers based Voltage Stabilizers b. Introduced in-house designed new models of Digital UPS and Inverters. c. Introduced Solar Power Systems of 1KW and 2KW models. d. Introduced Pebble DG 15 Ltr water heater with digital display, intelligent scheduling option and wireless remote control. e. R&D carried to develop new models of electric water heaters. (Steamer plus EPAC 15 Ltr & 25 Ltr, Verano DG 15 Ltr & 25 Ltr, Verano 15 Ltr & 25 Ltr and Iris 3 Ltr) f. R&D carried to develop new models of solar water heaters: -Win Hot series of capacity 100, 150 & 200 liters -Win Hot E series capacity 100, 150 & 200 litres, -V-Hot series for 500 liters & 1000 litre NON-MNRE models. g. Developed new Digital Control Panel for single phase submersible pumps with enhanced features and aesthetics. h. Designed and Developed new electrical stamping profile for Single phase open well submersible pumps. i. Developed new Digital Control Panel with Automatic Capacitor Switching for enhancing working voltage band of single phase submersible pumps. j. Analysis on weight unbalance in open well pump rotors and its relation with bearing life. k. Pump design modification in borewell pumps to improve product life while handling water with more sand content. l. Deployed Vibration analysis systems for Electromechanical products. m. Developed computerized systems for measuring and recording environmental factors. n. Developed special mat finish in decorative models of ceiling fan. o. Redesigning the loading Jib Crane of Stranding machine to increase productivity and to reduce safety hazards. p. Redesigning the hot-melt adhesive handling system in Speed Packing machine. q. OEM design modification in Take-Up Unit of Extruder 80mm. r. Introduction of the in-house designed coil former for enhancing the packing quality of LT Cables. s. Introduction of telescopic conveyor for PVC unloading from trucks.

2. Benefits derived as a result of the above R & D	a. When implemented fully, this new Toroidal technology is expected to derive an overall cost savings of 5 to 7% of the cost of Voltage Stabilizers. b. In-House designed, Home Inverter Models have resulted in savings of around 9 to 13% compared to outsourced products. c. Helped to start establishing in Solar Power systems Market. d. Intelligent scheduling options has made the water heater more energy efficient. The wireless remote has made the product, convenient and easy to use. e. Technologically superior and aesthetically better products, expected to be introduced in 2015-16. f. 1.Increase in Sales. 2. Increase in Profit. g. Improved customer acceptance and faster market expansion. h. Improved the Torque-Speed Characteristics of the motor in the working voltage range. i. Better operating performance and efficiency achieved even at extreme low voltages. j. Improved the product life. k. Improved design got better acceptance from the market due to better sand withstanding capability. l. Helped in improving quality of product m. Improved the accuracy of comparative studies. n. Introduction of special finish in the new models launched. o. Set up time of Stranding machine is reduced and productivity improved by 8%. Safety is ensured during spool handling and transfer. p. The Hot melt adhesive transfer system was modified without need of special hose supplied by OEM thereby avoiding hose replacement cost of Rs 0.42 Lakhs per year. q. Two different reel sizes can be loaded in same take up and wound with proper tension control thereby avoiding rewinding activity between reels. Lead time of the product has reduced by 4.6 days as per Value Stream Mapping Study. r. Newly designed coil former has improved winding quality and better coil shape for LT Cables. s. With the introduction of telescopic conveyor, able to reduce the handling charges by 33%.

3. Future Plan of action	a. To design and develop more models of Toroidal Transformer based Voltage Stabilizers. b. To design and develop more high wattage models of Home Inverters c. To design, develop and introduce more ranges of Solar Power system products. d. Polymer lined MS tanks to be extended to more models and for future models of storage water heaters, since this is now a proven solution to hard water problems. e. Cost reduction through value engineering f. Incorporate advanced features like wifi in new products (EWH) g. To develop Solar Water Heaters with GI Inner tank which can resist corrosion and give longer life. h. Development of Remote controlled under light Fan. i. Design and Development of optimized electrical stamping in single phase submersible pumps having stamping outer diameter of 165 mm. j. R&D of different classes of motor designs (as per NEMA standards) and its suitability in Pumping applications. k. To introduce ABS Control panels for Submersible Pumps with new circuit design for better safety and life. l. Introduce value added Starters and Control Panels for Three phase Motor and agricultural Pumps. m. Efficiency improvement in Centrifugal models by design modification. n. Design and development of an anti-clog system for avoiding the sand clogging at borewell suction region. o. To develop energy saving fans with service value of 5 p. Introduction of dual take up for rewinding machine. q. Modification of sheathing process for 2 Core cables. r. In house development of lump detection unit for extrusion and sheathing line for better process control. s. Enhancing properties of sheath in submersible cables to increase the line speed. t. PLC Up-gradation of extruder sheathing line to enhance process capability. u. Develop in-house triple cross head assembly for extruders.
4. **Expenditure on R&D**	
(a) Capital	₹ 46.01 lakhs
(b) Recurring	₹ 551.90 lakhs
(c) Total	₹ 597.91 lakhs
(d) % of R&D expenditure to total sales	0.34

Technology absorption, adaptation and innovations	
1. Efforts in brief, made towards technology absorption, adaptation and innovation	a. Efforts are being made to absorb and adapt newer and futuristic technologies, by developing Smart Intelligent embedded systems based products like Smart Electric Water heaters, Smart Mixer Grinders, Smart Fans, Smart Pumps and motors, smart Inverters etc., which are also energy efficient, and cost effective. Development of digital control & monitoring system for Electric Water Heaters, which are wifi enabled. b. Deep throat press purchased for ETC holes punching, whereby linear welding location on tank is changed such that the welding joint does not remain immersed under water. c. Designed and Developed optimized stamping profile for 4" tube well pumps. d. Introduced new technology (in winding wires with 180°C graded insulation) in 6" three phase tube well submersible pumps as "Super Premium" category. e. Implemented electrostatic painting technology in ceiling fan. f. Master Calibrator for Spark testers
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution etc.	a. We are entering into the smart world with digital water heaters, which are intelligent and energy efficient with fault detection, and can communicate with the consumer. Increased customer acceptance and improved sales. b. Improved quality and life of SS tank. c. Achieved cost saving of around ₹ 10 Lakh through material optimization. d. Improved the ability to withstand worst field conditions and thereby achieved high product reliability. e. Improved corrosion resistance of the product resulting better coating life. f. Better calibration and process control.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the Financial Year), following informations may be furnished.	NA
a) Technology imported I	NA
b) Year of import	
c) Has technology been fully absorbed?	
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	
a) Technology imported II	
b) Year of import	
c) Has technology be fully absorbed?	
d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	

C) Foreign Exchange earnings and outgo:

Foreign Exchange earned	₹ 162.36 lakhs
Foreign Exchange used	₹ 12075.08 lakhs

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.	Name	Ratio to Median
		Mr. Kochouseph Chittilappilly	46.49
		Mr. Mithun K Chittilappilly	34.80
		Mr. Ramachandran Venkataraman	132.62
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year	Name	% increase in the CTC
		Mr. Kochouseph Chittilappilly	10.18
		Mr. Mithun K Chittilappilly	12.26
		Mr. Ramachandran Venkataraman	129.52
		Mr. Jacob Kuruvilla A	212.86
		Ms. Jayasree K	160.49
(iii)	Percentage increase in the median remuneration of employees in the Financial Year	13.41%	
(iv)	Number of permanent employees on the rolls of the Company.	1,859 (As on 31st March, 2015)	
(v)	Explanation on the relationship between average increase in remuneration and Company performance.	The average annual increase based on individual performance was 14.71% 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	Particulars	Amount & Percentage
		Total amount of remuneration of KMP	₹ 7.31 Crs.
		Revenue for the Financial Year 2014-15	₹ 1,745.92 Crs.
		Remuneration of KMP as a % of Revenue	0.42%
		Profit Before Tax for the Financial Year 2014-15	₹ 101.45 Crs.
		Remuneration of KMP as a % of Profit Before Tax	7.21%

<table>
<tr><td>(vii)</td><td>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.</td><td>Market Capitalization as on 31st March, 2014 - ₹ 1,394.00 crores
Market Capitalization as on 31st March, 2015 - ₹ 2,737.00 crores
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 price and 1361% increase over IPO price.
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 33.28 times in all time high price over the all time low price.</td></tr>
<tr><td>(viii)</td><td>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.</td><td>Average percentage increase made in the salary of employees other than the managerial personnel in the Financial Year was 14.71%. Average percentage increase in the managerial remuneration was 72.67%. The increase in managerial remuneration includes perquisite value of ESOP.</td></tr>
<tr><td>(ix)</td><td>Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.</td><td>
<table>
<tr><th>Name</th><th>Remuneration (₹ in Crs)</th><th>Revenue (FY 2014-15) (₹ in Crs)</th><th>Remuneration as a % of revenue</th><th>Profit Before Tax (FY 2014-15) (₹ in Crs)</th><th>Remuneration as a % of Profit Before Tax</th></tr>
<tr><td>Mr. Kochouseph Chittilappilly</td><td>1.38</td><td>1,745.92</td><td>0.08%</td><td>101.45</td><td>1.35%</td></tr>
<tr><td>Mr. Mithun K Chittilappilly</td><td>1.03</td><td>1,745.92</td><td>0.06%</td><td>101.45</td><td>1.02%</td></tr>
<tr><td>Mr. Ramachandran V</td><td>3.93</td><td>1,745.92</td><td>0.22%</td><td>101.45</td><td>3.86%</td></tr>
<tr><td>Mr. Jacob Kuruvilla A</td><td>0.65</td><td>1,745.92</td><td>0.04%</td><td>101.45</td><td>0.63%</td></tr>
<tr><td>Mrs. Jayasree K</td><td>0.33</td><td>1,745.92</td><td>0.02%</td><td>101.45</td><td>0.33%</td></tr>
</table>
</td></tr>
<tr><td>(x)</td><td>Key parameters for any variable component of remuneration availed by the Directors.</td><td>Variable pay to the Directors is linked to the financial performance of the Company.</td></tr>
<tr><td>(xi)</td><td>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.</td><td>No employee has received remuneration in excess of the highest paid Director during the year under review.</td></tr>
<tr><td>(xii)</td><td>Affirmation that the remuneration is as per the remuneration policy of the Company.</td><td>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.</td></tr>
</table>

(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 PESONNEL) 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	1,37,61,877	Contractual	M.Sc. (Physics) 40 years	12.02.1996	64 years	V-Guard Industries	24.58	Yes.
2.	Mr. Mithun K Chittilappilly	Managing Director	1,03,02,409	Contractual	B.Com. M.B.A. 12 years	01.04.2003	34 years	Hewlett Packard India	17.05	Yes
3.	Mr. Ramachandran V	Director - Marketing & Strategy	3,92,55,518	Contractual	B.Sc. (Chemistry) MBA 28 years	02.04.2012	51 years	LG Electronics	0.07	No.
4.	Mr. Jacob Kuruvilla A	Vice President & CFO	64,85,471	Permanent	B.Sc., FCA 31 years	11.02.2010	56 years	Hindustan Newsprint Ltd	0.02	No
5.	Mr. Deepak Augustine	Vice President-Marketing	83,05,003	Permanent	B.Tech., AD Management 20.25 years	07.04.2003	42 years	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.

REPORT ON CORPORATE GOVERNANCE

The Company's report on Corporate Governance for the year ended 31.03.2015 as required under Clause 49 of the Listing Agreement entered into with Stock Exchanges is presented as under:

I. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is all about maximizing stakeholders' value legally, ethically and on a sustainable basis. The Company believes that sound corporate governance practices are imperative for enhancing and retaining stakeholders' trust and enhancing the shareholders' value. The Board believes that the Company's philosophy of doing business in transparent and ethical way will help to reach newer heights in the long run.

The practices followed by the Company are detailed herein below.

II. BOARD OF DIRECTORS

A. Composition of the Board

The Board of the Company has been constituted in such a manner that it comprises of optimum mix of Executive and Non-Executive Directors with one Woman Director, in the non-executive category.

As on 31st March, 2015, 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. The composition of the Board is in compliance with the requirements of Clause 49(II)(A) of the Listing Agreement executed with the Stock Exchanges. Mr. Kochouseph Chittilappilly, Executive Director is the Chairman of the Company. Mrs. Joshna Johnson Thomas, was appointed in the 18th Annual General Meeting held on 29th July, 2014, as a Director in the non-executive category, whose period of office is liable to retire by rotation.

The Board of Directors in their meeting held on 16th March, 2015, re-appointed Mr. Kochouseph Chittilappilly and Mr. Mithun K Chittilappilly, as Executive Chairman and Managing Director of the Company respectively for a period of three years effective from 1st April, 2015, subject to the approval of the members of the Company in the ensuing Annual General Meeting. The resolutions for their re-appointment are included in the notice dated 7th July, 2015 for the 19th Annual General Meeting of the Company.

As per the declarations received from the Directors, none of the Directors is disqualified under Section 164(2) of the Companies Act, 2013.

B. Independent Directors

1. Appointment & Declaration of Independence

During the year under review, the members of the Company in their 18th Annual General Meeting held on 29th July, 2014, appointed Mr. Cherian N Punnoose, Mr. C J George, Mr. A K Nair and Mr. Ullas K Kamath, as Independent Directors of the Company. All the Independent Directors have declared that they meet the criteria of 'Independence' as required under the provisions of Section 149 of the Companies Act, 2013.

2. Limit on number of Directorship

None of the Independent Directors of the Company is serving on the Board of more than seven listed companies as an Independent Director.

None of the Independent Directors of the Company, serving as Whole-time Director in any other listed company is holding the position of Independent Directorship in more than three companies.

3. Tenure of appointment of Independent Directors

All the Independent Directors of the Company were appointed for a period of five years with effect from 29th July, 2014.

4. Formal Letter of Appointment to Independent Directors

Letter of appointment has been issued to all the Independent Directors and the same has been posted in the web site of the Company.

5. Performance Evaluation of Independent Directors

The members of the Nomination and Remuneration Committee of the Board, in their meeting held on 4th November, 2014, adopted Nomination Remuneration and Evaluation Policy, which 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 has carried out the evaluation of performance of all the Independent Directors on the Board, on the basis of a questionnaire format. Apart from the above, the entire Board (excluding the Director being evaluated) has carried out the evaluation of performance of all the Independent Directors. The Independent Directors were evaluated based on the

criteria such as whether the Independent Directors have given declaration under section 149(6) of the Companies Act, 2013, and that are acting in the best interest of the minority shareholders of the Company.

6. Separate meetings of the Independent Directors

During the year under review, a separate meeting of the Independent Directors of the Company was held on 21st March, 2015, at the Registered Office of the Company and the members discussed the matters enumerated in the Schedule IV to the Companies Act, 2013 and Clause 49II(B)(6)(b) of the Listing Agreement. The members reviewed the performance of:

a) Non-independent Directors and the Board as a whole;

b) Chairman of the Company, considering the views of executive and non-executive Directors and

c) 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.

7. Familiarization programme for 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 etc., and the role to be played by them. Their rights and responsibilities were intimated through the Letter of Appointment issued to them. The details of such familiarization programs are disclosed on the Company's website www.vguard.in in the page 'About V-Guard' under the head 'Leadership'.

C. Non-Executive Directors' Compensation and Disclosure

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 Board of Directors of the Company considered and approved 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, subject to the approval of the shareholders in the ensuing Annual General Meeting to be held on 3rd August, 2015.

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

D. Other provisions as to Board and Committees

During the year 2014-15, the Board met five times i.e. on 02nd May, 2014, 29th July, 2014, 04th November, 2014, 16th January, 2015 and 16th March, 2015. 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 Annexure X to Clause 49 of the Listing Agreement 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.

Necessary disclosures have been made by the Directors stating that they do not hold membership in more than 10 committees or are acting as Chairman in more than 5 Committees in terms of Clause 49 of the Listing Agreement.

The names, position and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, and also the number of Directorships and Committee positions held by them are given below:

Name & Position of the Director	Category	No. of shares held as on 31.03.2015	Attendance at		Directorships and Chairmanship / Membership of Board / Committees in other Companies as on 31.03.2015		
			Board Meetings	Last AGM	Director	Committee Member	Committee Chairman
Mr. Kochouseph Chittilappilly Chairman	Promoter and Executive Director	73,66,518	5	Yes	2	Nil	Nil
Mr. Cherian N Punnoose Vice Chairman	Non Executive Independent Director	Nil	5	Yes	Nil	Nil	Nil
Mr. Mithun K Chittilappilly Managing Director	Executive Director	51,10,318	5	Yes	Nil	Nil	Nil
Mr. Ramachandran Venkataraman Director-Marketing & Strategy	Executive Director	22,144	5	Yes	Nil	Nil	Nil
Mr. C J George Independent Director	Non- Executive Independent Director	Nil	1	No	7	2	1
Mr. A K Nair Independent Director	Non- Executive Independent Director	Nil	5	Yes	6	6	3
Mr. Ullas K Kamath Independent Director	Non Executive Independent Director	Nil	4	Yes	2	2	Nil
Mrs. Joshna Johnson Thomas Non-Executive Director	Non- Executive Director	Nil	4	No	Nil	Nil	Nil

Resume of Director seeking re-appointment is appended in the Notice of the 19th Annual General Meeting dated 7th July, 2015.

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.

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 Companies Act, 2013 and of Companies incorporated outside India.

Chairmanship / Membership of Board Committees include Chairmanship / Membership of Audit Committee and Stakeholders' Relationship and Share Transfer Committee as per the requirements of Clause 49(II)(D)(2)(ii) of the Listing Agreement. Details of no. of membership given above also include the details of chairmanship held by the director(s). 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 purpose.

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

During the year under review, none of the Independent Directors of the Company has resigned from the Board.

The Board of the Company, in its meeting held on 4th November, 2014, has adopted a Succession policy to ensure that proper plans are in place for orderly succession for appointments to the Board and Senior Management.

E. Code of Conduct for Directors and Senior Management

The Board has adopted a new Code of Conduct for Directors and Senior Management of the Company by revising the existing Code of Conduct in line with the provisions of Companies Act, 2013 and the Listing Agreement.

The Code is available on the website of the Company www.vguard.in. in the page 'Investor Relations'

F. Whistle Blower Policy

The Company has established a Vigil Mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct or ethics policy. The existing Vigil Mechanism has been revised in line with the provisions of Section 177(9) of the Companies Act, 2013 and Clause 49II(F) of the Listing Agreement. 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.

Vigil Mechanism adopted by the Company is posted on the website of the Company www.vguard.in in the page 'Investor Relations'.

COMMITTEES OF THE BOARD

The Board has constituted three sub-committees, which are Audit Committee, Stakeholders Relationship and Share Transfer Committee and Nomination and Remuneration Committee. Each Committee of the Board functions according to the terms of reference as approved by the Board. Meeting of each sub-committee is convened by the respective committee Chairman. The composition and terms of reference of these sub-committees including the number of meetings held during the Financial Year and the related attendance are given below:

III. AUDIT COMMITTEE

Qualified and Independent Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Clause 49(III) of the Listing Agreement entered into with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

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 31st March, 2015 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

*Mr. Ullas K Kamath, Independent Director, was appointed as a member of Audit Committee with effect from 4th November, 2014.

Meetings & Attendance during the year

During the Financial Year 2014-15, the Committee members met four times i.e on 02nd May, 2014, 29th July, 2014, 04th November, 2014 and 16h January, 2015 respectively. The gap between two meetings was not more than 120 days and requisite quorum was there for the meetings. The audited financial results of the Company for the Financial Year ended 31st March, 2015 was reviewed by the Committee in its meeting held on 04th May, 2015. Attendance of Committee members at the Audit Committee meetings held during the Financial Year 2014-15 is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. Cherian N Punnoose	4	4
Mr. C J George	4	2
Mr. A K Nair	4	4
Mr. Mithun K Chittilappilly	4	4
Mr. Ullas K Kamath	4	1

Terms of Reference

The Constitution, the terms of reference, role and scope of Audit Committee are in line with those prescribed by Clause 49(III) of the Listing Agreement with the Stock Exchanges. The Company also complies with the provisions of Section 177 of the Companies Act, 2013 pertaining to Audit Committee and its functioning.

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.

IV. NOMINATION AND REMUNERATION COMMITTEE

The Committee consists of three Non-Executive Independent Directors and one Non- Executive Director. The composition of the Committee as on 31st March, 2015 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

*Mrs. Joshna Johnson Thomas was inducted as a member of the Nomination and Remuneration Committee with effect from 29th July, 2014.

Meetings and Attendance during the year:

The members of Nomination and Remuneration Committee met 5 times i.e. on 02nd May, 2014, 09th June, 2014, 29th July, 2014, 04th November, 2014 and 16th March, 2015 during the Financial Year 2014-15. Attendance of the members at the meetings held during the Financial Year 2014-15 is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. C J George*	5	4
Mr. Cherian N Punnoose	5	5
Mr. A K Nair	5	5
Mr. Kochouseph Chittilappilly**	5	2
Mrs. Joshna Johnson Thomas	5	2

*Mr. C J George attended the meeting held on 16th March, 2015, through audio conference facility.

**Mr. Kochouseph Chittilappilly who was a member of the Committee resigned effective from 29th July, 2014.

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. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

5) 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.

During the year under review, the Committee formulated and recommended to the Board, policies on Nomination Remuneration and Evaluation, Board Diversity and Succession. Nomination and Remuneration Committee of the Board has carried out the evaluation of every Director on the Board of the Company, on the basis of a questionnaire format, which was formed on the basis of evaluation criteria mentioned in the Nomination Remuneration and Evaluation policy.

Mr. C J George, Chairman of the Committee was not present in the 18th Annual General Meeting held on 29th July, 2014 and had authorised Mr. Cherian N Punnoose, a member of the Committee to attend the 18th Annual General Meeting of the Company on behalf of him.

Nomination Remuneration and Evaluation Policy

Your 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 in the page 'Investor Relations'.

Details of Remuneration paid / payable to the Directors during the Financial Year 2014-15 are as follows:

(₹ in lakhs)

Name	Salary	Retirement Benefits	Perquisite	Commission	Sitting fee	Total
Mr. Kochouseph Chittilappilly	55.90	-	2.27	79.45	-	137.62
Mr. Cherian N Punnoose	-	-	-	5.83	2.90	8.73
Mr. Mithun K Chittilappilly	32.67	3.92	13.47	52.96	-	103.02
Mr. Ramachandran Venkataraman	149.00	11.88	1.40	52.96	-	215.24
Mr. C J George	-	-	-	-	1.05	1.05
Mr. A K Nair	-	-	-	-	2.20	2.20
Mr. Joshna Johnson Thomas	-	-	-	-	1.00	1.00
Mr. Ullas K Kamath	-	-	-	-	1.05	1.05
Total	**237.57**	15.80	**17.14**	**191.20**	**8.20**	**469.91**

Mr. Ramachandran Venkataraman was appointed as a Whole-time Director of the Company effective from 1st 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 1st 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 203,766 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, 54,915 and 15,044 number of options were vested at ₹ 485/- and ₹ 10/- respectively as on 31st March, 2015. During the year under review, 7,100 and 15,044 number of options were exercised at ₹ 485/- and ₹ 10/- respectively.

The Non-Executive Directors are paid sitting fee for attending the meetings of the Board and sub-committees. The Board has approved payment of commission to Mr. Cherian N Punnoose, Vice Chairman of the Board, for the period from 29th July, 2014 to 28th July, 2019, subject to the approval of the shareholders in the ensuing Annual General Meeting. None of the Non-Executive Directors was holding shares in the Company as on 31st March, 2015.

Also, refer Note 26.3 of the financial statements as at 31st March, 2015 which forms part of this Annual Report for details on remuneration paid to Directors.

V 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.

Composition:

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 31st March, 2015 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

Terms of reference:

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

a) Look into shareholders' complaints like non-receipts of dividend warrants, refund orders, non credit of shares allotted in IPO, non-receipt of Annual Reports, transfer of shares etc.

b) Overseeing and reviewing matters connected with the transfer of shares and its approval, splitting up of share holding, approving demat requests and issue of duplicate share certificates.

c) Oversee the performance of the registrars and transfer agents, and recommend measures for overall improvement in the quality of investor services.

d) Affix or authorize fixation of the common seal of the Company on the share certificates.

Meeting and Attendance during the year:

During the Financial Year 2014-15, the Committee met two times i.e. on 02nd May, 2014 and 16th January, 2015. Attendance of the members at the meetings held during the Financial Year 2014-15 is as follows:

Name	No. of meetings held	No. of meetings attended
Mr. C J George	2	0
Mr. Mithun K Chittilappilly	2	2
Mr. Cherian N Punnoose	2	2

Mr. C J George, Chairman of the Committee was not present in the 18th Annual General Meeting held on 29th July, 2014 and had authorised Mr. Cherian N Punnoose, a member of the Committee to attend the 18th Annual General Meeting of the Company on behalf of him.

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 01.04.2014	No. of complaints received during the year	No. of complaints resolved during the year	No. of complaints pending as on 31.03.2015
1	Non-credit of shares	Nil	Nil	Nil	Nil
2	Non receipt of Annual Report	Nil	Nil	Nil	Nil
3	Non receipt of Dividend	2	17	17	2
	Total	2	17	17	2

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

As per the SEBI Circular dated 24th 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 01-04-2014	1,665	15
No of shareholders who approached for the transfer and the shares transferred during the year 2014-15	0	0
Closing balance as on 31-03-2015	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.

Compliance Officer

Mr. A. Jacob Kuruvilla, Chief Financial Officer of the Company is the Compliance Officer for complying with the requirements of SEBI regulations and the Listing Agreement with Stock Exchanges.

VI. Risk Management

The Board of the Company in its meeting held on 4th November, 2014, has adopted Risk Policy of the Company. The Board 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 two members from the Senior Management Team 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.

VII. Related Party Transactions

The Board of the Company as per the provisions of Clause 49(VII) of the Listing Agreement has formulated a policy on material Related Party Transactions. During the year under review, the Company has entered into a related party transaction with the approval of the Audit Committee. Statement showing details of all the related party transactions are placed before the Audit Committee meeting on a quarterly basis.

Also, refer Note no. 26.3 of the financial statements as at 31st March, 2015 which forms part of this Annual Report for details of related party transactions.

VIII Disclosure of Accounting Treatment

Changes in the Accounting Policies and Standards adopted by the Company, if any, during the year under review, are mentioned in the note no. 2.1(a) of the financial statements as at 31st March, 2015 which forms part of this Annual Report.

IX GENERAL BODY MEETINGS

Details of the General Meetings held during the last three years are as follows:

Financial Year Ended	Date	Time	Venue
31.03.2014	29.07.2014	4.00 p.m	The Renai Cochin, Palarivattom P.O, Kochi - 682025
31.03.2013	23.07.2013	10.00 a.m	The Renai Cochin, Palarivattom P.O, Kochi - 682025
31.03.2012	25.07.2012	10.00 a.m	IMA House, Behind Jawaharlal Nehru Stadium, Jawaharlal Nehru Stadium Road, Kaloor, Palarivattom P.O., Cochin - 682025

Postal Ballot

There was no resolution required to be passed through the postal ballot during the Financial Year 2014-15. None of the business proposed to be transacted in the ensuing AGM require the passing of a special resolution by way of postal ballot.

Special Resolutions passed at the last three AGMs:

18th Annual General Meeting held on 29th 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.

17th Annual General Meeting held on 23rd 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 01st November, 2012 to 31st October, 2015.

16th Annual General Meeting held on 25th July, 2012

Nil

X OTHER DISCLOSURES

Management and Discussion Analysis

As required under clause 49VIII(D) of the Listing Agreement, Management Discussion and Analysis Report detailing the industry developments, Segment wise / product wise performance and other matters, forms part of this Annual Report.

Details of non-compliance / Penalties / Strictures

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.

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at and for the year ended 31st March, 2015.

Plant locations

The details of manufacturing / plant locations and registered office are given in the page no. 15 of the Annual Report.

XI. GENERAL INFORMATION TO SHAREHOLDERS

Date, Venue and Time of the 19th Annual General Meeting

Date	03rd August, 2015
Venue	Hotel "The Renai Cochin", Palarivattom P.O, Kochi - 682025
Time	04.30 p.m

Dates of Book Closure

The Register of Members and Share Transfer Books will remain closed from 28th July, 2015 to 03rd August, 2015 (both days inclusive).

Board Meetings & Financial Calendar

The Financial Year of the Company starts from 01st April of a year and ends on 31st March of the following year.

Calendar of Board Meetings to adopt the accounts (tentative and subject to change) for the Financial Year 2015-16

For the quarter ending 30th June, 2015	:	03rd August, 2015
For the quarter ending 30th September, 2015	:	15th October, 2015
For the quarter ending 31st December, 2015	:	16th January, 2016
For the year ending 31st March, 2016	:	28th April, 2016
(Audited results for the year)		

Dividend

A final Dividend of 45% i.e. ₹ 4.50 per Equity Share is recommended by the Board of Directors at their meeting held on 04th May, 2015 which is subject to the approval of the shareholders at the ensuing Annual General Meeting and if approved will be payable on or after 03rd August, 2015 but within the statutory time limit of 30 days.

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 Ltd., Surya, 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore-641028 latest by 22nd July, 2015.

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.

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 Ltd., 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 (₹)	Date of Declaration of Dividend	Due date of transfer to IEPF	Account balance as on 31.03.2015 (₹)
2007-08	2.50	14th July, 2008	13th August, 2015	3,91,055.00
2008-09	2.50	27th July, 2009	26th August, 2016	3,76,030.00
2009-10	3.00	26th July 2010	25th August, 2017	4,64,040.00
2010-11	3.50	25th July, 2011	24th August, 2018	4,28,585.50
2011-12	3.50	25th July, 2012	24th August, 2019	4,64,005.50
2012-13	3.50	23rd July, 2013	22nd August, 2020	4,00,732.50
2013-14	4.50	29th July, 2014	28th August, 2021	3,60,310.50

Listing on Stock Exchanges & Stock Codes

Shares of the Company are quoted on the National Stock Exchange of India Ltd. (NSE) and the BSE Ltd. since 13th March, 2008. Listing fees for the Financial Year 2015-16 have been paid to both the Stock Exchanges. The Stock codes of the Company at the Stock Exchanges are as follows:

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

Custodial Fee

The Company has paid the custodial fee to the NSDL and CDSL as per the SEBI Circular CIR/MRD/DP/05 2011 dated 27th April, 2011 for the year 2014-15.

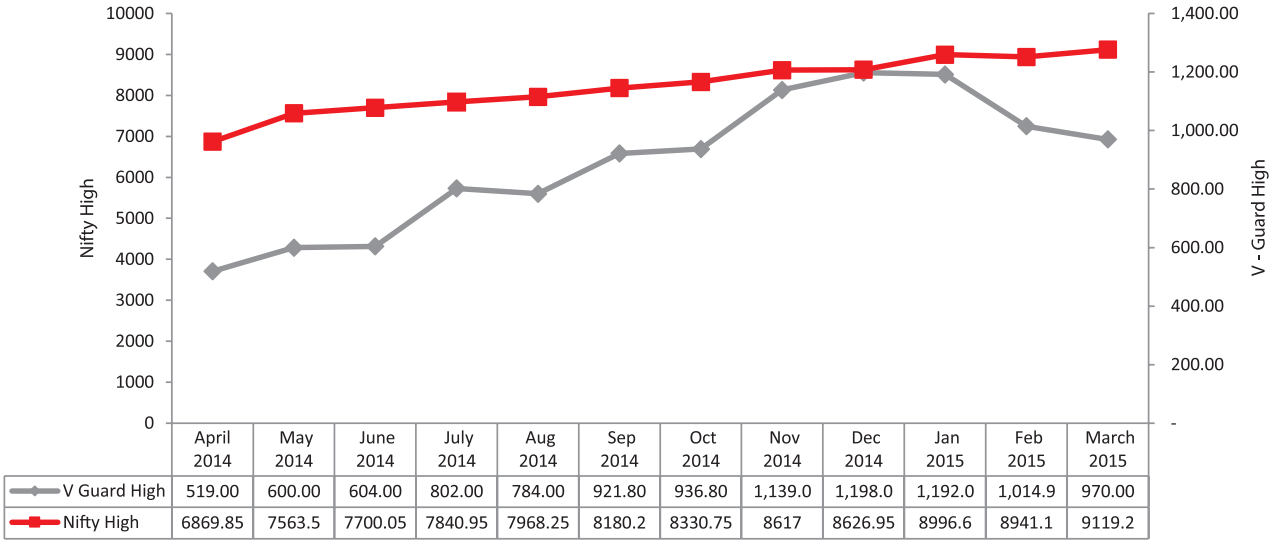
Stock Market Data

Monthly high and low quotations during each month during the last Financial Year 2014-15 as well as the volume of shares traded at the National Stock Exchange of India Ltd. and the BSE Ltd. are as follows:

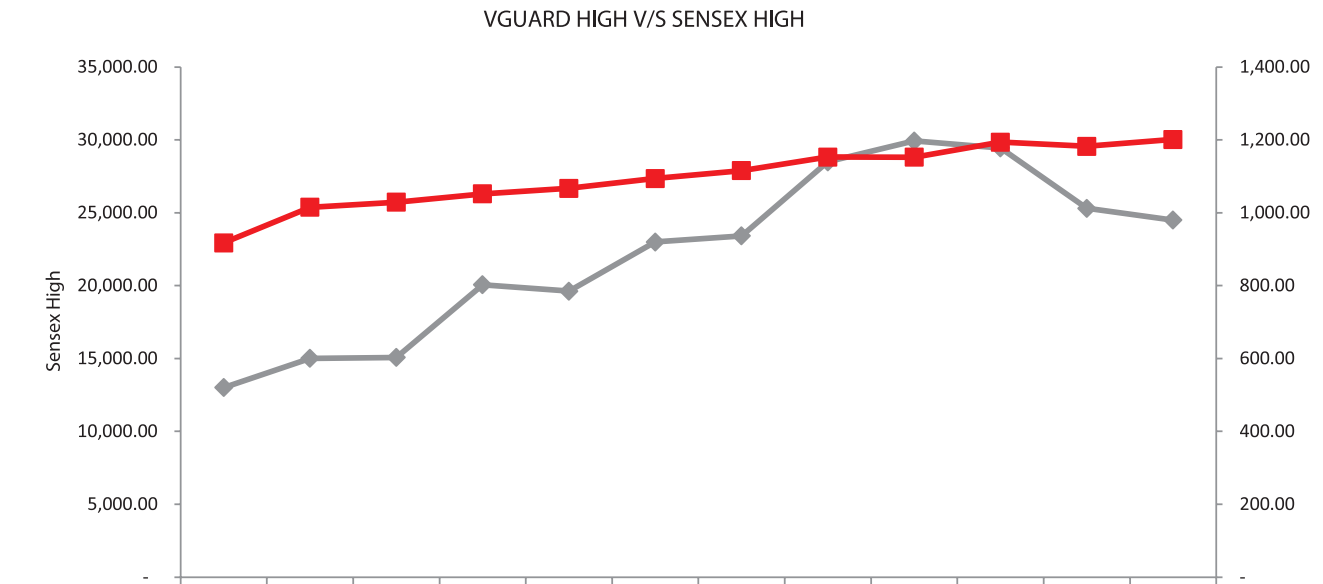
Stock Market Data

Month	NSE			BSE		
	High (₹)	Low (₹)	Volume (in Numbers)	High (₹)	Low (₹)	Volume (in Numbers)
Apr' 14	519.00	457.00	490,671	520.50	458.00	77,704
May' 14	600.00	482.95	1,747,409	600.60	475.05	271,504
Jun' 14	604.00	516.00	860,573	603.00	535.35	385,278
Jul' 14	802.00	585.00	2,121,520	802.40	581.00	365,343
Aug' 14	784.00	717.20	513,520	785.00	717.00	70,000
Sept' 14	921.80	720.10	1,063,233	919.90	724.40	206,827
Oct' 14	936.80	844.00	5,13,496	936.70	850.00	73,476
Nov' 14	1,139.00	871.15	1,079,371	1,140.00	880.00	258,389
Dec' 14	1,198.00	915.20	1,469,997	1,197.00	920.00	68,841
Jan' 15	1,192.00	972.55	1,063,138	1,177.80	980.00	238,876
Feb' 15	1,014.95	920.00	330,600	1,012.25	915.05	40,764
Mar' 15	970.00	890.45	340,167	980.00	900.00	134,305

VGUARD HIGH V/S NIFTY HIGH



	April 2014	May 2014	June 2014	July 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	March 2015
V Guard High	519.00	600.00	604.00	802.00	784.00	921.80	936.80	1,139.0	1,198.0	1,192.0	1,014.9	970.00
Nifty High	6869.85	7563.5	7700.05	7840.95	7968.25	8180.2	8330.75	8617	8626.95	8996.6	8941.1	9119.2



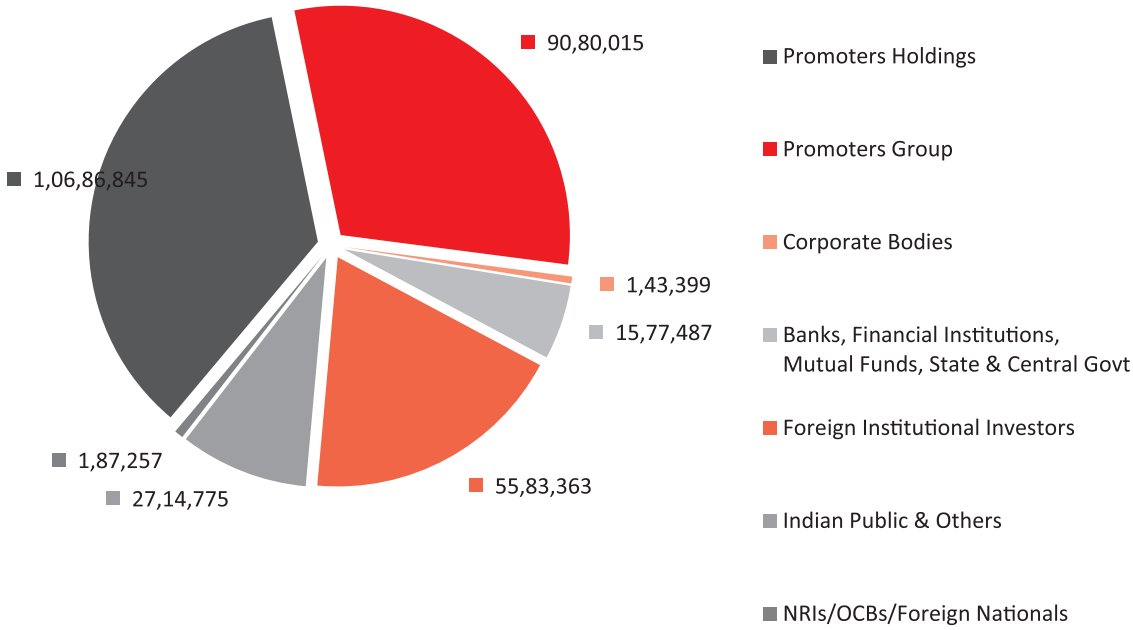
	April 2014	May 2014	June 2014	July 2014	Aug 2014	Sep 2014	Oct 2014	Nov 2014	Dec 2014	Jan 2015	Feb 2015	March 2015
V-Guard High	520.50	600.60	603.00	802.40	785.00	919.90	936.70	1,140.0	1,197.0	1,177.8	1,012.2	980.00
Sensex High	22,939.	25,375.	25,725.	26,300.	26,674.	27,354.	27,894.	28,822.	28,809.	29,844.	29,560.	30,024.

(ix) Shareholding Pattern: Distribution of shareholding as on 31st March, 2015

Shares	Shareholders		Shareholding	
	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1-500	18,505	96.0750	13,53,206	4.5147
501-1000	362	1.8794	2,90,269	0.9684
1001-2000	188	0.9761	2,73,583	0.9128
2001-3000	56	0.2907	1,43,481	0.4787
3001-4000	23	0.1194	82,312	0.2746
4001-5000	35	0.1817	1,53,668	0.5127
5001-10000	37	0.1921	2,72,981	0.9108
10001 and above	55	0.2856	2,74,03,641	91.4273
Total	**19,261**	**100.0000**	**2,99,73,141**	**100.0000**

(x) Category of shareholders as at 31st March, 2015

Category	No of shares	% of the total no. of shares
Promoters Holdings	1,06,86,845	35.66
Promoters Group	90,80,015	30.29
Corporate Bodies	1,43,399	0.48
Banks, Financial Institutions, Mutual Funds, State & Central Govt	15,77,487	5.26
Foreign Institutional Investors	55,83,363	18.63
Indian Public & Others	27,14,775	9.06
NRIs/OCBs/Foreign Nationals	1,87,257	0.62
Total	**2,99,73,141**	**100.00**



Shares held in physical and Dematerialised form

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31st March, 2015, 2,98,48,037 out of 2,99,73,141 equity shares of the Company, forming 99.58% of the Company's paid up capital is held in the dematerialized form. The status of shares held in dematerialised and physical forms as on 31st March, 2015 are given below. The Company's shares are liquid and actively traded on the NSE and BSE.

Particulars	No. of shares	Percentage
Shares held in Dematerialised form	2,98,48,037	99.58
Shares held in Physical form	1,25,104	0.42
Total	2,99,73,141	100.00

Registrar & Share Transfer Agents and Share Transfer Systems

Link Intime India Private Ltd.

Surya, 35, May Flower Avenue,

Behind Senthil Nagar, Sowripalayam Road,

Coimbatore-641028

Phone: 0422-2314792, Email: coimbatore@linkintime.co.in

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form. 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 Agreement, 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.

Means of Communications

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.

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

The Company organizes investor conference calls to discuss its financial results every quarter where investor queries are answered by the executive management of the Company.

Address for Correspondence

Jayasree K
Company Secretary
V-Guard Industries Ltd.,
42/962, Vennala High School Road,
Vennala, Kochi-682028
E-mail: jayasree@vguard.in
Ph: 0484-3005000

Website

The Website of the Company, www.vguard.in contains comprehensive information about the Company, 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, financial results, shareholder information, other developments etc.

Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the Listing Agreement

The Company has complied with all the mandatory requirements as mandated under Clause 49 of the Listing Agreement. A certificate from the Statutory Auditors of the Company to this effect has been included in this report.

The Company has adopted the following non-mandatory requirements of Clause 49 of the Listing Agreement.

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.

CEO/CFO Certification

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 given under Clause 49 (IX) at its meeting held on 04th May, 2015.

DECLARATION ON CODE OF CONDUCT

As required by Clause 49 II(E) of the Listing Agreement, 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

Place: Kochi
Date : 04th May, 2015

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, for the year ended on March 31, 2015, as stipulated in clause 49 of 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 above mentioned Listing Agreement.

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

per Aditya Vikram Bhauwala
Partner
Membership No.: 208382
Place: Kochi
Date : July 6, 2015

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 balancesheet as at March 31, 2015, 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 Standalone 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 controls 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 aforesaid 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, 2015, 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, 2015 ("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, 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 the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) 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 25.1(i) 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 are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Place: Kochi
Date : May 4, 2015

Annexure 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, 2015. 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 in the previous 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.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) 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, as well as taking into consideration the management representation that certain items of inventories are of specialized nature for which alternative quotations are not available, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

(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 (Rs in lakhs)	Period to which the amount relates	Amount paid under protest (Rs 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
Andhra Pradesh Value Added Tax Act	Value added tax	14.10	2006-07 to 2009-10	-	Deputy Commissioner (CT), Hyderabad Rural
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	Additional Commissioner of Commercial taxes(Appeals)
Orissa Entry Tax Act	Entry Tax	155.37	2011-12 & 2012-13	10.36	Additional Commissioner of Sales Tax
Orissa Value Added Tax	Value added tax	338.13	2011-12 & 2012-13	22.50	Additional Commissioner of Sales Tax
Income Tax Act, 1961	Income tax	4.53	AY 2008-09	-	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income tax	17.00	AY2009-10	-	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	128.46	AY 2010-11	-	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	8.40	AY 2011-12	-	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	14.49	AY 2008-09	-	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	51.89	AY 2009-10	-	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	115.97	AY 2012-13	-	Commissioner of Income Tax (Appeals)

(d) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

(viii) The Company has no accumulated losses at the end of the Financial Year and it has not incurred cash losses in the current and immediately preceding Financial Year.

(ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The Company did not have any outstanding dues in respect of debentures during the year.

(x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.

(xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Place: Kochi
Date : May 4, 2015

Balance Sheet as at 31st March, 2015

	Particulars	Notes	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
A.	**EQUITY AND LIABILITIES**			
1.	**Shareholders' funds**			
	(a) Share capital	3	2,997.31	2,984.75
	(b) Reserves and surplus	4	34,776.36	28,858.50
			37,773.67	**31,843.25**
2.	**Non-current liabilities**			
	(a) Long-term borrowings	5	2,120.04	3,100.07
	(b) Other long-term liabilities	6	1,255.77	1,173.41
	(c) Deferred tax liabilities (net)	26.6	923.87	954.46
	(d) Long-term provisions	7	551.65	406.68
			4,851.33	**5,634.62**
3.	**Current liabilities**			
	(a) Short-term borrowings	8	3,677.33	6,818.41
	(b) Trade payables	9	19,339.77	17,525.58
	(c) Other current liabilities	10	3,045.42	2,908.39
	(d) Short-term provisions	11	3,804.61	3,136.37
			29,867.13	**30,388.75**
	TOTAL		**72,492.13**	**67,866.62**
B.	**ASSETS**			
1.	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	12 (A)	15,553.61	15,820.73
	(ii) Intangible assets	12 (B)	683.79	799.33
	(iii) Capital work-in-progress		120.85	341.06
	(iv) Intangible assets under development	12 (C)	-	4.94
			16,358.25	16,966.06
	(b) Long-term loans and advances	13	1,877.95	1,270.59
	(c) Other non current assets	18(B)	1.60	0.50
			18,237.80	**18,237.15**
2.	**Current assets**			
	(a) Inventories	14	26,087.71	25,254.86
	(b) Trade receivables	15	24,371.24	21,210.40
	(c) Cash and bank balances	16	221.46	276.70
	(d) Short-term loans and advances	17	3,565.12	2,877.62
	(e) Other current assets	18(A)	8.80	9.89
			54,254.33	**49,629.47**
	TOTAL		**72,492.13**	**67,866.62**
	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
Chartered Accountants

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

Place : Kochi
Date : 4th May, 2015

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

Kochouseph Chittilappilly
Chairman
DIN: 00020512

Mithun K. Chittilappilly
Managing Director
DIN:00027610

Jacob Kuruvilla
Chief Financial Officer

Jayasree K
Company Secretary

Place : Kochi
Date : 4th May, 2015

Statement of profit and loss for the year ended 31st March, 2015

	Particulars	Notes	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
1.	**Income**			
	Income from operations (gross)		1,75,994.74	1,53,792.61
	Less: excise duty		1,402.67	2,036.30
	Revenue from operations (net)	19	1,74,592.07	1,51,756.31
2.	**Other income**	20	448.71	483.88
3.	**Total income (1+2)**		**1,75,040.78**	**1,52,240.19**
4.	**Expenses**			
	(a) Cost of raw materials consumed	21.a	51,059.39	49,424.16
	(b) Purchase of traded goods	21.c	79,287.01	64,593.60
	(c) (Increase) in inventories of finished goods, work- in-progress and traded goods	21.d	(1,338.45)	(918.85)
	(d) Employee benefits expense	22	10,968.36	8,593.28
	(e) Finance costs	23	2,061.43	2,106.31
	(f) Depreciation and amortisation expense	12 (A) and 12 (B)	1,543.91	1,203.86
	(g) Other expenses	24	21,314.47	17,809.50
	Total expenses		**1,64,896.12**	**1,42,811.86**
5.	**Profit before tax (3 - 4)**		**10,144.66**	**9,428.33**
6.	**Tax expenses**			
	(a) Current tax expense		3,023.97	2,250.54
	(b) Deferred tax	26.6	24.07	164.39
	(c) Current tax relating to earlier years		24.47	-
			3,072.51	2,414.93
7.	**Profit for the year (5 - 6)**		**7,072.15**	**7,013.40**
8.	**Earnings per equity share (basic and diluted):**	26.4		
	(Nominal value of equity share - ₹ 10) (31st March, 2014 - ₹ 10)			
	Basic earnings per share		23.66	23.50
	Diluted earnings per share		23.40	23.47
	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
Chartered Accountants

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

Place : Kochi
Date : 4th May, 2015

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

Kochouseph Chittilappilly
Chairman
DIN: 00020512

Mithun K. Chittilappilly
Managing Director
DIN:00027610

Jacob Kuruvilla
Chief Financial Officer

Jayasree K
Company Secretary

Place : Kochi
Date : 4th May, 2015

Cash Flow Statement for the year ended 31st March, 2015

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
A. Cash flow from operating activities				
Net profit before tax		10,144.66		9,428.33
Non-cash adjustments to reconcile profit before tax to net cash flows				
Depreciation and amortisation	1,543.91		1,203.86	
Loss on sale / writeoff of fixed assets	12.75		33.97	
Interest expense	2,061.43		2,106.31	
Interest income	(182.26)		(193.84)	
Trade and other receivables, loans and	26.45		58.17	
- advances written off				
Liabilities / provisions no longer required written back	(5.45)		(18.47)	
Provision for doubtful trade and other receivables, loans and advances	162.97		314.92	
Employee stock compensation expense	222.12		268.19	
		3,841.92		3,773.11
Operating profit before working capital changes		13,986.58		13,201.44
Movements in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(832.85)		(397.64)	
Trade receivables	(3,350.26)		(1,703.62)	
Short-term loans and advances	(687.52)		(199.98)	
Long-term loans and advances	(84.51)		242.28	
Other current assets	0.25		(2.06)	
Adjustments for increase/(decrease) in operating liabilities:				
Trade payables	1,819.65		1,250.55	
Other current liabilities	205.02		97.71	
Other long-term liabilities	82.36		115.70	
Short-term provisions	602.77		296.94	
Long-term provisions	144.97		65.87	
		(2,100.12)		(234.25)
Cash generated from operations		11,886.46		12,967.19
Income tax paid (net of refunds)		(3,052.93)		(1,887.10)
Net cash flow from operating activities (A)		**8,833.53**		**11,080.09**

Cash Flow Statement for the year ended 31st March, 2015 (Contd.)

Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
B. Cash flow from investing activities				
Purchase of fixed assets, including capital work-in-progress and capital advances	(1,229.17)		(3,298.62)	
Proceeds from sale of fixed assets	9.03		59.02	
(Increase)/decrease in margin money and other bank deposits	(0.49)		250.77	
Inter Corporate Loan	(500.00)		-	
Interest received				
- From banks, on loans and advances, etc.	183.10		190.14	
Net cash flow used in investing activities (B)		**(1,537.53)**		**(2,798.69)**
C. Cash flow from financing activities				
Proceeds from issue of share capital	365.83		-	
Proceeds from long-term borrowings	-		821.30	
Repayment of long-term borrowings	(916.82)		(774.83)	
Net Increase / (decrease) in short term borrowings	(3,141.09)		(5,720.73)	
Interest paid	(2,087.15)		(2,364.77)	
Dividend paid on equity shares	(1,343.13)		(1,044.66)	
Tax on equity dividend paid	(228.27)		(177.54)	
Net cash flow used in financing activities (C)		**(7,350.63)**		**(9,261.23)**
Net decrease in cash and cash equivalents (A+B+C)		**(54.63)**		**(979.83)**
Cash and cash equivalents at the beginning of the year		211.58		1,191.41
Cash and cash equivalents at the end of the year		**156.95**		**211.58**
Components of cash and cash equivalents				
(a) Cash on hand		4.36		4.19
(b) Balances with banks				
(i) In current accounts		123.74		181.00
(ii) In unpaid dividend account *		28.85		26.39
		156.95		**211.58**
* 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
Chartered Accountants

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

Place : Kochi
Date : 4th May, 2015

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

Kochouseph Chittilappilly
Chairman
DIN: 00020512

Mithun K. Chittilappilly
Managing Director
DIN:00027610

Jacob Kuruvilla
Chief Financial Officer

Jayasree K
Company Secretary

Place : Kochi
Date : 4th May, 2015

Notes forming part of the financial statements

1. Corporate information

V-Guard Industries Ltd ('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 including Voltage Stabilizers, PVC Cables, Pumps and Motors, Electric Water Heaters, Digital UPS, Fans, L.T.Cable, UPS, Solar Water Heaters, Switchgears, Induction Cooktops, etc.

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

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 ('the Act'), 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, except for the change in the accounting policies explained below.

2.1 Summary of significant accounting policies

a) Change in Accounting Policies/Estimates

(i) Depreciation on fixed assets - Component accounting and useful lives.

Due to application of Schedule II to the Act with effect from April 01, 2014, the management has re-estimated useful lives and residual values of all its fixed assets and determined separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II.

The Company has used transitional provisions of Schedule II to adjust the impact arising from first time application of Schedule II. If a fixed asset has zero remaining useful life on the date of Schedule II becoming effective, i.e., April 01, 2014, its carrying amount, after retaining any residual value, is charged to the opening balance of retained earnings.

The carrying amount of fixed assets whose remaining useful life is not nil on April 01, 2014, is depreciated over their remaining useful life. Accordingly, depreciation of ₹ 106.32 lakhs (net of deferred tax impact) has been adjusted to the opening balance of retained earnings, with corresponding adjustment to net book value of fixed assets, in accordance with the transitional provisions of Schedule II of the Act.

The management has concluded that the impact of such change on the results for the year ended March 31, 2015 is not material and the same is likely to hold good for future years also.

(ii) Employee stock compensation cost

Till 27th October 2014, the *SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999*, dealt with the grant of share-based payments to employees. Among other matter, these guidelines prescribed accounting for grant of share-based payments to employees. Hence, the company being a listed entity was required to comply with these Guidelines as well as the *Guidance Note on Accounting for Employee Share-based Payments* with regard to accounting for employee share-based payments. Particularly, in case of conflict between the two requirements, the SEBI guidelines were prevailing over the ICAI Guidance Note. For example, in case of equity settled option expiring unexercised after vesting, the SEBI guidelines required expense to be reversed through the statement of Profit and Loss whereas the reversal of expense through the statement of profit and loss is prohibited under the ICAI Guidance Note. In these cases, the company was previously complying with the requirement of SEBI guidelines.

From 28th October 2014, the *SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999* have been replaced by the *SEBI (Share Based Employee Benefits) Regulations, 2014*. The new regulations don't contain any specific accounting treatment; rather, they require ICAI Guidance Note to be followed. Consequent to the application of the new regulations, the company has changed its accounting for equity settled option expiring unexercised after vesting in line with accounting prescribed in the Guidance Note, i.e., expense is not reversed through the statement of profit and loss. The management has decided to apply the revised accounting policy prospectively from the date of notification of new regulation, i.e., 28th October 2014.

Since there are no equity settled options expiring unexercised after 28th October 2014, the change in accounting policy did not have any impact on financial statements of the company for the current year. However due to application of the regulation, the manner of presentation of "Employee Stock Option Outstanding Account" under the head "Reserves and Surplus" has changed. The company has changed this presentation for the current as well as previous year.

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, 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.

c) 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.

d) 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.

e) 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 Equipments*	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 years
Trademark	10 years

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.

f) 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.

g) 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.

h) 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.

i) 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.

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.

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, 2015		As at 31st March, 2014	
	Number of shares	(₹ in lakhs)	Number of shares	(₹ in lakhs)
(a) Authorised:				
Equity shares of ₹ 10/-each with voting rights	350,00,000	3,500.00	350,00,000	3,500.00
(b) Issued, subscribed and fully paid-up:				
Equity shares of ₹ 10/- each with voting rights	299,73,141	2,997.31	298,47,520	2,984.75

(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, 2015			
- Number of shares	298,47,520	1,25,621	299,73,141
- Amount (₹ in lakhs)	2,984.75	12.56	2,997.31
Year ended 31st March, 2014			
- Number of shares	298,47,520	-	298,47,520
- Amount (₹ in lakhs)	2,984.75	-	2,984.75

(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, 2015, the amount of per share dividend recommended for distribution to equity shareholders is ₹ 4.50 (31st March, 2014: ₹ 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, 2015		As at 31st March, 2014	
	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	73,66,518	24.58%	73,66,518	24.68%
Ms. Sheela Kochouseph	33,20,327	11.08%	33,20,327	11.12%
Mr. Arun K Chittilappilly	39,69,697	13.24%	39,69,697	13.30%
Mr. Mithun K Chittilappilly	51,10,318	17.05%	50,89,818	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, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Securities premium account		
Balance as per last financial statements	5,244.46	5,244.46
Add : Additions during the year	353.28	-
Add: Transferred from Employees stock options outstanding, on exercise of stock options	243.40	-
Closing balance	**5,841.14**	**5,244.46**
(b) General reserve		
Balance as per last financial statements	4,689.01	3,889.01
Add: Transferred from surplus in statement of profit and loss	800.00	800.00
Closing balance	**5,489.01**	**4,689.01**
(c) Surplus in statement of profit and loss		
Balance as per last financial statements	18,656.84	14,014.84
Adjustment on account of change in useful life of fixed assets (Refer note 12A(ii))	(106.32)	-
	18,550.52	**14,014.84**
Add: Profit for the year	7,072.15	7,013.40
Less: Appropriations		
Proposed final equity dividend [amount per share ₹ 4.50 (31st March, 2014: ₹ 4.50)]	(1,348.79)	(1,343.13)
Tax on proposed equity dividend	(274.58)	(228.27)
Transfer to general reserve	(800.00)	(800.00)
Net surplus in the statement of profit and loss	**23,199.30**	**18,656.84**
(d) Employees stock options outstanding		
Balance as per the last financial statements	268.19	-
Add: Amortisation during the year (Refer note 22)	222.12	268.19
Less: Transferred to securities premium on exercise of stock options	(243.40)	-
Closing balance	**246.91**	**268.19**
Total	**34,776.36**	**28,858.50**

Note 5: Long-term borrowings

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Non current term loans		
From banks - secured	2,119.27	3,090.51
From others - secured	0.77	9.56
	2,120.04	**3,100.07**
(b) Current term loans		
From banks - secured	971.05	908.65
From others - secured	8.79	7.99
	979.84	**916.64**
	3,099.88	4,016.71
Less: Amount disclosed under the head “other current liabilities” (note 10)	(979.84)	(916.64)
Total	**2,120.04**	**3,100.07**

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, 2015		As at 31st March, 2014	
		Non-current (₹ in lakhs)	Current (₹ in lakhs)	Non-current (₹ in lakhs)	Current (₹ in lakhs)
From banks					
State Bank of Travancore	Term loan is 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 is 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. Interest rate is 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	1,225.95	363.00
South Indian Bank	Term loan is 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 is to be repaid in 60 monthly installments (59 monthly installments of ₹ 18.50 Lakhs and last installment of ₹ 8.50 lakhs). Interest rate is 11.50% p.a.	434.00	222.00	656.00	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.	4.45	4.05	8.56	3.65
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 shall be 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.	880.00	320.00	1,200.00	320.00
	Total (A)	**2,119.27**	**971.05**	**3,090.51**	**908.65**
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	8.79	9.56	7.99
	Total (B)	**0.77**	**8.79**	**9.56**	**7.99**
	Total (A + B)	**2,120.04**	**979.84**	**3,100.07**	**916.64**

Note 6: Other long-term liabilities

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Trade / Security Deposits received	1,255.77	1,173.41
Total	**1,255.77**	**1,173.41**

Note 7: Long-term provisions

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Provision - others		
(i) Provision for warranty (Refer note 26.8)	551.65	406.68
Total	**551.65**	**406.68**

Note 8: Short-term borrowings

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Loans from banks		
(i) Secured (Refer note 1 below)		
Cash credit accounts	1,677.33	4,318.41
Working capital demand loan	-	2,500.00
(ii) Unsecured		
Commercial paper (Refer note 2 below)	2,000.00	-
Total	**3,677.33**	**6,818.41**

Notes:

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

Particulars	Nature of security	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
Dhanalakshmi 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 9.75% to 11.50% p.a.	24.80	127.53
HDFC Bank Ltd.		342.01	-
Federal Bank Ltd.		1,254.12	1,397.54
Standard Chartered Bank		2.16	98.73
State Bank of India		36.04	2,669.70
Citibank		18.20	2,524.91
Total		**1,677.33**	**6,818.41**

2. Commercial Papers are 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, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Acceptances (See note below)	9,692.94	10,130.08
(b) Other than Acceptances:		
- Dues to Micro and Small Enterprises (Refer note 25.2)	898.06	1,093.30
- Others	8,748.77	6,302.20
Total	**19,339.77**	**17,525.58**

Note: Accceptances include ₹ Nil (31st March, 2014: ₹ 483.45 lakhs) for the bills discounted with Small Industries Development Bank of India which are secured by a second charge by way of hypothecation of all the movable fixed assets. Further the facility is secured by the guarantee given by one of the promoters.

Note 10: Other current liabilities

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Current maturities of long-term borrowings (Refer note (i) below)	979.84	916.64
(b) Interest accrued but not due on borrowings	8.29	21.24
(c) Unpaid dividends (unpresented dividend warrants)	28.85	26.39
(d) Other payables:		
(i) Statutory remittances (Contributions to PF and ESIC, withholding taxes, excise duty, VAT, etc.)	1,796.45	1,454.14
(ii) Contractually reimbursable expenses	41.68	121.16
(iii) Advances from customers	75.32	144.54
(iv) Capital creditors	16.09	134.30
(v) Others	98.90	89.98
Total	**3,045.42**	**2,908.39**

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

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Term loans		
From Banks - Secured	971.05	908.65
From Others - Secured	8.79	7.99
Total	**979.84**	**916.64**

Note 11: Short-term provisions

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Provision for employee benefits		
(i) Provision for leave benefits	404.49	289.80
(b) Other provisions		
(i) Provision for warranty (Refer note 26.8)	1,392.72	904.63
(ii) Proposed equity dividend	1,348.79	1,343.13
(iii) Provision for tax on proposed dividend	274.58	228.27
(iv) Provision for Income Tax	384.03	370.54
Total	**3,804.61**	**3,136.37**

Note 12 (A) : Tangible fixed assets

(₹ in lakhs)

	Tangible assets								
	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Cost or valuation									
At April 1, 2013	1,831.43	463.96	6,564.99	6,555.78	371.90	315.93	389.02	763.71	17,256.72
Additions	84.71	-	1,269.22	1,999.14	49.61	-	111.61	145.80	3,660.09
Disposals	-	-	-	(66.89)	(0.73)	(104.89)	(0.90)	(0.47)	(173.88)
Other adjustments:									
- Borrowing costs (Refer note i below)	-	-	43.60	38.11	-	-	-	-	81.71
At March 31, 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 (Refer note i below)	-	-	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**
Depreciation									
At April 1, 2013	**-**	15.39	545.37	2,845.15	170.95	91.08	81.51	375.42	4,124.87
Charge for the year	-	4.69	155.99	595.77	36.21	22.75	25.42	119.10	959.93
Disposals	-	-	-	(28.72)	(0.24)	(51.64)	(0.08)	(0.21)	(80.89)
At March 31, 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 ii 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**
Net Block									
At March 31, 2014	**1,916.14**	**443.88**	**7,176.45**	**5,113.94**	**213.86**	**148.85**	**392.88**	**414.73**	**15,820.73**
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**

Notes:

(i) The borrowing cost capitalised during the year ended 31st March, 2015 amounted to ₹ 12.77 lakhs (31st March, 2014 : ₹89.05lakhs) and is included as follows:

- Other adjustment in Tangible fixed assets - ₹ 12.77 lakhs (31st March, 2014: ₹ 81.71 lakhs)
- Included in capital work-in-progress - Nil (31st March, 2014: ₹ 7.34 lakhs)

(ii) During the year, 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 ₹ 106.02 (net of tax effect of ₹ 54.66 lakhs) has been adjusted in the opening balance of retained earnings.

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Note 12 (B) : Intangible assets

(₹ in lakhs)

	Computer software	Trademark	Total
Gross block			
At April 1, 2013	562.71	1,062.07	1,624.78
Purchase / additions	354.08	-	354.08
At March 31, 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**
Amortisation			
At April 1, 2013	125.45	810.15	935.60
Charge for the year	135.96	107.97	243.93
At March 31, 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**
Net block			
At March 31, 2014	**655.38**	**143.95**	**799.33**
At March 31, 2015	**642.90**	**40.89**	**683.79**

Note 12 (C): Intangible assets under development

Intangible assets under development as at March 31, 2014 relates to computer software being developed for the Company.

Note 13: Long-term loans and advances

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Capital advances		
Unsecured, considered good	98.70	93.83
Doubtful	20.00	20.00
	118.70	113.83
Less: Provision for doubtful advances	(20.00)	(20.00)
	98.70	93.83
(b) Security deposits		
Unsecured, considered good	474.47	400.65
(c) Loans and advances to employees		
Unsecured, considered good	79.02	60.89
(d) Balances with statutory/government authorities		
Unsecured, considered good	6.04	2.45
(e) Advance Income Tax (net of provisions)	709.34	691.37
(f) Prepaid Expenses - Unsecured, considered good	10.38	21.40
(g) Inter corporate loan - Unsecured, considered good (Refer note below)	500.00	-
Total	**1,877.95**	**1,270.59**

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

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Raw Materials [includes in transit ₹ 39.12 lakhs (31st March, 2014: ₹ 73.90 lakhs)] (refer note 21.b)	1,558.34	2,013.48
(b) Work-in-Progress (refer note 21.e)	1,112.93	1,545.09
(c) Finished Goods (other than those acquired for trading) (refer note 21.e)	5,995.91	6,501.23
(d) Stock-in-Trade [includes in transit ₹ 1,255.89 lakhs (31st March 2014: ₹ 534.75 lakhs)] (refer note 21.e.)	15,643.45	13,917.67
(e) Stores and Spares [includes in transit ₹ 11.29 lakhs (31st March 2014 : ₹ 12.90 lakhs)]	1,618.90	1,068.75
(f) Packing Materials and Consumables [includes in transit ₹ 11.96 lakhs (31st March 2014 : ₹ 6.14 lakhs)]	158.18	208.64
Total	**26,087.71**	**25,254.86**

Note 15:Trade receivables

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment (Refer note 25.1)		
Secured, considered good	81.56	4.55
Unsecured, considered good	142.93	55.96
Doubtful	754.17	541.01
	978.66	601.52
Less: Provision for doubtful trade receivables	(754.17)	(541.01)
	224.49	60.51
Other trade receivables (Refer note 25.1)		
Secured, considered good	1,221.17	1,228.68
Unsecured, considered good	22,925.58	19,921.21
Doubtful	0.36	50.55
	24,147.11	21,200.44
Less: Provision for doubtful trade receivables	(0.36)	(50.55)
	24,146.75	21,149.89
Total	**24,371.24**	**21,210.40**

Note 16: Cash and bank balances

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
Cash and cash equivalents		
Balances with banks		
(i) On current accounts	123.74	181.00
(ii) On unpaid dividend accounts	28.85	26.39
Cash on hand	4.36	4.19
Total (A)	**156.95**	**211.58**
Other bank balances		
- Deposits with original maturity for more than 12 months	2.84	1.40
- Deposit with original maturity for more than 3 months but less than 12 months	0.36	10.13
- Margin money deposit	62.91	54.09
Total (B)	**66.11**	**65.62**
(A + B)	**223.06**	**277.20**
Less: Amount disclosed under non-current assets (refer note 18B)	(1.60)	(0.50)
Total	**221.46**	**276.70**

Margin money deposits with carrying amount of ₹ 62.91 lakhs (31st March 2014 - ₹ 54.09 lakhs) are subject to first charge against the Letter of Credit obtained.

Note 17: Short-term loans and advances

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(a) Security deposits		
Unsecured, considered good	27.31	28.41
(b) Loans and advances to employees		
Unsecured, considered good	82.84	81.48
(c) Loans and advances to related parties		
Unsecured, considered good (Refer note 26.3)	-	1.25
(d) Prepaid expenses		
Unsecured, considered good	265.00	277.70
(e) Balances with government authorities		
Unsecured, considered good	269.69	204.83
(f) Advance to suppliers		
Unsecured, considered good	2,806.91	2,146.65
(g) Others		
Unsecured, considered good	113.37	137.30
Total	**3,565.12**	**2,877.62**

Note 18: Other assets

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(A) Current assets - Unsecured, considered good		
(i) Insurance claims receivable	1.05	0.92
(ii) Interest receivable/accrued	5.12	5.96
(iii) Unamortized premium on foreign exchange forward contracts	2.63	3.01
	8.80	**9.89**
(B) Non current assets		
Non - current bank balances (refer note 16)	1.60	0.50
	1.60	**0.50**
Total	**10.40**	**10.39**

Note 19: Revenue from operations (net)

Sl. No.	Particulars	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
(a)	Sale of products (Refer note (i) below)	1,74,450.10	1,52,624.34
(b)	Other operating revenues (Refer note (ii) below)	1,544.64	1,168.27
		1,75,994.74	1,53,792.61
	Less:		
(c)	Excise duty #	1,402.67	2,036.30
	Total	**1,74,592.07**	**1,51,756.31**

Excise duty on sales amounting to ₹ 1,402.67 lakhs (31st March, 2014: ₹ 2,036.30 lakhs) has been reduced from sales in the statement of profit and loss and excise duty on increase/(decrease) in stock amounting to ₹ 7.36 lakhs (31st March 2014: ₹ 34.25 lakhs) has been considered as expense / (income) in note 24 of financial statements.

Note 19: Revenue from operations (net) (Contd.)

Sl. No.	Particulars	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
(i)	Sale of products comprises:		
	Manufactured goods		
	PVC insulated cables	52,399.58	47,319.49
	LT power & control cables	5,911.16	7,779.56
	Solar water heaters	4,343.22	3,678.71
	Pumps	1,865.58	2,277.59
	Others	5,541.11	4,127.35
	Total - sale of manufactured goods	**70,060.65**	**65,182.70**
	Traded goods		
	Stabilizers	32,648.18	26,615.22
	Pumps	17,135.30	18,055.60
	Digital UPS	19,522.29	14,693.95
	Water Heaters	13,351.43	10,692.68
	Electric Fans	12,783.41	9,131.85
	Others	8,948.84	8,252.34
	Total - sale of traded goods	**1,04,389.45**	**87,441.64**
	Total - sale of products	**1,74,450.10**	**1,52,624.34**
(ii)	Other operating revenues comprises:		
	Service charges	37.29	42.81
	Sale of scrap	1,151.77	1,098.54
	Government subsidy (Refer note below)	355.58	26.92
	Total	**1,544.64**	**1,168.27**

Note: The Company recognized government subsidy as income amounting to ₹ 355.58 lakhs (31st March 2014: ₹ 26.92 lakhs) for sale and installation of Solar Water Heating systems at various premises across India under Jawaharlal Nehru National Solar Mission (JNNSM).

Note 20: Other income

Sl. No.	Particulars	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
(a)	Interest income (Refer note (i) below)	182.26	193.84
(b)	Other non-operating Income (net of expenses directly attributable to such income) (Refer note (ii) below)	266.45	290.04
	Total	**448.71**	**483.88**

Sl. No.	Particulars	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
(i)	Interest Income comprises:		
	From banks on deposits	5.07	13.85
	On loans and advances	26.25	11.76
	On overdue trade receivables	150.94	168.23
	Total	**182.26**	**193.84**
(ii)	Other non-operating income comprises:		
	Mould hire charges	41.67	41.73
	Liabilities / provisions no longer required written back	5.45	18.47
	Miscellaneous income	219.33	229.84
	Total	**266.45**	**290.04**

Note 21.a: Cost of raw materials consumed

Particulars	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
Inventory at the beginning of the year	2,013.48	2,457.82
Add: Purchases	50,604.25	48,979.82
	52,617.73	51,437.64
Less: Inventory at the end of the year	1,558.34	2,013.48
Cost of materials consumed	**51,059.39**	**49,424.16**
Details of materials consumed		
(i) Copper	36,702.42	35,046.57
(ii) PVC	4,725.10	4,493.39
(iii) Aluminium	2,027.23	2,734.57
(iv) Other items	7,604.64	7,149.63
Total	**51,059.39**	**49,424.16**

Note 21.b: Details of inventory - raw materials

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
Copper	191.34	590.20
Aluminium	75.83	148.77
PVC	224.80	191.08
Other items	1,066.37	1,083.43
Total	**1,558.34**	**2,013.48**

Note 21.c: Details of purchase of traded goods

Particulars	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
Stabilizers	18,836.35	18,495.95
Pumps	12,590.75	14,145.04
Digital UPS	17,490.71	8,920.34
Electric Fans	11,645.83	8,164.01
Water Heaters	9,624.70	7,642.06
Others	9,098.67	7,226.20
Total	**79,287.01**	**64,593.60**

Note 21.d (Increase)/decrease in inventories of finished goods, work-in-progress and traded goods

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
Inventories at the end of the year:		
Finished goods	5,995.91	6,501.23
Work-in-progress	1,112.93	1,545.09
Stock-in-trade	17,262.35	14,986.42
Total (A)	**24,371.19**	**23,032.74**
Inventories at the beginning of the year:		
Finished goods	6,501.23	5,376.96
Work-in-progress	1,545.09	1,515.71
Stock-in-trade	14,986.42	15,221.22
Total (B)	**23,032.74**	**22,113.89**
(Increase)/decrease in inventories		
Finished goods	505.32	(1,124.27)
Work-in-progress	432.16	(29.38)
Stock-in-trade	(2,275.93)	234.80
Net (increase) / decrease (B - A)	**(1,338.45)**	**(918.85)**

Note 21.e: Details of inventory - finished goods, work - in - progress and traded goods

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
Finished goods		
PVC Insulated Cables	2,851.88	3,787.71
LT Power & Control Cables	872.58	1,074.25
Pumps	506.51	362.19
Solar Water Heaters	382.09	287.42
Other items	1,382.85	989.66
Total	**5,995.91**	**6,501.23**
Work-in-progress		
PVC Insulated Cables	650.33	977.76
LT Power & Control Cables	116.52	271.62
Pumps	168.17	156.83
Other items	177.91	138.88
Total	**1,112.93**	**1,545.09**
Traded goods		
Stabilizers	3,445.47	4,998.11
Pumps	2,441.67	2,697.08
Digital UPS	3,245.42	2,046.95
Electric fans	3,180.76	2,048.77
Water heaters	1,535.58	1,342.02
Others	3,413.45	1,853.49
Total	**17,262.35**	**14,986.42**

Note 22: Employee benefits expense

Particulars	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
(a) Salaries and wages (Refer note 26.7)	9,915.33	7,673.59
(b) Contributions to provident and other funds	441.90	416.45
(c) Employee stock option scheme (Refer note 4)	222.12	268.19
(d) Gratuity expense (Refer note 26.1)	201.50	64.03
(e) Staff welfare expenses	187.51	171.02
Total	**10,968.36**	**8,593.28**

Note 23: Finance Costs

Particulars	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
(a) Interest expense on:		
(i) Borrowings	1,948.96	2,001.91
(ii) Others		
- Interest on deposits from distributors	112.47	104.40
Total	**2,061.43**	**2,106.31**

Note 24: Other expenses

Particulars	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
Stores and spare parts consumed	598.68	477.62
Consumption of packing materials	1,220.19	1,125.28
Power and fuel	792.82	834.46
Rent	759.90	646.21
Repairs and maintenance - buildings	61.80	69.26
Repairs and maintenance - machinery	155.43	157.95
Repairs and maintenance - others	485.35	398.56
Insurance	58.33	58.99
Rates and taxes	571.69	397.43
Communication	276.90	197.80
Travelling and conveyance costs	1,383.88	1,248.37
Printing and stationery	57.54	57.35
Freight and forwarding charges	1,805.22	1,480.11
Sales commission	261.86	351.39
Cash discount	1,473.19	1,203.04
Advertisement and business promotion expenses	6,899.82	5,980.91
Donations and contributions	1.93	76.21
CSR expenditure	163.85	-
Legal and professional	518.04	189.13
Payments to statutory auditors (Refer note (i) below)	33.71	30.54
Trade and other receivables, loans and advances written off	26.45	58.17
Net loss on foreign currency transactions and translation	53.64	49.29
Loss on fixed assets sold / scrapped / written off, net	12.75	33.97
Provision for doubtful trade and other receivables, loans and advances, net	162.97	314.92
Increase/ (decrease) of excise duty on inventory	7.36	34.25
Warranty expenses	2,364.43	1,432.31
Contributions to political parties (Refer note (ii) below)	4.82	-
Miscellaneous expenses	1101.92	905.98
Total	**21,314.47**	**17,809.50**
(i) Payments to Statutory Auditors comprises:		
Statutory Audit Fees	15.50	14.50
Tax Audit Fees	2.50	1.75
Limited Review Fees	6.00	4.00
Fees for Other Services (certifications)	1.90	1.20
Reimbursement of Expenses	4.10	5.78
Service Tax	3.71	3.31
Total	**33.71**	**30.54**
(ii) Contribution to political parties:		
United Democratic Front	4.50	-
Indian National Trade Union Congress	0.15	-
Indian National Congress (I)	0.05	-
Kerala Electricity Employess Confederation	0.05	-
Communist Party of India (Marxist)	0.07	-
Total	**4.82**	**-**

Note 25: Additional information to the financial statements

25.1 Litigations, contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31st March, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
(i) Litigations (see note 1 below)		
(a) Claims against the Company not acknowledged as debt	302.86	262.82
(b) Direct tax matters under dispute / pending before Income Tax Authorities	340.74	158.39
(c) Indirect tax matters for demands raised by sales tax / vat department pending before various appellate authorities	645.98	144.10
(d) Others	6.82	6.82
Total	**1,296.40**	**572.13**
(ii) Contingent liabilities		
(a) Guarantees (see note 2 below)	3,041.67	3,501.14
(b) Letters of credit opened with banks	2,012.49	1,915.34
Total	**5,054.16**	**5,416.48**
(iii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	298.88	417.36
Total	**298.88**	**417.36**

(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 25% to 100% 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 ₹ 2,717.26 lakhs as at 31st March 2015 (31st March, 2014: ₹ 3,227.49 lakhs) and is included under Guarantees above. The total trade receivables who have availed the facilities as at 31st March 2015 were ₹ 3,851.89 lakhs (31st March, 2014: ₹ 4,500.33 lakhs).

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

Particulars	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
(i) Principal amount and interest due there on remaining unpaid to any supplier as at the end of the accounting year		
Principal amount due to micro and small enterprises	898.06	1,093.30
Interest due on above	-	0.04
	898.06	1,093.34
(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	-	-
(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.	3.11	2.66
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(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	-	-

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.

25.3 Disclosure as per clause 32 of the listing agreements with the stock exchanges

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, and there are no investments in the shares of the Company by such parties.

25.4 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, 2015		As at 31st March, 2014	
Payable	Payable in foreign currency	Payable	Payable in foreign currency
(₹ in lakhs)	$ in lakhs	(₹ in lakhs)	$ in lakhs
583.22	9.25	650.95	10.76

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, 2015		As at 31st March, 2014	
Trade receivable/ Advances	Trade receivable / Advances in foreign currency	Trade receivable/ Advances	Trade receivable / Advances in foreign currency
(₹ in lakhs)	$ in lakhs	(₹ in lakhs)	$ in lakhs
23.73	0.38	53.13	0.90
Payable (₹ in lakhs)	Payable in foreign currency $ in lakhs	Payable (₹ in lakhs)	Payable in foreign currency $ in lakhs
1,003.61	15.92	340.12	5.62

25.5 Value of imports calculated on CIF basis	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
Stock in trade	8,708.65	7,219.83
Raw materials	2,687.30	1,530.63
Stores, spares and packing materials	648.67	416.55
Purchase of fixed assets	1.10	184.82
Total	**12,045.72**	**9,351.83**

25.6 Expenditure in foreign currency (on accrual basis)	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
Travelling	13.52	7.94
Advertisement	-	1.11
Others	15.84	5.69
Total	**29.36**	**14.74**

25.7 Details of consumption of imported and indigenous items	(₹ in lakhs)	%
Imported		
Raw materials	3,255.65	6%
	(1,366.25)	(3%)
Stores, spares and packing materials	75.95	4%
	(155.13)	(10%)
Total	**3,331.60**	**6%**
	(1,521.38)	**(3%)**
Indigenous		
Raw materials	47,803.74	94%
	(48,057.91)	(97%)
Stores, spares and packing materials	1,742.92	96%
	(1,447.76)	(90%)
Total	**49,546.66**	**94%**
	(49,505.67)	**(97%)**
Note: Figures / percentages in brackets relates to the previous year		

25.8 Earnings in foreign exchange (on accrual basis)	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
Export of goods calculated on FOB basis	162.36	207.95

25.9 Net dividend remitted in foreign exchange

Year of remittance (ending on)	31st March, 2015	31st March, 2014
Period to which it relates	1st April 2013 to 31st March, 2014	1st April 2012 to 31st March, 2013
Number of non-resident shareholders	530	668
Number of equity shares held on which dividend was due	183,661	319,755
Amount remitted in ₹ lakhs	8.26	11.19
Amount remitted in foreign currency*	Nil	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.

26 Disclosures under accounting standards

26.1 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 ₹ 380.04 lakhs (year ended 31st March, 2014: ₹ 335.29 lakhs) towards PF contributions (included in note 22(b)) and ₹ 47.81 lakhs (year ended 31st March, 2014: ₹ 73.70 lakhs) towards ESI contributions (included in note 22(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.

26.1 Employee Benefit Plans (Contd.)

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, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
Components of employer expense:		
Current service cost	84.56	74.02
Interest cost	51.34	37.90
Expected return on plan assets	(57.14)	(48.47)
Past service cost	-	-
Actuarial losses/(gains)	122.74	0.58
Total expense recognised in the Statement of Profit and Loss	**201.50**	**64.03**
Actual contribution and benefit payments for year:		
Actual benefit payments	34.00	16.65
Actual contributions	155.37	15.07
Net asset / (liability) recognised in the Balance Sheet:		
Present value of defined benefit obligation	804.96	572.01
Fair value of plan assets	840.35	653.53
Funded status [Surplus / (Deficit)]	35.39	81.52
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	**35.39**	**81.52**
Change in defined benefit obligations (DBO) during the year:		
Present value of DBO at beginning of the year	572.01	476.16
Current service cost	84.56	74.02
Interest cost	51.34	37.90
Actuarial (gains) / losses	131.05	0.58
Past service cost	-	-
Benefits paid	(34.00)	(16.65)
Present value of DBO at the end of the year	**804.96**	**572.01**
Change in fair value of assets during the year:		
Plan assets at beginning of the year	653.53	606.64
Expected return on plan assets	57.14	48.47
Actual company contributions	155.37	15.07
Actuarial gain / (loss)	8.31	-
Benefits paid	(34.00)	(16.65)
Plan assets at the end of the year	**840.35**	**653.53**
Composition of the plan assets is as follows:		
Insurer Managed Assets	840.35	653.53

26.1 Employee Benefit Plans (Contd.)

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Actuarial assumptions:		
Discount rate	7.80%	9.25%
Expected return on plan assets	8.00%	8.00%
Actual return on plan assets	9.00%	8.75%
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 (₹ in lakhs)	78.81	52.00

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	2014-15 (₹ in lakhs)	2013-14 (₹ in lakhs)	2012-13 (₹ in lakhs)	2011-12 (₹ in lakhs)	2010-11 (₹ in lakhs)
Present value of DBO	(804.96)	(572.01)	(476.16)	(336.55)	(164.62)
Fair value of plan assets	840.35	653.53	606.64	352.27	182.70
Funded status [Surplus / (Deficit)]	35.39	81.52	130.48	15.72	18.08
Experience gain / (loss) adjustments on plan liabilities	(47.34)	(8.35)	(25.11)	(122.08)	Not Available
Experience gain / (loss) adjustments on plan assets	8.31	-	15.53	10.35	Not Available

26.2 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, 2015				
	Business Segments			Eliminations	Total
	Electronics	Electrical / Electro Mechanical	Others		
	(₹ in lakhs)	**(₹ in lakhs)**	(₹ in lakhs)	**(₹ in lakhs)**	(₹ in lakhs)
Revenues	54,887.03	1,14,606.55	5,098.49	-	1,74,592.07
	(45,041.64)	(1,02,782.73)	(3,931.94)	(-)	(1,51,756.31)
Inter-segment revenue	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Total	54,887.03	1,14,606.55	5,098.49	-	1,74,592.07
	(45,041.64)	(1,02,782.73)	(3,931.94)	(-)	(1,51,756.31)
Segment results	5,758.84	6,418.46	456.99	-	12,634.29
	(5,790.41)	(5,921.74)	(3.00)	(-)	(11,715.15)
Unallocable expenses (net)					2,489.63
					(2,286.82)
Profit Before Taxes					10,144.66
					(9,428.33)
Tax expense					3,072.51
					(2,414.93)
Net profit for the year					**7,072.15**
					(7,013.40)

Note: Figures in brackets relates to the previous year

26.2 Segment Information (Contd.)

Particulars	For the year ended 31st March, 2015			
	Business Segments			Total
	Electronics	Electrical / Electro Mechanical	Others	
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
Segment assets	16,499.24	41,916.05	3,537.35	61,952.64
	(14,804.42)	(39,235.40)	(3,322.85)	(57,362.67)
Unallocable assets				10,539.49
				(10,503.95)
Total assets				**72,492.13**
				(67,866.62)
Segment liabilities	8,330.33	13,224.56	454.00	22,008.89
	(6,074.39)	(12,886.78)	(346.15)	(19,307.32)
Unallocable liabilities				12,709.57
				(16,716.05)
Total liabilities				**34,718.46**
				(36,023.37)
Other information				
Capital Expenditure (allocable)	69.63	229.00	22.40	321.03
	(13.95)	(1,709.74)	(365.39)	(2,089.08)
Capital Expenditure (unallocable)				797.82
				(1,476.92)
Total Capital Expenditure				**1,118.85**
				(3,566.00)
Depreciation and Amortisation (allocable)	1.01	701.01	65.19	767.21
	(2.20)	(559.84)	(76.69)	(638.73)
Depreciation and Amortisation (unallocable)				776.70
				(565.13)
Total Depreciation and Amortisation*				**1,543.91**
				(1,203.86)
Other Significant Non-cash Expenses (allocable)	121.06	252.78	11.25	385.09
	(150.81)	(419.14)	(13.16)	(583.11)
Other Significant Non-cash Expenses (unallocable)				-
				(-)
Total Other Significant Non-cash Expenses				**385.09**
				(583.11)

B. Geographical segment

	India (₹ in lakhs)	Outside India (₹ in lakhs)	Total (₹ in lakhs)
Revenue	1,74,429.71	162.36	1,74,592.07
	(1,51,548.36)	(207.95)	(1,51,756.31)
Assets	72,488.67	3.46	72,492.13
	(67,855.29)	(11.33)	(67,866.62)
Capital expenditure incurred	1,118.85	-	1,118.85
	(3,566.00)	-	(3,566.00)

* Depreciation and amortisation does not include an amount of ₹ 160.98 lakhs adjusted against opening balance of retained earnings (refer note 12(A)(ii)).

Note: Figures in brackets relates to the previous year

26.3 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 (w.e.f 1st June 2013) Dr. George Sleeba - Joint Managing Director (upto 31st May 2013) Mr. 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 Mr. C. T. John - Brother 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 Chittilapilly Foundation M/s. Thomas Chittilapilly Trust

Note: Related parties have been identified by the Management.

(b) Details of related party transactions during the year ended 31st March, 2015 and balances outstanding on that date:

(₹ in lakhs)

Name of the Related Party	Nature of Transaction	For the year ended 31st March, 2015	Balance Outstanding on 31st March, 2015	For the year ended 31st March, 2014	Balance Outstanding on 31st March, 2014
Mr. Kochouseph Chittilappilly	Rent Paid	38.00	-	22.43	-
	Dividend Paid	331.49	-	257.83	-
	Remuneration	58.17	-	51.12	-
	Commission	79.45	79.45	73.78	73.78
	Advance rent	-	-	-	1.25
	Purchase of Land	-	-	77.50	-
	Guarantees and Collateral Securities given by the related party (Refer note 3 below)	-	-	-	483.45
Mr. Mithun K Chittilappilly	Dividend Paid	229.96	-	171.22	-
	Remuneration	50.06	-	42.59	-
	Commission	52.96	52.96	49.18	49.18
Mr. Arun K Chittilappilly	Dividend Paid	178.64	-	138.94	-
Mrs. Sheela Kochouseph	Dividend Paid	149.41	-	116.21	-
Mr. Ramachandran Venkataraman *	Salaries and allowances	150.40	-	121.88	-
	Company contribution to providend fund	11.88		9.00	
	Commission	52.96	24.27	49.18	23.28
	Amortisation of employees stock option cost	59.71	-	70.48	-
	Issue of Equity shares including securities premium	35.94	-	-	-
Dr. George Sleeba *	Remuneration	-	-	5.89	-
	Commission	-	-	4.17	-

26.3 Related Party Transactions (Contd)

(₹ in lakhs)

Name of the Related Party	Nature of Transaction	For the year ended 31st March, 2015	Balance Outstanding on 31st March, 2015	For the year ended 31st March, 2014	Balance Outstanding on 31st March, 2014
Mr. Jacob Kuruvilla *	Salaries and allowances	29.40	-	-	-
	Company contribution to providend fund	1.05	-	-	-
	Amortisation of employees stock option cost	7.02			
	Issue of Equity shares including securities premium	26.79	-	-	-
Ms. Jayasree K *	Salaries and allowances	16.45	-	-	-
	Company contribution to providend fund	0.64	-	-	-
	Amortisation of employees stock option cost	2.97			
	Issue of Equity shares including securities premium	11.30	-	-	-
Mr. C T John	Dividend Paid	-	-	0.02	-
M/s Thomas Chittilapilly Trust	Donation	-	-	10.00	-
M/s K Chittilapilly Foundation	Donation	-	-	30.00	-

* 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.
3. Related party has provided guarantee amounting to ₹ 500 lakhs towards bill discounting facility availed by the Company with Small Industries Development Bank of India (Refer note 9).

26.4 Earnings Per Share

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Net Profit for the year (₹ in lakhs)	7,072.15	7,013.40
Weighted average number of equity shares	298,88,322	298,47,520
Basic earnings per share (₹)	**23.66**	**23.50**
Net Profit for the year (₹ in lakhs)	7,072.15	7,013.40
Weighted average number of equity shares	302,26,994	298,86,513
Diluted earnings per share (₹)	**23.40**	**23.47**
Weighted average number of equity shares in calculating basic EPS	298,88,322	298,47,520
Effect of dilution:- Stock options granted under Employees Stock Option Scheme	3,38,672	38,993
Weighted average number of equity shares in calculating diluted EPS	**302,26,994**	**298,86,513**

26.5 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:

(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 May 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.

The details of the activity under the Scheme are summarized below

(i) For the Financial Year 2014-15

	RSU		Share options	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding at the beginning of the year	2,10,287	10	6,83,031	485
Granted during the year	-	-	-	-
Forfieted during the year	-	-	-	-
Cancelled during the year	24,360	10	79,100	485
Excercised during the year	51,241	10	74,380	485
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,34,686	10	5,29,551	485
Excercisable at the end of the year	5,365	10	1,09,489	485
Weighted average remaining contractual life	6.68	-	6.42	-

(ii) For the Financial Year 2013-14

	RSU		Share options	
	No. of Options	Weighted Avg. Exercise Price	No. of Options	Weighted Avg. Exercise Price
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,16,138	10	7,01,184	485
Forfieted during the year	-	-	-	-
Cancelled during the year	5,851	10	18,153	485
Excercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,10,287	10	6,83,031	485
Excercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life	7.21	-	7.21	-

The weighted average fair value of stock options granted is as follows :

RSU	461.24
Share options	202.26

26.5 Employee Stock Compensation (Contd)

The Black Scholes valuation model has been used for calculating weighted average fair value considering the following inputs:

	RSU	Share options
Dividend Yield (%)	0.72%	0.72%
Expected Volatility	36.12%	36.12%
Risk-free interest rate	7.46%	7.46%
Weighted average share price	10	485
Exercise price	10	485
Expected life of options granted in years	5.01	5.01

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, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
Profit after tax as reported	7,072.15	7,013.40
Add: ESOS cost using the intrinsic value method	222.12	268.19
Less: ESOS cost using the fair value method	634.70	628.62
Proforma profit after tax	**6,659.57**	**6,652.97**
Earnings Per Share		
Basic		
- As reported	23.66	23.50
- Proforma	22.28	22.29
Diluted		
- As reported	23.40	23.47
- Proforma	22.03	22.26

26.6 Deferred tax (liability) / asset

Particulars	As at 31 March, 2015 (₹ in lakhs)	As at 31 March, 2014 (₹ in lakhs)
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(1,331.90)	(1,258.65)
Tax effect of items constituting deferred tax liability	**(1,331.90)**	**(1,258.65)**
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts / advances	268.05	201.07
Disallowances under Section 43B of the Income Tax Act, 1961	139.98	103.12
Tax effect of items constituting deferred tax assets	**408.03**	304.19
Net deferred tax (liability) / asset	**(923.87)**	**(954.46)**

26.7 Details of research and development expenditure (Refer note below)

Particulars	For the year ended 31st March, 2015 (₹ in lakhs)	For the year ended 31st March, 2014 (₹ in lakhs)
Materials	98.71	56.97
Employee benefits expense	365.82	363.25
Travelling and conveyance costs	70.37	9.96
Fixed Assets	46.01	97.24
Others	17.00	6.68
Total	**597.91**	**534.10**

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.

26.8 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, 2014 (₹ in lakhs)	Additions (₹ in lakhs)	Utilisation / Reversal (₹ in lakhs)	As at 31st March, 2015 (₹ in lakhs)
Provision for Warranty	1,311.31	1,537.69	904.63	1,944.37
	(996.76)	(974.59)	(660.04)	(1,311.31)

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, 2015 (₹ in lakhs)	As at 31st March, 2014 (₹ in lakhs)
Provision for Warranty	1,392.72	904.63

27 Previous year figures

Previous year figures have been regrouped / reclassified, whereever 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
Chartered Accountants

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

Place: Kochi
Date : 4th May, 2015

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

Kochouseph Chittilappilly
Chairman
DIN: 00020512

Mithun K. Chittilappilly
Managing Director
DIN:00027610

Jacob Kuruvilla
Chief Financial Officer

Jayasree K
Company Secretary

Place: Kochi
Date : 4th May, 2015

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 Nineteenth Annual General Meeting of the members of V-Guard Industries Limited will be held at Hotel "The Renai Cochin", Palarivattom P.O., Kochi-682025, on Monday, the 3rd August, 2015, at 4.30 p.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2015 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 declare dividend for the Financial Year ended 31st March, 2015.

3. To appoint a Director in place of Mr. Ramachandran V (DIN: 06576300), who retires by rotation and being eligible, offers himself for re-appointment.

4. To re-appoint the Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of 21st Annual General Meeting to be held in the year 2017 by passing the following resolution, as an ordinary resolution, with or without modification(s).

   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, as amended from time to time, M/s S R Batliboi & Associates LLP, Chartered Accountants, Kochi, with ICAI firm registration no. 101049W, be and are hereby re-appointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of 21st Annual General Meeting to be held in the year 2017, subject to ratification by members at the 20th Annual General Meeting, at such remuneration plus service tax, out of pocket, travelling expenses etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

Special Business

5. To re-appoint Mr. Kochouseph Chittilappilly as Executive Chairman for a period of three years.

   To consider and if thought fit, to pass the following resolution with or without modification(s), as an ordinary resolution:

   RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors at their respective meetings held on 16th March, 2015, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Kochouseph Chittilappilly (DIN: 00020512), as a Wholetime Director designated as Executive Chairman of the Company for a period of three years with effect from 1st April, 2015, on the following terms and conditions and remuneration, which has been recommended by the members of the Nomination and Remuneration Committee:

   Salary: ₹ 5,00,000/- p.m., with a power to the Board or any Committee thereof to give an annual increase upto 50% of the last drawn salary and also to alter or modify other terms and conditions of appointment including the remuneration payable, subject to the limit specified herein above.

   Commission: Not exceeding 0.75% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

   Perquisites: Perquisites shall be allowed in addition to salary and commission and they shall be restricted to the following:

CATEGORY 'A'

(1) Housing:

The Company shall provide rent free furnished residential accommodation, with free gas, electricity and water as per Company's policy. In case no accommodation is provided by the Company, the Chairman shall be entitled to house rent allowance up to a limit of 10% of his monthly salary and reimbursement of expenses incurred towards gas, electricity, water and salary of two servants. The Company will also provide personal allowance upto one month salary per annum.

(2) Medical Reimbursement:

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year.

(3) Leave Travel Concession:

For self and family, once in a year incurred in accordance with the rules of the Company.

(4) Club Fee:

Fee of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

(5) Personal Accident Insurance:

Premium not to exceed 5% of Annual Salary.

Explanation: "Family" means the spouse, the dependent children and dependent parents of the Chairman.

CATEGORY 'B'

(6) Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

RESOLVED FURTHER THAT notwithstanding anything contained herein above, where in any Financial Year, during the currency of the tenure of Mr. Kochouseph Chittilappilly as Chairman, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Kochouseph Chittilappilly shall be governed by Section II of part II of Schedule V to the Companies Act, 2013 or any modifications thereto and the same shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 2013 and rules made thereunder or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors are hereby authorized 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 re-appoint Mr. Mithun K Chittilappilly as Managing Director for a period of three years.

To consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors at their respective meetings held on 16th March, 2015, consent of the members of the Company be and is hereby accorded to re-appoint Mr. Mithun K Chittilappilly (DIN: 00027610), as Managing Director of the Company for a period of three years with effect from 1st April, 2015, whose period of office is liable to retire by rotation, on the following terms and conditions and remuneration, which has been recommended by the members of the Nomination and Remuneration Committee:

Salary: ₹ 3,00,000/- p.m., with a power to the Board or any Committee thereof to give an annual increase upto 50% of the last drawn salary and also to alter or modify other terms and conditions of appointment including the remuneration payable subject to the limit specified herein above.

Commission: Not exceeding 0.75% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

Perquisites: Perquisites shall be allowed in addition to salary and commission and they shall be restricted to the following:

CATEGORY 'A'

(1) Housing:

The Company shall provide rent free furnished residential accommodation, with free gas, electricity and water as per Company's policy. In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance up to a limit of 10% of his monthly salary and reimbursement of expenses incurred towards gas, electricity, water and salary of two servants. The Company will also provide personal allowance upto one month salary per annum.

(2) Medical Reimbursement:

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year.

(3) Leave Travel Concession:

For self and family, once in a year incurred in accordance with the rules of the Company.

(4) Club Fee:

Fee of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

(5) Personal Accident Insurance:

Premium not to exceed 5% of Annual Salary.

Explanation: "Family" means the spouse, the dependent children and dependent parents of the Managing Director.

(6) Gratuity:

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(7) Encashment of Leave:

Unavailed leave can be encashed as per the rules of the Company.

(8) Contribution to Provident Fund:

Contribution to provident fund, superannuation fund or annuity fund as per the rules of the Company.

CATEGORY 'B'

(9) Provision of car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

RESOLVED FURTHER THAT notwithstanding anything contained herein above, where in any Financial Year, during the currency of the tenure of Mr. Mithun K Chittilappilly as Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Mithun K Chittilappilly shall be governed by Section II of part II of Schedule V to the Companies Act, 2013 or any modifications thereto and the same shall not, except with the approval of the Central Government, exceed the limits prescribed under the Companies Act, 2013 and rules made thereunder or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors are hereby authorized to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.

7. To pay commission to Mr. Cherian N Punnoose, Non-Executive Director of the Company.

To consider and if thought fit, to pass the following resolution with or without modification(s), as a Special 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 or re-enactment thereof, for the time being in force), and pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors at their respective meetings held on 4th November, 2014 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 Mr. Cherian N Punnoose (DIN:00061030), Vice Chairman of the Board of the Company and a Non-Executive Director, for a period of five Financial Years commencing from 29th July, 2014 to 28th July, 2019, and that the commission payable to him shall not exceed 1% of the net profits of the Company for each Financial Year computed in accordance with the provisions of Section 198.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to decide the amount of commission payable to Mr. Cherian N Punnoose, for each Financial Year.

RESOLVED FURTHER THAT the commission payable to Mr. Cherian N Punnoose shall be exclusive of sitting fee payable to him for attending meetings of the Board or Committees thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such steps as may be necessary or expedient to give effect to the resolution.

8. To pay remuneration to the Cost Auditor for the Financial Year 2015-16.

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 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to 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 31st March, 2016, amounting to ₹ 1.50 lakhs (Rupees one lakh and fifty thousand only) and also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred 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 is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By Order of the Board
For **V-Guard Industries Limited**

Sd/-
Jayasree K
Company Secretary

Place: Kochi
Date : 7th July, 2015

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. 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 and 8 is annexed hereto. As per Clause 49 of the Listing Agreement executed with Stock Exchanges, the brief resume and functional expertise of the Directors seeking re-appointment is furnished below along with the details of Companies in which they hold Directorship and the details of membership or chairmanship of sub-committees of Board.

4. The Register of Members and Transfer Books of the Company will be closed from 28th July, 2015 to 03rd August, 2015 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 on or after 3rd August, 2015, 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 Ltd. and the Central Depository Services (India) Ltd. on 27th July, 2015.

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 27th July, 2015.

5. 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 22nd July, 2015.

6. Members holding shares in physical form are requested to advise any change of address immediately to Link Intime India Private Ltd. Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028, the Registrar and Transfer Agents of the Company, on or before 22nd July, 2015.

7. 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.

8. The Notice of the Annual General Meeting along with the Annual Report 2014-15, is being sent by electronic mode to those members, whose e-mail ids are registered with the Company/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.

9. To support the 'Green Initiative', the members who have not registered their e-mail ids are requested to register the same with Depositories.

10. Members who have opted for receipt of physical copy of Annual Report are requested to bring their copies of Annual Report at the time of the meeting.

11. 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 22nd July, 2015 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 22nd July, 2015.

12. 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 22nd July, 2015 to enable the printing of the said details on the Dividend Warrant to prevent fraudulent encashment of the same.

13. Member who desires to attend the Annual General Meeting of the Company are requested to bring the attendance slip duly filled and hand over the same at the registration counter at the venue of the Annual General Meeting.

14. 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 (Section 124(5) of the Companies Act, 2013), unclaimed / unpaid dividend for the Financial Year 2007-08 is due for transfer to the Investor Education and

Protection Fund (IEPF) on 13th August, 2015. Members who have not yet encashed their dividend warrant or made any claim for the dividend of the Financial Year 2007-08, are requested to make their claims without delay to Link Intime India Private Ltd. Members who 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.

15. 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 Clause 35B of the Listing Agreement, 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 Ltd. 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.

16. 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 102127. 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, with a copy marked to 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 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 Friday, 31st July, 2015 (9.00 a.m. IST) and ends on Sunday, 02nd August, 2015 (5.00 p.m. IST). During this period, members holding shares either in physical form or in dematerialized form, as on 27th July, 2015 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 of the cut-off date, may obtain the login ID and password by sending a request at 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.

iv. Mr. Jayan K, Practicing Company Secretary (Membership no. ACS 20203), 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 Annual 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 three 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 and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Ltd. ("BSE") and National Stock Exchange of India Ltd. ("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 and 8 of the accompanying Notice dated 7th July, 2015.

Item No. 5

Mr. Kochouseph Chittilappilly was appointed as a Whole-time Director of the Company under the designation 'Vice Chairman' for a period of three years effective from 1st April, 2012. He was re-designated as the Chairman of the Board with effect from 1st November, 2012. His term of office as Whole-time Director expired on 31st March, 2015. Considering the contributions made by him in the areas of strategic initiatives and formulation of various policies and upholding the governance practices adopted by the Company and also in ensuring the effective implementation of strategic initiatives and policies and his endeavor to improve further the governance practices, the members of Nomination and Remuneration Committee nominated him to the position of Executive Chairman of the Company. The Board of Directors in their meeting held on 16th March, 2015, approved the re-appointment of Mr. Kochouseph Chittilappilly, for a period of three years, with effect from 1st April, 2015, subject to the approval of the members in the ensuing Annual General Meeting.

Brief Profile: Mr. Kochouseph Chittilappilly is the Founder of V-Guard. He has been the driving force behind the Company's sustained growth since its inception. He is the recipient of numerous awards, which were bestowed on him for his exemplary performance in business. Among them are Business Man of the Millennium 2000 from Rashtra Deepika, Tourism Man of the year from 'Destination Kerala', Management Leadership Award from Kerala Management Association and Samman Pathra Award for top income tax payer from Hon'ble Union Minister of State for Finance. He has been occupying the position of Executive Chairman of the Company since 1st November, 2012.

This Explanatory Statement be treated as a written memorandum, under Section 190 of the Act of the Agreement to be entered into between the Company and Mr. Kochouseph Chittilappilly.

The Board recommends the Ordinary Resolution set out at item no.5 of the Notice for approval by the members.

Other than Mr. Kochouseph Chittilappilly, Mr. Mithun K Chittilappilly and Mrs. Joshna Johnson Thomas, no other Director or Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, as set out in item no. 5 of the accompanying Notice.

Item No.6

Mr. Mithun K Chittilappilly was the Managing Director of the Company for a period of three years with effect from 1st April, 2012 and his term of office expired on 31st March, 2015. Considering his contributions in the overall Management of the Company and in setting the future growth trajectory, the members of Nomination and Remuneration Committee nominated him to the position of Managing Director of the Company. The Board of Directors in their meeting held on 16th March, 2015, approved the re-appointment of Mr. Mithun K Chittilappilly, for a period of three years, with effect from 1st April, 2015, subject to the approval of the members in the ensuing Annual General Meeting.

Brief Profile: He had joined the Company as Executive Director in the year 2003. The Company had done the Initial Public Offer under his leadership in the year 2008. He had played an active role in taking the Company to various markets in Non-South India thereby building the brand equity in the newer markets. He was instrumental in introducing various new products to the folder and has led many new initiatives in the Company.

This Explanatory Statement be treated as a written memorandum, under Section 190 of the Act of the Agreement to be entered into between the Company and Mr. Mithun K Chittilappilly.

The Board recommends the Ordinary Resolution set out at item no.6 of the Notice for approval by the members.

Other than Mr. Mithun K Chittilappilly, Mr. Kochouseph Chittilappilly and Mrs. Joshna Johnson Thomas, no other Director or Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise,as set out in item no. 6 of the accompanying Notice.

Item No. 7

The Directors have appointed Mr. Cherian N Punnose, as Vice Chairman of the Board and he has been entrusted with the responsibility of monitoring compliance of corporate governance practices in the Company. He is also acting as the Chairman of the Audit Committee and as a member of other sub-committees. He has been appointed as an Independent Director of the Company, by the members for a period of five years with effect from 29th July, 2014. Considering his role in strengthening further the corporate governance practices, your Directors have proposed payment of commission to Mr. Cherian N Punnoose, as per the provisions of Sections 197 and 198 of the Act for a period of five years, from 29th July 2014 to 28th July 2019. The amount of commission payable to him 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 Sections 198 and other applicable provisions of the Companies Act, 2013. Such Commission will be in addition to the sitting fee being paid to him by the Company for attending the Board / Committee meetings of the Company.

Accordingly Your Directors recommend the special resolution set out under item no. 7 of the Notice for approval of the shareholders.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors or their respective relatives, except Mr. Cherian N Punnoose, Director, is in any way, concerned or interested, financially or otherwise in the resolution as set out in item no. 7 of the accompanying Notice.

Item No. 8

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, 2016. The Board has also approved payment of ₹ 1,50,000/- as audit fee payable to the Cost Auditors.

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.

Accordingly, Directors seek the consent of the members by way of passing an ordinary resolution as set out in item no. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2016.

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 item no. 8 of the Notice.

By Order of the Board
For **V-Guard Industries Limited**

Sd/-
Jayasree K
Company Secretary

Place: Kochi
Date : 7th July, 2015

Directors Profile

Details of Directors seeking re-appointment at the ensuing Annual General Meeting in pursuance of Clause 49 of the Listing Agreement.

Particulars	Mr. Kochouseph Chittilappilly	Mr. Mithun K Chittilappilly	Mr. Ramachandran V*
Date of Birth	29.12.1950	02.09.1980	27.10.1963
Date of Appointment	12.02.1996	01.04.2003	01.06.2013
Qualifications	• Post Graduate in Physics	• Graduate in Commerce	• Bachelor of Science
		• MBA (Finance & Marketing)	• Master's in Management Studies (Marketing)
Directorship held in other Companies #	• Wonderla Holidays Ltd.	Nil	Nil
	• Pearl Spot Resorts Ltd.		
Membership/ Chairmanship of Committees of other public companies**	Nil	Nil	Nil
Number of Shares held in the Company	73,66,518	51,10,318	22,144

***Brief Profile**

Mr. Ramachandran V is a professional with more than twenty five years cross functional experience in Hindustan Unilever / Uniliver and L G Electronics. He is occupying the position of Director – Marketing and Strategy, of the Company since 1st June, 2013. He has been heading the sales and marketing activities of the Company and is leading several new initiatives in the Company.

#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 Companies Act, 2013 and of Companies incorporated outside India.

**Chairmanship / Membership of Board Committees include Chairmanship / Membership of Audit Committee and Stakeholders' Relationship and Share Transfer Committee as per the requirements of Clause 49(II)(D)(2)(ii) of the Listing Agreement. 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 purpose.

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 19th Annual General Meeting of the Company, to be held on Monday, the 03rd August, 2015, at 4.30 p.m., at Hotel "The Renai Cochin", Palarivattom P.O, Kochi - 682025 and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

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 31st March, 2015.			
2	Declaration of dividend for the Financial Year 2014-15.			
3	Re-appointment of Mr. Ramachandran V, Director, who retires by rotation.			
4	Re-appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants as Statutory Auditors of the Company from the conclusion of this meeting upto the conclusion of 21st Annual General Meeting.			
Special Business				
5	Re-appointment of Mr. Kochouseph Chittilappilly, as Executive Chairman, for a period of three years with effect from 1st April, 2015.			
6	Re-appointment of Mr. Mithun K Chittilappilly, as Managing Director, for a period of three years with effect from 1st April, 2015.			
7	Payment of Commission to Mr. Cherian N Punnoose, Non-Executive Director, for a period of five years with effect from 29th July, 2014 to 28th July, 2019.			
8	Ratification of payment of ₹ 1,50,000/- as remuneration and reimbursement of out of pocket expenses to M/s. Ajeesh & Associates, the Cost Auditors of the Company for the Financial Year 2015-16.			

Signed this ..... day of 2015

Affix Revenue Stamp not less than Re. 1

Signature of shareholder : .....

Signature of Proxy holder(s) : .....

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
Registered Office: 42/962, Vennala High School Road,
Vennala, Kochi-682028, Kerala, India
Phone No.: 0484-3005000; Fax: 0484-3005100
E-mail: mail@vguard.in; website: www.vguard.in

ATTENDANCE SLIP
Nineteenth Annual General Meeting - 03rd August, 2015

Registered Folio No./ DP ID & Client ID	
Name and address of the Member(s)	
No. of Shares	

I hereby record my presence at the Nineteenth Annual General Meeting of the Company at 4.30 p.m. at Hotel "The Renai Cochin", Palarivattom P.O, Kochi - 682025 on Monday, the 03rd August, 2015.

_____ _____

Member's / Proxy's name in Block Letters Member's / Proxy's Signature

Note: Members who are attending the meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting room.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password
102127		

Notes:

1. Please read the instructions printed under the Notes to the Notice of 19th Annual General Meeting to be held on Monday, the 3rd August, 2015, at 4.30 p.m.
2. The remote e-voting period starts from 9.00 a.m. on Friday, the 31st July, 2015 and ends at 5.00 p.m. on Sunday the 2nd August, 2015.

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 (tick whichever is applicable) : SB ☐ Current ☐ Cash Credit ☐
   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.

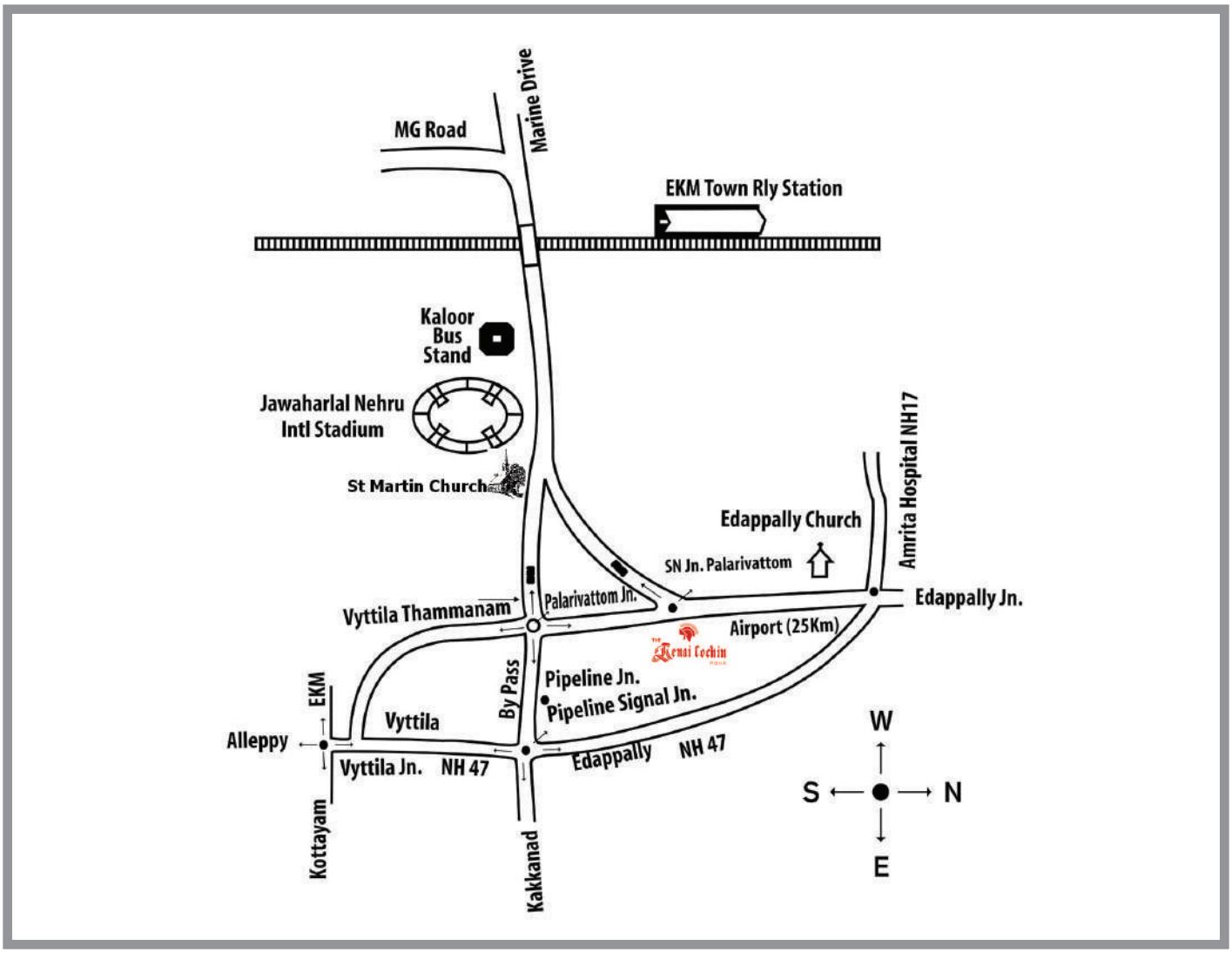
Signature of First Shareholder

Date:

Note:

1. Please attach the 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 22nd July, 2015.
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 22nd July, 2015.
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 22nd July, 2015.**

Route Map of the AGM Venue



CORPORATE OFFICE

V-GUARD INDUSTRIES LTD.

Regd Office.

42/962, Vennala High School Road, Vennala, Kochi-682028,

Ph: +91 484 300 5000 Fax: +91 484 300 5100.

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