



# V-Guard Industries Limited

CIN: L31200KL1996PLC010010

Regd. Office: 42/962, Vennala High School Road,  
Vennala, Ernakulam - 682028 E-mail : [secretarial@vguard.in](mailto:secretarial@vguard.in)  
Website : [www.vguard.in](http://www.vguard.in) Phone : 0484-3005000 Fax: 0484-3005100

## POSTAL BALLOT NOTICE

**(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014)**

### **TO THE MEMBERS OF THE COMPANY**

Notice is hereby given, pursuant to Sections 108 and 110 of the Companies Act, 2013 (the Act) read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the Rules) as amended from time to time including any statutory modification(s) or re-enactment thereof for the time being in force, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and other applicable laws and regulations, if any, that the Company is seeking consent/approval of the members of the Company for the following proposals to be passed through Postal Ballot:

1. To amend the Object Clause of the Memorandum of Association of the Company
2. To alter the Liability Clause of the Memorandum of Association of the Company
3. To mortgage or create charge(s) on assets of the Company
4. To issue further number of options for grant under ESOS 2013

The Statement setting out material facts concerning the resolutions set out at item nos. 1 to 4 of the Postal Ballot Notice dated March 27, 2017 pursuant to Section 102 of the Act relating to the Resolutions are annexed. Postal Ballot Notice dated March 27, 2017 is placed on the website of the Company [www.vguard.in](http://www.vguard.in).

The Board of Directors of your Company has appointed Mr. Mithun K Chittilappilly, Managing Director (DIN 00027610) and Ms. Jayasree K, Company Secretary (ICSI Membership No.: ACS 15900), of the Company as the person responsible for the entire Postal Ballot process.

The Board of Directors has appointed Mr. C N Paramasivam, Practicing Company Secretary, Coimbatore, as the Scrutinizer for scrutinizing the Postal Ballot and e-voting process. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facility to the members of the Company.

Members have the option to vote either by Postal Ballot or through e-voting. If a member has voted through e-voting facility, he is not required to send the Postal Ballot Form through post. If a member votes through e-voting facility and also sends his vote through the Postal Ballot Form, the votes cast through e-voting shall only be considered by the Scrutinizer.

Members desiring to exercise their votes by Postal Ballot are requested to read carefully the Instructions printed on the Postal Ballot Form and return the same, completed and signed, in the enclosed self-addressed business reply envelope, so as to reach the Scrutinizer on or before 5.00 p.m. on April 30, 2017, failing which it will be treated as if no reply has been received from the Member(s) concerned. Any Postal Ballot Form received after the said date will be treated as invalid. No other form or photocopy thereof is permitted. Members who have not received the Postal Ballot Form may apply to the Registrar and Share Transfer Agent /Company and obtain a duplicate thereof.

E-voting facility is available at the link [www.evoting.nsdl.com](http://www.evoting.nsdl.com) from 9.00 a.m. (IST) onwards on Saturday, April 1, 2017, till 5.00 p.m. (IST) on Sunday, April 30, 2017. Members desiring to opt for e-voting are requested to read carefully the instructions given in the Notes forming part of the Notice.

The Scrutinizer will submit his consolidated report to the Chairman of the Company after completion of the scrutiny on Tuesday, May 2, 2017. Based on the Scrutinizer's Consolidated Report the results of the Postal Ballot and e-voting will be declared on Tuesday, May 2, 2017 at 5.00 p.m. at the Company's Registered Office at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028, through the website of the Company viz www.vguard.in, either by the Chairman or any Director authorized by the Chairman in this regard. Such Results, along with the Consolidated Report, will be available on the Company's website www.vguard.in under the section 'Investor Relations' and will be forwarded to the Stock Exchanges where the Company's shares are listed and also on the website of National Securities Depository Limited (NSDL), www.evoting.nsdl.com. The Resolutions, if passed by requisite majority, will be deemed to be passed on the last date specified for receipt of duly completed Postal Ballot Forms or e-voting i.e. April 30, 2017.

In case of any grievance or query connected with voting by Postal Ballot/e-voting, members may contact the Registrar and Share Transfer Agent at Link Intime India Private Limited, Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028 or at the Registered Office of the Company.

## **SPECIAL BUSINESS**

1. To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a Special Resolution:

To amend the Object Clause of the Memorandum of Association of the Company

RESOLVED THAT pursuant to section 4 and 13 of the Companies Act, 2013 and Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to necessary approval(s) required, if any, in this regard from appropriate authorities, and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by any of such appropriate authorities, which terms, conditions, stipulations, alterations, amendments or modifications, the Board of Directors (herein after referred to as "the Board", which term shall include any of its duly authorised Committee or individual Director) is hereby authorised to accept as it may deem fit, consent of the members of the Company be and is hereby accorded for effecting the following modifications and amendments in the existing Object Clause of the Memorandum of Association of the Company.

- a. Clause III A of the existing Object Clause THE MAIN OBJECTS, TO BE PURSUED BY THE COMPANY ON ITS INCORPROATIOIN ARE be substituted by new heading titled as "THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION".
- b. Alteration of existing Object Clause III A(i) by adding the following in the fifth line, after the word "air conditioners", and before the word "communication equipments".:  
"home and kitchen appliances of all kinds both electrical and non-electrical."
- c. Sub-clause (ii) of Clause III A of the Object Clause be deleted.
- d. The existing Clause III B "OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF THE ABOVE MAIN OBJECTS" be substituted by the new heading "MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III A" with existing objects appearing under sub clauses 1 to 50 thereof.
- e. The existing Clause III C titled "THE OTHER OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED" comprising of the existing sub clauses 1 to 7 be deleted.

RESOLVED FURTHER THAT the existing Memorandum of Association of the Company, duly modified as aforesaid, or as suggested by any appropriate authority and accepted by the Board, be adopted as the Memorandum of Association of the Company."

2. To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a Special Resolution:

To alter the Liability Clause of the Memorandum of Association of the Company

RESOLVED THAT pursuant to section 4 and 13 of the Companies Act, 2013 and Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to necessary approval(s) required, if any, in this regard from appropriate authorities, and subject further to such other terms, conditions, stipulations, alterations, amendments or modifications as may be required, specified or suggested by any of such appropriate authorities, which terms, conditions, stipulations, alterations, amendments or modifications, the Board of Directors (herein after referred to as "the Board", which term shall include any of its duly authorised Committee or individual Director) is hereby authorised to accept as it may deem fit, consent of the members of the Company be and is hereby accorded for deletion of the existing Clause IV i.e. Liability Clause and substitution with the following new Clause IV:

"The liability of member(s) is limited and this liability is limited to the amount unpaid, if any, on shares held by them."

3. To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a Special Resolution:

To mortgage or create charge(s) on assets of the Company

RESOLVED THAT in supersession of all earlier resolutions passed and pursuant to the provisions of Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactment(s) thereof for the time being in force), consent of the members of Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include any Committee thereof) for creation of security/ mortgage/ pledge/ hypothecation/ charge or encumbrance in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties and assets of the Company, wherever situated, both present and future, and in such manner, the Board may deem fit, together with power to take over the substantial assets of the Company in certain events, in favour of Indian or Foreign Banks/ Financial Institutions, other investing agencies and trustees for holders of debentures/ bonds/ other instruments to secure rupee/ foreign currency loan/ bonds/ foreign currency convertible bonds/ debentures or any other instruments/ securities (hereinafter collectively referred to as "Loans") together with interest at the agreed rates, compound/ further interest, commitment charges, expenses and all other monies payable by the Company in respect of the said loans in terms of the agreements to be entered into by the Company in respect of the said loans, provided that the said loans and other charges for which the charge is to be created, shall not at any time exceed Rs.750 crores.

RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this Resolution) be and are hereby authorised to finalise with the abovementioned lending institution(s) or lending entity(ies) the documents for creating the aforesaid mortgages and / or charges and to do all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution.

4. To consider and, if thought fit, to give assent or dissent to the following resolution proposed to be passed as a Special Resolution:

To issue further number of options for grant under ESOS 2013

RESOLVED THAT in partial modification of the special resolutions passed by the shareholders on May 14, 2013, through Postal Ballot and at the 20th Annual General Meeting of the Company held on July 26, 2016 and pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013, (the Act), and applicable rules made thereunder, (including any statutory modification(s) or any amendment(s) thereto or any substitution(s) or any re-enactments thereof for the time being in force), and pursuant to the provisions of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, (SEBI Regulations) and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors

vide their respective resolutions dated January 30, 2017, and subject to such other approvals, permissions and sanctions as may be necessary from various authorities and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent and approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers conferred by this resolution), to create, issue, offer, grant and allot to or for the benefit of such person(s), as identified by the Nomination and Remuneration Committee, who are in permanent employment of the Company in India or out of India, including any Whole-time Director of the Company, except those who are Promoter or belonging to the Promoter Group, Director who himself or herself through his or her relative holds more than 10% of the paid up capital of the Company and Independent Directors, additional options, exercisable into not more than 2,00,000 equity shares of the Company under Employee Stock Option Scheme 2013, in one or more tranches, giving the right but not obligation to the holder, to subscribe for cash on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority and that each option would be exercisable into one equity share of face value of Re.1/- each fully paid-up on payment of the requisite exercise price to the Company and the Board of the Company be and is hereby authorised to make requisite alterations in ESOS 2013, to give effect to the above creation of additional options.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the Option Grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 2,00,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the employee stock option scheme and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are subdivided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Re.1/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said employees.

RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares of the Company allotted under ESOS 2013 on the stock exchanges where the shares of the Company are listed, as per the provisions of the Listing Agreement executed with the stock exchanges concerned as per the provisions of SEBI (LODR), the Act, SEBI Regulations and other guidelines, rules and regulations as may be applicable.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee, with power to further delegate to any executives/officers of the Company to do all such acts, deeds, matters and things and also to execute such documents as may be necessary in this regard.

By Order of the Board  
For V-GUARD INDUSTRIES LIMITED

Sd/-

JAYASREE K

Company Secretary  
(Membership No.: ACS 15900)

Place : Kochi

Date : March 27, 2017

**NOTES:**

- (i) The Postal Ballot Notice is being sent to the Members whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories on Friday, March 24, 2017. The Postal Ballot Notice is being sent in electronic mode to those Members who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the other Members.

- (ii) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on Friday, March 24, 2017 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by Postal Ballot or e-voting. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.
- (iii) Members can opt for only one mode of voting i.e. either Postal Ballot or e-voting. In case any Member votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through Postal Ballot shall be considered invalid.
- (iv) The resolutions, if passed by requisite majority, will be deemed to be passed on the last date specified for receipt of duly completed Postal Ballot Forms or e-voting i.e. April 30, 2017.

The instructions for Shareholders for e-voting are as under:

- (a) In case of Shareholders' receiving e-mail from NSDL
  - (i) Open e-mail and open PDF file viz; "remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com>.
  - (iii) Click on Shareholder – Login.
  - (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof and note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
  - (vii) Select "EVEN" of V-Guard Industries Limited.
  - (viii) Now you are ready for e-Voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [suryaecom@gmail.com](mailto:suryaecom@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- (b) In case of Shareholders' receiving Postal Ballot Form by Post:
  - (i) Initial password is provided as below/at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
106084		

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com).

**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) The period for e-voting starts at 9.00 a.m.(IST) on Saturday, April 1, 2017 and ends at 5.00 p.m. (IST) on Sunday, April 30, 2017. E-voting will be blocked by NSDL at 5.00 p.m. on Sunday, April 30, 2017.
- vi) There will be one e-vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.

### **Statement**

Statement setting out material facts concerning each of the Resolutions mentioned under Item Nos. 1, 2, 3 and 4 set out in the Postal Ballot Notice, pursuant to Section 102 of the Companies Act, 2013 (hereinafter referred to as the Act) and Companies (Management and Administration) Rules, 2014 (the Rules).

#### **Item nos. 1 & 2**

The existing Memorandum of Association (MOA) of the Company was framed in terms of the provisions of the Companies Act, 1956 and in pursuance of the objectives of the Company. In terms of Section 4(1)(c) of the Companies Act, 2013, the MOA of a Company shall state the objects to be pursued by the Company on its incorporation and matters which are necessary for furtherance of the objects specified. Your Directors proposes to amend the existing MOA of the Company in line with the requirements of Section 4 of the Act. The following amendments are proposed in the Object Clause of MOA of the Company

1. The Object Clause will now have two parts Clause III A & III B. Clause III A will be amended as - 'The Objects to be pursued by the Company on its incorporation' and Clause III B 'Matters which are necessary for furtherance of the Objects specified in Clause III A.
2. Company is presently engaged in the business of manufacturing, selling, distributing or dealing in all types of electrical, electro mechanical, and electronics products and solar energy devices. Home and Kitchen Appliance business in India is expected to grow at a fast trajectory, because of increased level of disposable income and urbanization. With a view to embark into the home and kitchen appliances category, the Company has launched products such as Induction Cook Tops and Mixer Grinders in the years 2013 and 2014 respectively. The Board of Directors desires to penetrate more into the category, by adding more products. To enable the Company to roll out new products in the category which functions with or without the support of electric power, your Directors propose an amendment in Clause III A of the Object Clause of the MOA of the Company, by way of inserting, "home and kitchen appliances of all kinds both electrical and non-electrical", in the fifth line of the object clause III A after the word 'air conditioners', but before the word, 'communication equipments' in the same line. The amendment aforesaid will enable the Company to carry on some business, which under existing circumstances may conveniently or advantageously be combined with the business of the Company.
3. The existing Clause (ii) of the Object Clause III A is proposed to be deleted as this object is distinct from the primary object of the Company and the Company is not performing any activities mentioned thereunder.
4. The headline of the existing Clause III B of the Object Clause of MOA be deleted and substituted as 'Matters which are necessary for furtherance of the objects specified in Clause III A with existing objects numbered from 1 to 50.
5. The existing objects specified in clauses from 1 to 7 of the Object Clause III C viz. "The Other Objects for which the Company is established" is proposed to be deleted in line with the requirements of the Act.

Further, in order to comply with the provisions of Sections 4(1)(d)(i) and 13 and other applicable provisions, if any, of the Act, the Company needs to alter the Liability Clause of MOA i.e. Clause IV. The proposed modification is carried out to comply with the requirements of the Act.

The MOA of the Company, proposed to be amended as stated above, is being uploaded on the Company's website for perusal by the Shareholders.

A copy of the existing and proposed MOA would be available for inspection by the members at the registered office of the Company on all working days (Monday to Friday) during normal business hours upto April 30, 2017.

The Board of Directors accordingly recommends, in the interest of the Company, the Special Resolutions set out at Item Nos. 1 and 2 of the accompanying Postal Ballot Notice for approval by the members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolutions set out at item nos. 1 and 2 of the Postal Ballot Notice.

You are requested to communicate your assent or dissent for the aforesaid resolution(s), in accordance with the instructions set out herein.

### **Item no. 3**

The members of the Company in their 20th Annual General Meeting held on July 26, 2016, had accorded consent to the Board of Directors of the Company to borrow any sum or sums of money upto a limit of Rs.750 crores, to enable the Company to avail long term financial assistance from various Banks or financial institutions to fund its long term projects.

While availing long term loans from Banks or financial institutions etc, the Company is required to secure the loans by way of mortgages, charges and hypothecations on the Company's movable or immovable properties, both present and future, in favour of the Banks, financial Institutions or bodies corporate. As the creation of security/ mortgage/ pledge/ hypothecation/ charge or encumbrance may be covered by the term "otherwise disposed of" used in Section 180(1) (a) and also the documents to be executed with the lenders may contain the power to take over the management and concern of the Company in certain events, it is necessary for the members to pass a special resolution as per the provisions of Section 180(1)(a) of the Act, for creation of mortgages, charges and hypothecation to secure borrowings.

The provisions of Section 180(1)(a) of the Act provide, inter alia, that the Board of Directors of a public company shall not, without the consent of shareholders through a Postal Ballot process under Section 110 of the Act sell, lease or create any security on the assets of the Company or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or if the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertakings.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 3 of the Postal Ballot Notice for approval by the members, to enable the Board of Directors to create charge / security on the assets, movable and/ or immovable properties, of the Company through mortgage or pledge or hypothecation or otherwise or through a combination of them for securing the borrowings.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise in the resolution set out at Item no. 3 of the Postal Ballot Notice.

You are requested to communicate your assent or dissent for the aforesaid resolution(s), in accordance with the instructions set out herein.

### **Item no. 4**

The Company had implemented an Employee Stock Option Scheme, 2013 (ESOS 2013), in accordance with erstwhile Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and sought the approval of the members on May 14, 2013, through postal ballot procedure for grant of 1,12,00,000 numbers of options exercisable into equity shares of face value of Re.1/- each under the scheme to eligible employees of the Company. Approval of the shareholders was obtained in their 20th Annual General Meeting held on July 26, 2016, for further grant of 22,50,000 nos. of options exercisable into equity shares of face value of Re.1/- each. The members had also authorized the Board or its Committee to make alterations, modification or variation in the ESOS 2013, from time to time. The scheme is administered by Nomination and Remuneration Committee and options were granted to eligible employees from time to time.

Equity based compensation is considered to be an integral part of employee compensation, which enables alignment of personal goals of the employees with organizational goals. Directors believe that equity based compensation schemes are an effective tool to reward the employees including the professional Directors in the growth pace of the Company and helps in retaining the existing key resources and also attract new talents, who are required for the future growth.

With this objective, on recommendation of Nomination and Remuneration Committee, your Directors propose, to create, issue, grant, offer and allot at any time to or for the benefit of such person(s) who are in permanent employment of the Company, in India or out of India including Whole-time Director, other than Promoters and Independent Directors of the Company, additional options exercisable into not more than 2,00,000 equity shares of the Company under Employee Stock Option Scheme 2013, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board or Nomination and Remuneration Committee in accordance with the provisions of the law

or regulations issued by the relevant authority and that each option would be exercisable into one equity share of face value of Re.1/- each fully paid-up on payment of the requisite exercise price to the Company, subject to approval of members and such other approvals, as the case may be. The Board or the Nomination and Remuneration Committee of the Company is authorised to carry out requisite modifications in ESOS 2013, to enhance the limit of options to be granted, after obtaining the approval of the members.

#### **Brief description of ESOS 2013**

- a. The Nomination and Remuneration Committee, may, on such dates as it shall determine, grant to such eligible employees and Directors, as it may in its absolute discretion, options under ESOS 2013, on such terms and conditions, as it may decide.
- b. The options granted under the Scheme would vest not less than one year and not more than four years from the date of grant of such options. Vesting of options would be a function of continued employment with the Company.
- c. The exercise price would be equal to a price not less than face value of the shares and not more than the prevailing Fair Market Value of the shares, on the prior date of the meeting of the Nomination and Remuneration Committee, for consideration of grant.
- d. The options granted under the Scheme shall be exercisable at any time during the exercise period, and subject to fulfilment of conditions of vesting. The options shall be deemed to have been exercised when an employee makes an application in writing to the Company accompanied by payment of an amount equivalent to the exercise price in respect of such shares. Exercise of option is permitted upto a period of 6 years from the date of vesting and if the options are not exercised within the said period, it will get lapsed.
- e. The Company will conform to the disclosures and the accounting policies prescribed by SEBI and other regulatory authorities from time to time.
- f. The Company shall use either intrinsic or fair value method for valuing the options granted, in line with the requirements of accounting policies prescribed by SEBI or any other regulatory authorities.
- g. The maximum quantum of benefits underlying the options issued to an eligible employee shall be equal to the difference between the option exercise price and market price of the shares on the exercise date.
- h. The scheme contemplates fresh or new issue of equity shares by the Company and no acquisition will be made from the secondary market.
- i. The Scheme does not contemplate formation of Trust and hence there is no requirement for providing of loan to Trust.

A copy of ESOS 2013 is available for inspection by the members at the registered office of the Company on all working days (Monday to Friday) during normal business hours upto April 30, 2017.

The Board of Directors recommend passing of the Special Resolution contained in item no. 4 of the Postal Ballot Notice.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned, financially or otherwise, in the resolution set out in item no.4 except to the extent of their entitlements, if any, under the ESOS 2013, of the Postal Ballot Notice.

By Order of the Board  
For V-GUARD INDUSTRIES LIMITED

Place : Kochi  
Date : March 27, 2017

Sd/-  
JAYASREE K  
Company Secretary  
(Membership No.: ACS 15900)

Encl:

1. Postal Ballot Form
2. Prepaid Business Reply Envelop