

V-GUARD INDUSTRIES LIMITED

Registered Office: 42/962, Vennala High School Road,
Vennala P.O., Kochi - 682 028, Kerala, India

Tel: +91 484 3005000, 2005000
Fax: +91 484 3005100
Email: mail@vguard.in
CIN: L31200KL1996PLC010010



28.02.2017

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 532953 Fax Nos: 0484 3005100	The Manager, Listing Department, National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra-East, Mumbai- 400 051 Scrip Code: VGUARD Fax Nos: 0484 3005100
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Dear Sir,

Sub: Submission of addendum to Notice of the EGM dated 30th January, 2017

This is in continuation to the intimation made to the Stock Exchange on 27th February, 2017 regarding the adoption of an addendum to the Notice of Extraordinary General Meeting dated 30th January, 2017, by the Board of Directors in their meeting held on 27th February, 2017.

In this regard, please find attached the addendum to the Notice of the Extraordinary General Meeting dated 30th January, 2017.

Kindly take the information on your record.

For V-GUARD INDUSTRIES LTD.

Company Secretary



V-Guard Industries Limited

CIN: L31200KL1996PLC010010

Regd. Office: 42/962, Vennala High School Road,
Vennala, Ernakulam - 682028 E-mail: mail@vguard.in
Web: www.vguard.in Phone: 0484-3005000 Fax: 0484-3005100

ADDENDUM TO THE NOTICE DATED JANUARY 30, 2017

**To the Members,
V-Guard Industries Limited.**

The Board of Directors of the Company had in their meeting held on January 30, 2017, had recommended a bonus issue in the ratio of 2:5 by capitalizing an amount not exceeding Rs.12.10 crores out of the balance of free reserves as on March 31, 2016. Notice calling an Extraordinary General Meeting of the members of the Company scheduled to be held on Monday, March 6, 2017, at Hotel, "The Renai Cochin", Palarivattom P.O., Ernakulam – 682025, at 4.30 p.m., for increasing the Authorised Capital of the Company from Rs. 40 crores to Rs.50 crores and approval of bonus shares has been sent on February 9, 2017 to all the shareholders whose name(s) appeared in the Register of Members of the Company and to the List of beneficial owners received from the National Securities Depositories Limited and Central Depository Services (India) Limited, on February 3, 2017. Notice has been sent electronically to all those shareholders who have registered their e-mail id and physical notice was sent to others and also to those, who have opted physical copy of notice. Further to the dispatch of notice, the Board of Directors in their meeting held on February 27, 2017, has allotted 8,71,766 no. of equity shares to eligible employees who have exercised stock options under ESOS 2013. Accordingly, the said shares shall also entitle for the proposed bonus issue. In view of the said allotment, the amount to be capitalized out of the free reserves of the Company will get increased to Rs.12.14 crores and the number of shares which is required to be issued to the members whose name(s) appear in the Register of Members maintained by the Company and the List of Beneficial Owners as received from the National Securities Depository Limited and Central Depository Services (India) Limited on such date ("Record Date") will be 12.14 crores.

Accordingly, The Board proposes an addendum to the Notice of the Extraordinary General Meeting dated January 30, 2017, to modify the draft resolution specified at item No. 2 of the said Notice, proposed for approval of bonus issue. The other item of the agenda to be transacted vide Extraordinary General Meeting dated January 30, 2017 remains unchanged. The proposed modification in the Resolution at Item No. 2 of the Notice dated January 30, 2017 is as under:

Item No. 2 To approve the issue of Bonus Shares

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

RESOLVED THAT pursuant to Section 63 and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules made thereunder, Articles 191 to 193 of the Articles of Association of the Company, provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force, to the extent notified and in effect and subject to such approvals, consents, sanctions, permissions and provisions of other applicable laws, regulations, rules, directions, guidelines including those issued by Reserve Bank of India and such other regulatory authority(ies) concerned, from time to time, to the extent applicable and on such terms, conditions, stipulations and modifications as may be prescribed, imposed or suggested while granting such approvals, and subject to the approval of the members for the resolution as set out at item no. 1 of the Notice dated January 30, 2017, the consent and approval of the members of the company be and is hereby accorded for a sum not exceeding Rs.12.14 crores (Rupees Twelve crores and Fourteen lakhs only) out of the Free Reserves of the Company, as appropriate, for the Financial Year ended March 31, 2016, be capitalized and accordingly the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee or authorised person(s) which the Board has constituted or appointed to exercise its powers, as the case may be, including the powers, conferred by this Resolution) be and is hereby authorized to appropriate the said sum for distribution to and amongst the members of the Company, whose names appear in the Register of Members maintained by the Company and the List of Beneficial Owners

as received from the National Securities Depository Limited and Central Depository Services (India) Limited on such date ("Record Date") as may be fixed in this regard by the Board/Committee in accordance with law and to apply the said sum in paying up in full a maximum of 12.14 crores Equity Shares ("the Bonus Shares") of the Company of Re.1/- each (Rupee One only) at par, to be allotted, distributed and credited as fully paid-up to and amongst the members in the proportion of two bonus shares for every five existing fully paid up equity shares held by them respectively as on the Record Date and that the Bonus Shares so distributed, for all purposes, be treated as an increase in the nominal amount in the Capital of the Company by each members, and not as income.

RESOLVED FURTHER THAT the issue and allotment of the said bonus shares to the extent that they relate to Non-Resident Indians (NRIs), Persons of Indian Origin / Overseas Corporate Bodies and other foreign investors of the company, will be subject to the approval of the Reserve Bank of India and any other regulatory authority, as the case may be.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make appropriate adjustments on issue of bonus shares as aforesaid, to the outstanding options granted to the employees of the Company under Employee Stock Option Scheme (ESOS) 2013 of the Company pursuant to the Securities and Exchange Board of India (Employee Stock Options and Employee Stock Purchase Scheme) Guidelines, 1999 and/or Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereto from time to time, such that the exercise price for all outstanding options as on the 'record date' (as determined by the Board) (vested and unvested options, including cancelled, lapsed and forfeited options available for reissue) shall be proportionately adjusted and the number of options which are already granted but not vested and exercised on 'record date' (as determined by the Board) shall be appropriately adjusted.

RESOLVED FURTHER THAT in making the allotment of the Bonus Shares, the Directors shall not issue fractional share certificates but the total number of the Bonus Shares representing such fractions shall be allotted to person(s) appointed by the Board to act as trustee(s) for and on behalf of the Members who would have been entitled to fractional share certificates had such certificates been issued, and that the said person(s) shall hold the said shares so allotted to them in trust and sell the same and, after payment of all expenses of the sale, distribute the net proceeds of such sale amongst the members in proportion of their respective fractional entitlements.

RESOLVED FURTHER THAT the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank pari passu in all respect with the existing fully paid up Equity Shares of the Company.

RESOLVED FURTHER THAT no letter of allotment shall be issued but in the case of members who hold shares in dematerialized mode, the Bonus Shares shall be credited to the beneficiary accounts of the members maintained with Depository Participants and in case of members who hold shares in physical mode, the share certificate(s) in respect of the Bonus Shares shall be dispatched within the prescribed time limit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Bonus Shares on the Stock Exchanges where the Equity Shares of the Company are listed, in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Rules and Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question or difficulty that may arise in relation thereto, decide the exact number of Bonus Shares to be issued based on the Paid up capital of the Company as obtaining on the Record Date and to delegate all such powers granted hereunder to a Committee of Directors and / or Company Secretary or any other officer(s) of the Company, as may deem fit or desirable and their decision shall be final and binding.

By Order of the Board
For V-GUARD INDUSTRIES LIMITED

Place : Kochi
Date : February 27, 2017

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

Notes:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 to the modified draft resolution is annexed. Item no. 1 of the notice dated January 30, 2017 seeks approval of members to increase the authorized share capital of the Company from Rs. 40 crores to Rs. 50 crores. Since the aforementioned item requires no alteration, the resolution for the same is not reproduced in the addendum to the notice, whereas the addendum comprises the explanatory statement for item no. 1 and 2, Increase in authorized share capital and Issue of Bonus shares respectively, which are shown together.
2. Addendum to Notice of the Extraordinary General Meeting is being sent by electronic mode to those members, whose e-mail ids are registered with the Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their email ids, physical copies are being sent by the permitted mode.
3. Detailed instructions for e-voting has been included in the Notice dated January 30, 2017 and there will not be any change in the same. Both the Notice dated January 30, 2017 and Addendum to the Notice dated February 27, 2017, will be made available to the members in the URL: <https://www.evoting.nsdl.com>

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

The Company's shares were listed on BSE Limited and The National Stock Exchange of India Limited in the year 2008 and have been actively traded in the stock exchanges. Over the years, the Company has performed significantly both in terms of revenue and profit and has been rewarding its shareholders consistently. The Directors have created free reserves to a considerable extent out of its distributable profits and the balance in reserves and surplus as on March 31, 2016 is Rs.440.69 crores. Presently, the Authorized Share Capital of your Company is Rs.40,00,00,000/- (Rupees Forty Crores only) divided into 40,00,00,000 (Forty Crores Only) Equity Shares of Re. 1/- (Rupee One only) each. With a view to share a part of the Company's free reserves, its Board of Directors has recommended issue of bonus shares in the ratio of 2:5, i.e. two shares for every five shares held by the shareholders, subject to their approval. The issue of bonus shares, by way of capitalizing reserves, is authorized by the Company's Articles of Association. The paid-up capital as on February 27, 2017 is Rs.30.33 crores. An amount of Rs.12.14 crores from the free reserves is required to be capitalized for the issue of bonus shares in the ratio of 2:5. After the bonus issue, the paid-up share capital would increase to Rs.42.47 crores. The proposal for capitalization of the said reserves and issue of bonus shares is now placed for consideration and approval of the members. The Record Date for determining the eligibility of the shareholders to receive the said bonus shares will be fixed by the Board. The Board of Directors recommend for approval of members the capitalization of reserves and issue of bonus shares as proposed. The issue of bonus shares inter alia, requires appropriate adjustments with respect to all options under Employee Stock Option Scheme, such that all the options outstanding on the Record Date has to be determined by the Board of Directors, both vested and unvested including cancelled, lapsed and forfeited options available for reissue, shall be proportionately adjusted and the number of options which are available for grant and those already granted but not vested and exercised shall also be appropriately adjusted. To implement the issue of bonus shares in the above ratio, the Board of Directors also considered increasing the Authorised Share Capital of the Company from Rs.40 crores to Rs.50 crores by creation of additional 10,00,00,000 (Ten Crores Only) Equity Shares of Re. 1/- each. In view of the same, it is necessary to amend Clause V of Memorandum of Association to increase the Authorised Share Capital from Rs.40 crores to Rs.50 crores by placing an ordinary resolution for consideration and approval of the members. In terms of the applicable provisions of the Companies Act, 2013, the increase in Authorised Share Capital and consequential changes in Clause V of the Memorandum of Association of the Company and issue of Bonus shares require approval of the Members of the Company. Accordingly, the resolutions at item nos. 1 and 2 of the Notice seeks approval of the Members for increase in Authorised Share Capital and consequential changes in Clause V of the Memorandum of Association of the Company and issue of Bonus shares. The Directors recommend the Resolution at item nos. 1 and 2 of the Notice, for the approval of the Members of the Company by way of Ordinary Resolutions.

The relevant documents referred in respect of the said items including draft memorandum of association depicting aforesaid changes in capital clause of memorandum of association are open for inspection by the members at the Registered Office of the Company on all working days during 11 a.m to 01.00 p.m up to the date of the meeting and also at the meeting. The Directors / Key Managerial Personnel or their relatives are concerned or interested, to the extent of their shareholding and outstanding grants under ESOS in the Company, if any, in the resolutions set out at item nos. 1 and 2 of the notice.

By Order of the Board
For V-GUARD INDUSTRIES LIMITED

Place : Kochi
Date : February 27, 2017

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