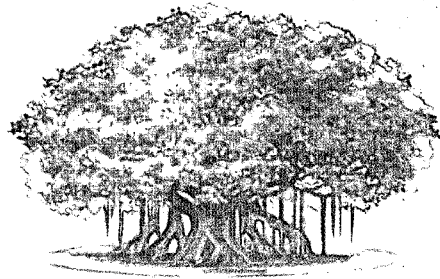


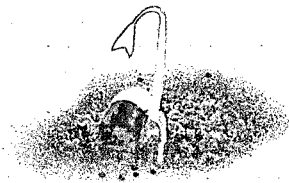
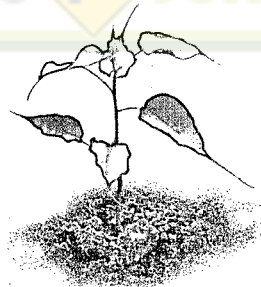
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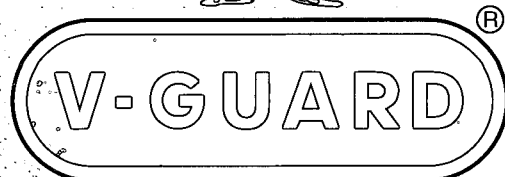


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Kochouseph Chittilappilly  
Chairman & Managing Director

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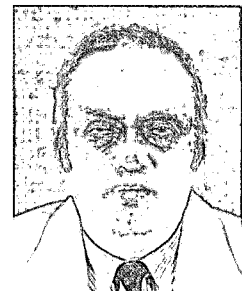
Sheela Kochouseph  
Director



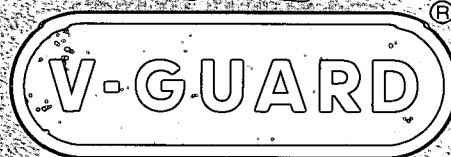
Mithun Chittilappilly  
Director



K. Vijayan  
Director



R. Krishna Iyer, FCA  
Director



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## ELEVENTH ANNUAL REPORT 2006-2007

### BOARD OF DIRECTORS

1. MR. KOCHOUSEPH CHITTILAPPILLY  
Chairman and Managing Director
2. MRS. SHEELA KOCHOUSEPH  
Director
3. MR. K. VIJAYAN  
Director
4. MR. R. KRISHNA IYER, FCA  
Director
5. MR. MITHUN K. CHITTILAPPILLY  
Director

### REGISTERED OFFICE

44/875, Little Flower Church Road,  
Kaloor, Cochin - 682 017

### AUDITORS

M/S. S.B. BILLIMORIA AND COMPANY  
Chartered Accountants  
Wilmount Park Business Centre,  
Warriam Road, Cochin - 682 016

### LEGAL ADVISOR

Mr. Chacko George, M.A., B.L.,  
Senior Advocate, High Court Jn.,  
Ernakulam, Cochin - 682 031

### BANKERS

STATE BANK OF INDIA,  
Commercial Branch,  
Kaloor, Ernakulam .

DHANALAKSHMI BANK LTD,  
Industrial Finance Branch  
M.G. Road, Ernakulam

CITI BANK,  
Padma Jn., Ernakulam

STANDARD CHARTERED BANK,  
Willingdon Island, Cochin - 1

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**11<sup>th</sup> ANNUAL REPORT 2006-2007****NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the members of V-Guard Industries Pvt. Limited will be held at the Conference Hall, 44/636, Sastha Temple Road, Kaloar, Kochi-682017 on Monday the 16<sup>th</sup> July, 2007, at 11.00 AM to transact the following:-

**Ordinary Business**

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March 2007 and the Profit and Loss Account of the company for the year ended on that date together with the Report of the Directors and the Auditors thereon.

**Special Business****2. Appointment of Statutory Auditors**

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

RESOLVED THAT subject to the provisions of Sections 224, 225 and other applicable provisions, if any of the Companies Act, 1956, M/s. Deloitte, Haskins & Sells, Cochin, Ernakulam, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting in place of the retiring Auditors, M/s. S.B. Billimoria & Co., Chartered Accountants, who do not seek reappointment, to examine and audit the accounts of the Company for the financial year 2007-08, at such remuneration, as may be mutually agreed upon between the Board of Directors of the Company and the auditors, plus service tax, out-of-pocket expenses, travelling and living expenses, the audit to be carried out at the various locations of the Company at periodic intervals.

**3. Conversion of the Company into Public, deleting the restrictive provisions of Section 3(1)(iii) of the Companies Act, 1956, changing the name of the Company by deleting the word 'Private' and adopting a new set of Articles of Association.**

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution**:

RESOLVED THAT:-

- (i) pursuant to the provisions of Sections 21, 31 and 44 and other applicable provisions of the Companies Act, 1956, the Company be converted into a public company;
- (ii) the articles of association of the Company be altered by deleting article 3, which contains provisions as per Section 3(1)(iii) of the Companies Act, 1956;
- (iii) the name of the Company be changed from V-Guard Industries Private Limited to V-Guard Industries Limited and the name clause in the memorandum and articles of association of the Company be altered accordingly; and
- (iv) the new set of regulations contained in the printed document submitted to the meeting and for the purposes of identification signed by the Chairman thereof be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing articles thereof.





#### 4. Increase in the Authorised Share Capital and Alteration of the Memorandum of Association of the Company

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

RESOLVED THAT:

- (i) pursuant to the provisions of Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Authorised Share Capital of the Company be increased from Rs.25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten only) each by further creation of 50,00,000 (Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only), ranking pari passu with the existing Equity Shares in all respects.
- (ii) pursuant to the provisions of Section 16 and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Share Capital Clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted with the following.

V The Authorised Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten) each.

#### 5. Alteration of the Articles of Association of the Company

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force), Article 3 of the Articles of Association of the Company be and is hereby deleted and substituted with the following.

3 The Authorised Share Capital of the Company shall be as per clause V of the Memorandum of Association of the Company, with power to increase, reduce, consolidate or subdivide the Capital in accordance with the provisions of the Companies Act, 1956.

#### 6. Public issue of shares

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the consent of the members of the Company at the ensuing annual general meeting and in accordance with the provisions of any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement/s, to be entered into by the Company with the Stock Exchanges where the shares of the Company are to be listed and subject to such approvals, consents, permissions and sanctions of the Government of India and Reserve Bank of

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India, and all other appropriate and/or concerned authorities/bodies, including but not limited to financial institutions and the Securities and Exchange Board of India (SEBI), the Company do offer, issue and allot in one or more tranches, to investors both domestic as well as overseas, Equity Shares by way of an initial public offering whether by way of fixed price process or book building process such that the total amount raised through the aforesaid offering including the reservation(s) and firm allotment(s), if any to be provided to certain class of investors together with premium thereon does not exceed Rs.80 crores and, including the green shoe option, if opted for.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, Mr. Kochouseph Chittilappilly, Managing Director and Mr. K. Vijayan, Director of the Company be and are hereby authorized jointly and severally to do all such actions, deeds, matters and things as may be necessary in this regard.”

## 7. Alteration of the Main Object Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 17(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), and subject to the necessary approvals, 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 alteration of the existing Main Object Clause of the Company, i.e. Clause III A (i) of the Memorandum of Association of the Company in the following manner, to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company:

In the existing main object clause of the Company, i.e. Clause III A (i) of the Memorandum of Association, the following alterations be carried out:

- a. In the second line, after the word “electrical”, and before the word “and electronic”, the following word be inserted: “electro mechanical.”
- b. In the sixth line, after the word “switch gears”, and before the word “circuit breakers”, the following words be inserted: “switches, and control gears.”
- c. In the fourteenth line, after the word “material” the following words be inserted: “photovoltaic solar energy devices/systems such as lighting, pump sets, audio-video equipments, fans and all kinds of solar energy systems”

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.

## 8. Alteration of the Incidental or Ancillary Object Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution**:



#### 4. Increase in the Authorised Share Capital and Alteration of the Memorandum of Association of the Company

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

RESOLVED THAT:

- (i) pursuant to the provisions of Sections 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Authorised Share Capital of the Company be increased from Rs.25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each to Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten only) each by further creation of 50,00,000 (Fifty Lakhs) Equity Shares of Rs.10/- (Rupees Ten only), ranking pari passu with the existing Equity Shares in all respects.
- (ii) pursuant to the provisions of Section 16 and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Share Capital Clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted with the following.

V The Authorised Share Capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs.10/- (Rupees Ten) each.

#### 5. Alteration of the Articles of Association of the Company

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") (including any statutory modification(s) or re-enactment thereof, for the time being in force), Article 3 of the Articles of Association of the Company be and is hereby deleted and substituted with the following.

3 The Authorised Share Capital of the Company shall be as per clause V of the Memorandum of Association of the Company, with power to increase, reduce, consolidate or subdivide the Capital in accordance with the provisions of the Companies Act, 1956.

#### 6. Public issue of shares

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the consent of the members of the Company at the ensuing annual general meeting and in accordance with the provisions of any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement/s, to be entered into by the Company with the Stock Exchanges where the shares of the Company are to be listed and subject to such approvals, consents, permissions and sanctions of the Government of India and Reserve Bank of

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India, and all other appropriate and/or concerned authorities/bodies, including but not limited to financial institutions and the Securities and Exchange Board of India (SEBI), the Company do offer, issue and allot in one or more tranches, to investors both domestic as well as overseas, Equity Shares by way of an initial public offering whether by way of fixed price process or book building process such that the total amount raised through the aforesaid offering including the reservation(s) and firm allotment(s), if any to be provided to certain class of investors together with premium thereon does not exceed Rs.80 crores and, including the green shoe option, if opted for.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, Mr. Kochouseph Chittilappilly, Managing Director and Mr. K. Vijayan, Director of the Company be and are hereby authorized jointly and severally to do all such actions, deeds, matters and things as may be necessary in this regard.”

## 7. Alteration of the Main Object Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 17(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force), and subject to the necessary approvals, 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 alteration of the existing Main Object Clause of the Company, i.e. Clause III A (i) of the Memorandum of Association of the Company in the following manner, to carry on some business which under existing circumstances may conveniently or advantageously be combined with the business of the company:

In the existing main object clause of the Company, i.e. Clause III A (i) of the Memorandum of Association, the following alterations be carried out:

- a. In the second line, after the word “electrical”, and before the word “and electronic”, the following word be inserted: “electro mechanical.”
- b. In the sixth line, after the word “switch gears”, and before the word “circuit breakers”, the following words be inserted: “switches, and control gears.”
- c. In the fourteenth line, after the word “material” the following words be inserted: “photovoltaic solar energy devices/systems such as lighting, pump sets, audio-video equipments, fans and all kinds of solar energy systems”

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.

## 8. Alteration of the Incidental or Ancillary Object Clause of the Memorandum of Association of the Company

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution**:





RESOLVED THAT pursuant to the provisions of the Section 17(1)(d) of the Companies Act, 1956, and other applicable provisions of the Act, if any, the Object Clause III(B) of the Memorandum of Association of the Company be and is hereby altered by insertion of the under mentioned new sub-clause after the existing sub-clause 49 as sub-clause 50(A), (B) and (C):

- 50(A) To provide technical, managerial and other consultancy in relation to setting up of manufacturing unit(s) or plants for production of any of the items referred to in the main objects of the company on turn key basis or otherwise in any part of the world.
- (B) To provide technical, managerial and other consultancy in relation to production of products referred to in the main objects of the company.
- (C) To provide other technical, managerial and administrative consultancy.

#### 9. Issue of Securities under Employees Stock Option Scheme

To consider and if thought fit, to pass with or without modification, the following as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 81, 81(1A), and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as "SEBI Guidelines") and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Compensation Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, including any Director of the Company, whether whole time or otherwise, options exercisable not more than 5% of the Paid-up Equity Share Capital of the Company under one or more Employee Stock Option Schemes, in one or more tranches, and 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; each option would be exercisable for one Equity share of a face value of Rs. 10 each fully paid-up on payment of the requisite exercise price to the Company.

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 5% of the Paid - up Equity Share Capital shall be deemed to be increased to the extent of such additional equity shares issued.

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

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees."

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RESOLVED FURTHER THAT ESOS may be operated by the Trustees of any Employee Welfare Trust(s) established by the Company and containing such terms as the Board while establishing the trust(s) deem appropriate.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee or Directors or Chairman of the Company.

**10. Increase in Borrowing Limits**

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

RESOLVED THAT the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), be and is hereby authorized, in accordance with Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money (including non-fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed Rs. 50 crores ( Rupees Fifty Crores only ), which is in excess of the paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.

For and on behalf of the Board of Directors

Sd/-

**Kochouseph Chittilappilly**

Chairman & Managing Director

Kochi,  
29th May 2007