



# “V-Guard Industries Limited 26<sup>th</sup> Annual General Meeting”

**July 28, 2022**



**MANAGEMENT:**

**MR. CHERIAN N PUNNOOSE – CHAIRMAN, INDEPENDENT DIRECTOR, V-GUARD INDUSTRIES LIMITED**

**MR. MITHUN K CHITILAPPILLY – MANAGING DIRECTOR, V-GUARD INDUSTRIES LIMITED**

**MR. RAMACHANDRAN VENKATARAMAN – WHOLE TIME DIRECTOR AND CHIEF OPERATING OFFICER, V-GUARD INDUSTRIES LIMITED**

**MS. RADHA UNNI – INDEPENDENT DIRECTOR, V-GUARD INDUSTRIES LIMITED**

**MR. ULLAS KAMATH – INDEPENDENT DIRECTOR, V-GUARD INDUSTRIES LIMITED**

**MR. GEORGE MUTHOOT JACOB – INDEPENDENT DIRECTOR, V-GUARD INDUSTRIES LIMITED**

**MR. B JAYARAJ – NON-EXECUTIVE DIRECTOR, V-GUARD INDUSTRIES LIMITED**

**MS. JAYASREE K – COMPANY SECRETARY, V-GUARD INDUSTRIES LIMITED**

**MR. SUDARSHAN KASTURI – CHIEF FINANCE OFFICER, V-GUARD INDUSTRIES LIMITED**



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**Moderator:** Dear shareholders. Good Morning and a very warm welcome to the 26th Annual General Meeting of V-Guard Industries Limited through video conferencing or the audio-visual means. Please be informed that for the smooth conduct of the meeting, the members will be in mute mode and audio and video will be unmuted when they speak at the AGM as per the preregistration. As per the statutory requirements the proceeding of the Annual General Meeting will be recorded and the transcript of the meeting will be made available of the company. I now hand over the proceedings to Ms. Jayasree K – Company Secretary of the company. Over to you, Ma'am.

**Jayasree K:** Thank you Mr. Steve. Good Morning. Respected Chairman, Directors, Shareholders and others. Welcome to the 26th Annual General Meeting of V-Guard Industries Limited. So, before we start the formal address by the chairman, I would like to give some updates on regulatory matters. As COVID-19 pandemic is continuing it has been decided to conduct the 26th Annual General Meeting of the company through electronic mode and this meeting is conducted with the support of National Securities Depository Limited and Chorus Call. Around 1,000 shareholders can join for the meeting through this platform. All the shareholders will be in mute mode and whenever their turn comes up they will be muted and shareholders are requested to use internet with high speed and laptop for better experience.

Please note that all the statutory registers of the company are available for inspection and it is posted on the website. So, those shareholders want to inspect the same can view from the website and if you would like to get the copy of the same you can directly connect with us at the email investor@vguard.in. And as of now within the time given no speaker has registered with the company. So, all the questions which are received through the chat box facility will be answered by the management and please note that the remote eVoting facility was provided to the shareholders and it began on Monday July 25, 2022, at 9 AM and it got concluded on 27th of July by 5 PM. If you have already exercised your voting rights then you do not have to exercise it again otherwise the eVoting module is kept open during this meeting and you can exercise your voting rights now.

Please note that the secretarial auditors of the company have issued a certificate on compliance on employee stock option scheme 2013 which is adopted by the company and with this I would like to request our Chairman to formally address the shareholders and deliver his address. Sir we have the requisite form so we can commence the meeting. Thank you and over to you.

**Cherian N Punnoose:** Thank you Jayasree. Good morning dear shareholders, directors and all officials attending the AGM. We have more than 30 members as confirmed by Secretary present and attending the meeting through video conferencing or other audio visual means. As we have the required quorum present for the meeting I call the meeting to order. I am Cherian N Punnoose – Chairman of the board and I am attending the AGM from the registered office of the company Ernakulam.

As briefed by the Company Secretary considering the continuing COVID-19 pandemic and adhering to the directives issued by the Ministry of Corporate Affairs and SEBI the annual report



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for the financial year 2021-22 and notice of the 26th Annual General Meeting has been sent through electronic vote to the members of the company and the meeting is being held through video conferencing or other audio-visual means. Hard copy of annual report and notice were sent to those members who had requested for the same. I am delighted to now welcome all the shareholders to this 26th Annual General Meeting. I extend a warm welcome to the directors of the board of the company to this 26th AGM. I now request directors to please introduce themselves Mr. Mithun Chittilappilly.

**Mithun Chittilappilly:** Hi dear shareholders. This is Mithun Chittilappilly – Managing Director of the company joining the meeting the registered office in Cochin.

**Cherian N Punnoose:** Mr. Ramachandran.

**V. Ramachandran:** Hi, this is Ramachandran here the Director of the company and Chief Operating Officer. I am joining this meeting from the Cochin office. Good Morning to all of you.

**Cherian N Punnoose:** B Jayaraj.

**B Jayaraj:** Good morning, I am Jayaraj. I am joining from the head office of the company. Thank you.

**Cherian N Punnoose:** Ms. Radha Unni.

**Radha Unni:** Good morning to all. I am Ms. Radha Unni – Independent Director of the company. I am attending this meeting from my residence at Chennai. Thank you.

**Cherian N Punnoose:** Mr. Ullas Kamath.

**Ullas Kamath:** Good Morning Chairman, Board of Directors and dear Shareholders. I am Ullas Kamath attending this meeting from Bangalore. Thank you.

**Cherian N Punnoose:** Mr. George Muthoot Jacob.

**George Muthoot Jacob:** Good Morning dear shareholders. This is George Muthoot Jacob – Independent Director. I am joining this meeting from Bangkok.

**Cherian N Punnoose:** We have Mr. C J George and Professor Biju Varkkey – Independent Directors are not present for AGM due to their preoccupation. Professor Biju Varkkey – Chairman of NRC is not attending the AGM. He has authorized Ms. Radha Unni Member of the Committee to attend us at the AGM on behalf of him. Mr. Sudarshan Kasturi – Chief Finance Officer has joined the meeting from registered office of V-Guard. Welcome Sudarshan for the meeting. I also extend warm welcome to Mr. Sandeep Karnani – Partner, S. R. Batliboi & Associates LLP, Statutory Auditors of V-Guard. Mr. Keyul M. Dedhia of M/s Keyul M. Dedhia & Associate – Secretarial Auditors. Also Mr. M. D. Selvaraj – Scrutinizer appointed for scrutinizing remote eVoting as well as voting during the AGM.



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The notice convening the meeting and the auditors' report already been circulated to all shareholders and I request the shareholders to consider the same as read. Now, I request Mr. Mithun Chittilappilly – Managing Director and Trustee Shareholders.

**Mithun Chittilappilly:**

Thank you Chairman. Respected Chairman of the board Cherian Punnoose, other Independent Directors, my colleagues and my dear shareholders. Welcome to the 26th AGM of V-Guard Industries. Last year has been reasonably good year for V-Guard. We crossed the revenue of 3,475 crores last year posting a growth of 28% comparing to the previous financial year. Under extremely challenging times where the first quarter was very lackluster as there was multiple lockdowns and COVID waves across the country, but the company managed to do better in the following quarters.

We delivered a PAT of 226 crores with the 14% growth in a very volatile commodity environment where we faced one of the highest inflation in commodity prices in the recent past. We also are happy to announce that we clocked the highest ever revenue in the single quarter in Q4 crossing 1,000 crores. All the three segments of the company performed well contributing to the growth. If you look at the revenue breakup, Southern markets contributed 58% of the revenue and non South markets contribute about 42%. Although this is slightly lower than we would like it to be. Non South is gaining traction and will breach 50% of our revenue contribution in the next few years. The board has recommended a dividend of 130% which forms about 25% of the EPS of the company.

Now bit about the new product launches we have done. We launched BLDC model that is Brushless Direct Current Motor fan which is more energy efficient than the current technology that is running in fans and probably in the future when the energy efficiency norms kick in. We also launched premium decorative art fans called Romanza and with anti-stain and anti-fade technology. Both these models are made in our state-of-the-art factory in Roorkee in Uttarakhand and are gaining very good traction. We have also launched a modular solar water heating system from the solar water heater category which enables us to modularize the concept of solar water heater and sell higher end products for large projects and with better ease of installation and lower cost.

We have also launched UPS systems for outdoors, small UPS system for outdoors. We also launched Aquasmart pumps which is the pump with IoT and lot of intelligence that is built into it and which can be remotely controlled. We have also launched water purifiers and breakfast appliances in the ecommerce channel. The water purifier especially is noteworthy and is gaining a lot of traction on both the ecommerce platforms we partner with. Regarding COVID-19 disruptions during the year supply chain disruptions an import dependent categories are prevalent, for example, we are still having long lead times for electronic components and to some degree has affected our production in the inverter and battery business. We are mitigating a lot of this by either stocking more or by moving into local sourcing.



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V-Guard has two subsidiaries at present. One is Guts in which V-Guard acquired majority stake about 5 years back and the board has decided or recommended to go ahead to acquire the balance 26% from the erstwhile promoter. Guts has been performing very well and it is a very different entity from the time V-Guard took over because when V-Guard bought into the company the company was struggling to make money and struggling for working capital. Today, it is a hugely profitable business and assets for V-Guard.

We have also formed a new subsidiary called V-Guard Consumer Products Limited. This is a wholly owned subsidiary which will focus only on manufacturing for the company. There are about four to five factories that are planned under VCPL of which one has already started production in Uttarakhand. We are also working a lot on transformations that is we are trying to improve the processes within the company.

So, I want to talk about two specific items:

One is Supply Chain 2.0 and sales and marketing transformation.

So, in the Supply Chain 2.0 we are moving to a more sophisticated IT system, a different way of running the S&OP process whereby we believe we can bring in further efficiencies in planning and inventory. The sales and marketing transformation is going to address facets like GTM, influencer management, in store promoters, retail universe mapping and some other initiatives. The sales and marketing transformation will add in taking V-Guard to higher levels.

Regarding CSR, we spent an amount of 501 lakhs. All the flagship programs are continued, but last year because of the COVID especially in the first half of the year a lot of spent of CSR has got the COVID related activities. So, with this let me take a leave. I would like to thank all the shareholders for taking time and participating in our AGM. Thank you very much.

**Cherian N Punnoose:**

Thank you Mr. Mithun. Now we are moving to the main agenda of meeting that is taking up the ordinary and special businesses to be considered. I request Company Secretary to brief the ordinary and special business to be transacted.

**Moderator**

Jayasree ma'am you have muted yourself I request you to unmute yourself please.

**Jayasree K:**

Thank you Sir.

**Our ordinary business:**

1. Adoption of audited standalone financial statements of the company for the financial year ended March 31, 2022, the reports of the board of directors, auditors thereon and audited consolidated financial statements of the company for the financial year ended March 31 2022 and the auditor's report.
2. To declare dividend of Rs. 1.30 per equity share for the financial year 21-22.



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3. To appoint a Director in place of Mr. Ramachandran V who retires by rotation and being eligible offers himself for the appointment.
4. Appointment of M/s Pricewaterhouse – Chartered Accountants LLP with firm registration number 012754N/N500016 as Statutory Auditors of the company for the period of 5 years from the conclusion of 26th Annual General Meeting till the conclusion of the 31st Annual General Meeting.

**Special businesses:**

1. Ratification of remuneration of 3.85 lakh payable to measures M/s BBS and Associates Cost Auditors for the financial year 2022-23.
2. To increase overall managerial remuneration payable from 11% to 15% of the net profits of the company for the financial years 2022-23 and 2023-24.
3. To increase managerial remuneration payable to Mr. Ramachandran Venkataraman – Whole Time Director in excess of 5% of the net profits of the company for the financial years 2022-23 and 2023-24.

These are the ordinary and the special businesses. Thank you sir.

**Cherian Punnoose:** Now, I understand there is no registration of speaker shareholders. So, I request the management team to answer their questions received if any on that.

**Jayasree K:** Sir we have not received any questions through chat box.

**Cherian Punnoose:** Thank you shareholders. Since there is no questions we hope we have nothing to answer on that. I request Mr. Ramachandran to propose vote of thanks.

**V. Ramachandran:** Thank you Cherian sir and thank you all. Thank you dear shareholders for being part of today's AGM. I would like to take the opportunity to thank our Chairman, my colleague, Board of Directors, my colleagues in V-Guard, the shareholders who are present today on the call S.R. Batliboi represented by Mr. Sandeep and his team, our auditors, Secretarial Auditors Mr. Keyul M. Dedhia And Associates, Scrutinizer – Mr. Selvaraj, RTA, LinkIn Time, NSDL and Chorus Call for facilitating this virtual AGM. Thank you all, thank you very much for all the support that you have provided to make the event happen today.

**Cherian Punnoose:** Thank you Ram. I have to make an announcement about Mr. B Jayaraj the Non-Executive Director and his term of board membership is getting over this year with this AGM and he has opted not to continue to the next term. So, we wish him all the very best.

Dear members all the all-business items are now discussed and transacted, the meetings stand concluded, voting time is extended for another 15 minutes. Therefore, members who have not cast their vote yet are requested to do so. Further, I hereby authorize Mr. Mithun. K. Chittilappilly – Managing Director to declare the results of the voting and place the results on



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the website of the company along their scrutinizer report. Resolutions as set up in the notice shall be deemed to be passed today subject to requisite number of votes. Thank you all for attending the meeting and I hereby declare the proceedings closed.

**Moderator:**

Thank you Chairman. Dear members the eVoting time is extended by another 15 minutes. The members who have attended their AGM and not yet cast their votes can avail now. Thank you.

Dear members the time for eVoting has elapsed and eVoting facility is disabled. Thank you all for your participation in the Annual General Meeting and eVoting.