

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
E-mail: mail@vguard.in
CIN: L31200KL1996PLC010010



July 31, 2017

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code: 532953	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
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Sub:- Outcome of Board Meeting and Disclosures under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Dear Sir/ Madam,

This is to inform you that the Board of Directors of the Company in their meeting held on July 31, 2017 have approved and adopted the Unaudited Financial Results of the Company for the quarter ended June 30, 2017. Please find enclosed copy of the Unaudited Financial Results for the quarter ended June 30, 2017 in terms of Regulation 33(3)(a) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 along with Limited Review Report.

The following other decisions were also taken by the Board in the meeting.

Mr. Kochouseph Chittilappilly, Executive Chairman, has been re-designated as Non-Executive Chairman with effect from August 1, 2017.

1,25,776 no. of options have been granted and the options carry the right to apply for equivalent number of equity shares of the Company at face value of Re.1/- each. Options granted would be vested over a period of four years on the basis of time and performance and vested options can be exercised over a period of 6 years from the date of vesting. Options granted are exercisable at Re.1/- each.

29,078 no. of options have been granted and the options carry the right to apply for equivalent number of equity shares of the Company at face value of Re.1/- each. Options granted would be vested after three years from the date of grant on the basis of performance and vested options can be exercised over a period of 6 years from the date of vesting. Options granted are exercisable at Re.1/- each.

The aforesaid meeting commenced at 12.15 p.m and concluded at 2.15 p.m.

You are requested to take the same on your records.

For V-Guard Industries Ltd

Jayasree K
Company Secretary



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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30.06.2017

Rs. in lakhs

Sl. No	Particulars	For the three months ended	
		30.06.2017	30.06.2016
		Unaudited	Unaudited (Refer Note 2)
1	Income		
	Revenue from operations	56,906.62	56,088.74
	Other Income	316.06	313.14
	Total Income	57,222.68	56,401.88
2	Expenses		
	Cost of materials consumed	16,031.87	14,273.80
	Purchases of Stock-in-Trade	27,588.41	25,030.36
	Changes in inventories of finished goods, work-in-progress and traded goods	(3,037.83)	357.36
	Excise duty on sale of goods	953.42	567.70
	Employee benefits expense	4,282.32	3,072.74
	Depreciation and amortization expense	450.78	387.67
	Finance costs	44.40	58.65
	Other expenses	7,823.85	6,361.72
	Total Expenses	54,137.22	50,110.00
3	Profit/(loss) before exceptional items and tax (1-2)	3,085.46	6,291.88
4	Exceptional items	-	-
5	Profit/(loss) before tax (3-4)	3,085.46	6,291.88
6	Tax expense:		
	Current tax	741.40	2,062.86
	Deferred tax	19.16	(72.63)
		760.56	1,990.23
7	Profit/(loss) for the period (5-6)	2,324.90	4,301.65
8	Other Comprehensive Income/(Loss)		
	Items not to be reclassified to profit or loss in subsequent periods, net of tax	(32.78)	(43.87)
	Other Comprehensive Income/(Loss) for the period net of tax	(32.78)	(43.87)
9	Total Comprehensive Income for the period (Comprising Profit/(loss) and Other Comprehensive Income for the period (7+8))	2,292.12	4,257.78
10	Paid up equity share capital (Face value of Re.1/- each) (Refer Note 5)	4,246.54	3,010.12
11	Earnings per equity share (EPS)		
	(nominal value of Re. 1/-each) (not annualised) (Refer Note 5)		
	(a) Basic	0.55	1.02
	(b) Diluted	0.54	1.01



For **V-GUARD INDUSTRIES LTD.**

M. H.
Managing Director



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SEGMENT WISE REVENUE, RESULTS, ASSETS, LIABILITIES AND CAPITAL EMPLOYED

(Rs. in lakhs)

Sl. No	Particulars	For the three months ended	
		30.06.2017	30.06.2016
		Unaudited	Unaudited (Refer Note 2)
1	Segment Revenue		
	(a) Electronics	22,675.84	21,895.98
	(b) Electricals	23,656.94	22,794.29
	(c) Consumer Durables	10,573.84	11,398.47
	Total	56,906.62	56,088.74
	Less : Inter Segment Revenue	-	-
	Income from operations	56,906.62	56,088.74
2	Segment Results		
	(a) Electronics	2,399.59	3,344.83
	(b) Electricals	667.51	1,926.06
	(c) Consumer Durables	(61.33)	999.87
	Total	3,005.77	6,270.76
	(Add)/Less: (i) Interest	44.40	58.65
	(ii) Other un-allocable expense net of un-allocable income	(124.09)	(79.77)
	(iii) Exceptional items	-	-
	Profit Before Tax	3,085.46	6,291.88
3	Segment Assets		
	(a) Electronics	20,130.57	15,479.20
	(b) Electricals	30,550.55	26,926.60
	(c) Consumer Durables	19,438.41	15,334.55
	(d) Unallocated	24,896.20	23,440.97
	Total segment assets	95,015.73	81,181.32
4	Segment Liabilities		
	(a) Electronics	6,764.80	6,497.93
	(b) Electricals	9,362.97	8,067.80
	(c) Consumer Durables	7,114.70	6,632.72
	(d) Unallocated	5,560.66	7,854.85
	Total segment liabilities	28,803.13	29,053.30
5	Capital Employed		
	(a) Electronics	13,365.77	8,981.27
	(b) Electricals	21,187.58	18,858.80
	(c) Consumer Durables	12,323.71	8,701.83
	(d) Unallocated	19,335.54	15,586.12
	Total capital employed	66,212.60	52,128.02

Notes:

- The above unaudited financial results for the three months ended June 30, 2017 were reviewed by the Audit Committee at the meeting held on July 31, 2017 and approved by the Board of Directors and taken on record at the meeting held on July 31, 2017.
- The Company adopted Indian Accounting Standards ("Ind AS") effective April 1, 2017 (transition date being April 1, 2016) and accordingly, the financial results for the quarter ended June 30, 2017 have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/FAC/62/2016 dated July 05, 2016. The Company has opted to avail the relaxation provided by SEBI in respect of disclosure requirements for corresponding figures of earlier periods. The Ind-AS financial results and financial information for the quarter ended June 30, 2016 has been presented after incorporating the applicable Ind AS adjustments. This information has not been subject to any limited review or audit.
- Reconciliation of net profit under the previously applicable Generally Accepted Accounting Principles in India (referred to as 'Previous GAAP') and total comprehensive income as reported in these financial results under Ind AS for the quarter ended June 30, 2016 is as below:

Particulars	For the three months ended 30.06.2016
	Unaudited (Refer Note 2)
Profit after tax as per Previous GAAP	4,278.36
Impact of Fair Valuation of share based payments	(20.58)
Actuarial Loss on Defined Benefit plan reclassified to Other Comprehensive Income, net of tax	43.87
Net profit for the period under Ind AS	4,301.65
Other Comprehensive Income (net of tax expense)	(43.87)
Total Comprehensive Income under Ind AS as reported	4,257.78

- Based on the "management approach" as defined in Ind-AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and segment information is presented accordingly. Electronics Segment includes Stabilizers, Digital UPS, UPS and Solar Inverters; Electricals Segment includes PVC Insulated Cables, LT Cables, Switch Gears, Single Phase Pumps and Three Phase Pumps; Consumer Durables Segment includes Electric Water Heaters, Solar Water Heaters, Fans, Induction Cooktops, Mixer Grinders and Glasstop Gas Stoves.
- Vide resolution passed by the shareholders of the Company at the Annual General Meeting held on July 26, 2016, the equity shares of the Company with face value of Rs. 10 per share were sub-divided into 10 equity shares of Re. 1 each. Also, at the meeting held on March 17, 2017, the Board of Directors pursuant to approval of the shareholders at the Extraordinary General Meeting held on March 6, 2017, has allotted 12,13,29,846 fully paid up bonus shares having face value of Re. 1 each in the ratio 2:5 to the shareholders of the Company by capitalising free reserves of the Company. Consequently, in accordance with Ind AS 33 - "Earnings per Share", the basic and diluted earnings per share of the previous periods have been retroactively adjusted for comparative purposes.
- Figures for the previous periods have been regrouped and / or reclassified wherever necessary to conform with the current period presentation.



Date: July 31, 2017
Place: Kochi



For V-GUARD INDUSTRIES LTD.

M. H. S.
Managing Director

Limited Review Report**Review Report to
The Board of Directors
V-Guard Industries Limited**

We have reviewed the accompanying statement of unaudited financial results of V-Guard Industries Limited (the 'Company') for the quarter ended June 30, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

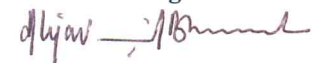
We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

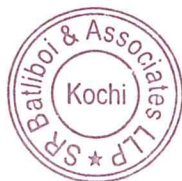
We have not audited or reviewed the accompanying financial results and other financial information for the three months ended June 30, 2016, which have been presented solely based on the information compiled by the Management.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004**per Aditya Vikram Bhauwala**
Partner

Membership No.: 208382



Place: Kochi

Date: July 31, 2017



Press Release

Revenues flat, margins decline on account of GST and delayed price increases

The Board of Directors in their meeting held on July 31, 2017, announced the unaudited financial results for the first quarter ended June 30, 2017.

Highlights:

- Net Revenue from operations for the first Quarter ended June 30, 2017 was Rs.569.07 crores, a growth of 1.5% compared to Rs.560.89 crores for corresponding period of last year.
- Profit After Tax for the Quarter was Rs. 23.25 crores; down by 46% compared to Rs.43.03 crores for corresponding period of last financial year.
- GST related temporary de-stocking by trade led to drop in volumes and consequent drop in margins. Increase in raw material prices and delayed price increases in the market also adversely impacted margins. GST related one-off expenses and start-up costs of Sikkim factory also negatively impacted bottom line.

Business Outlook:

Commenting on the company's performance, Mr. Mithun. K. Chittilappilly, Managing Director, V-Guard Industries Ltd said *"The first quarter has seen significant disruptions on account of transition to the GST regime. July sales have been encouraging and we hope to recoup lost sales in the next couple of quarters as we expect trade to start re stocking once initial GST hiccups are out of the way. Although GST creates short term pain, it will lead to significant long term gains as V-Guard is positioned to take advantage as markets shift from unorganised business to organised business."*

