

October 05, 2023

Annual Report Observations (FY23) | Sector: Capital Goods

# V-Guard Industries Ltd

## KEY OBSERVATIONS

### A. Cessations from board since March 2022:

S No	Name	Occupation	Category	Classification based on tenure*	Age (yrs)	Tenure (yrs)	Date of Cessation	Reason
1	B Jayaraj	Executive Director, Veegaland Developers	NED	NED	65	12 <sup>1</sup>	28-Jul-2022	Retired

ED: Executive Director, ID: Independent Director, NED: Non-executive Non-independent director

\* Independent directors with a tenure in excess of 10 years are considered as non-independent non-executive directors

<sup>1</sup> B Jayaraj has been on the board of Veegaland Limited, a group company, since 2010. Hence his group tenure has been considered.

### B. Remuneration

Parameter	2022	2023
Consolidated Total Income (Rs. bn)	35.1	41.4
Consolidated PBT (Rs. bn)	2.9	2.6
Mithun K Chittilappilly - MD (Rs. mn)	65.0	68.9
Ramchandran V – Director & COO (Rs. mn)	64.6 <sup>1</sup>	58.6 <sup>1</sup>
Antony Sebastian K-WTD (Rs. mn) <sup>2</sup>	-	-
<b>Executive remuneration (Rs. mn)</b>	<b>129.7</b>	<b>127.5</b>
% of PBT	4.4%	5.0%

Source: Annual Report

\* Ramchandran V was granted 1.3 mn stock options and 0.3 mn RSUs in FY21. We have calculated the weighted average fair value of the options and RSUs granted and spread it across four years.

\* Antony Sebastian has been appointed as Whole-time Director from 30 May 2023

### Industry Peer Metrics (in Rs. mn for FY21)

Industry: Capital Goods	Minimum	Median	Maximum
Promoter MDs/CEOs/Executive Chairpersons	-	46.4	245.5
Non-Promoter EDs	1.5	5.3	156.0

Based on data for the S&P BSE 500 companies

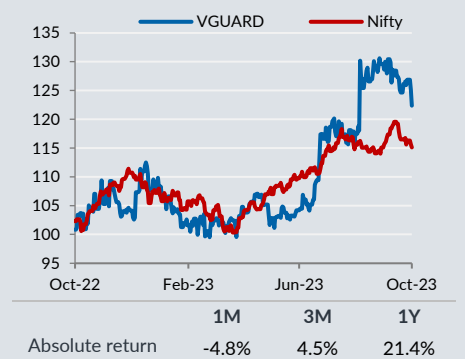
\* Latest available figures for Non-Promoter MDs/CEOs/Executive Chairpersons in the sector (including fair value of ESOPs, if any)

CMP	: Rs296
MCap	: Rs131.3bn

### Stock data (as on October 04, 2023)

Nifty	19,436
Rs 52 Week h/l (Rs)	335 / 229
Market cap (Rs/USD mn)	131381 / 1579
Outstanding Shares (mn)	434
6m Avg t/o (Rs mn):	78
Div yield (%):	0.4
Bloomberg code:	VGRD IN
NSE code:	VGUARD

### Stock performance



### Shareholding pattern (As of Jun'23 end)

Promoter	55.6%
FII+DII	32.2%
Others	12.2%

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## C. Dividend Policy

Parameter	Assessment
Is Dividend Distribution Policy disclosed?	Yes
Does Dividend Distribution Policy specify a target payout ratio?	15%-25% of Standalone PAT

Company website

## D. Auditor Tenure

Parameter	Assessment
Name of Auditor	Price Waterhouse Chartered Accountants LLP
Audit Network	-
Tenure of auditor (yrs)	1

## E. Auditor qualifications/ Emphasis of matters: Nil

## F. Royalty payments: Nil

## G. Major Related Party Transactions with promoter owned entities: Nil

## H. Contingent Liabilities (Rs. mn)

As on 31-Mar	2022	2023	Assessment
Tax-related	540.3	537.0	Primarily towards disputed direct and indirect tax liabilities
Claims against the Group not acknowledged as debt	28.7	27.6	-
Others	0.7	3.1	
<b>Total Contingent liabilities</b>	<b>569.7</b>	<b>567.7</b>	
As a % of Networth	4.0%	3.5%	Moderate

Consolidated financials

## I: Guarantees given to related parties: Nil

## J: Ownership structure

Assessment Parameter	Assessment	Number	Comment
Is the holding structure complex?	No	Subsidiary: 3 Entities in which KMP/ relatives of KMP can exercise significant influence: 4	
Are company shares pledged?	No	-	-

Annual reports

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