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### PRESS RELEASES

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#### ELECTRICAL APPLIANCES MAKER V-GUARD LOOKS ALL CHARGED UP, PINS HOPES ON DEMAND UPTICK

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Electrical application maker V-Guard has reported a surprise 120% jump in its profit in the March quarter compared with the year-ago period while attributing the weakness in the preceding quarters and the slow growth in 2013-14 to temporary issues. The Kerala-based company has exuded confidence that its performance will be much better in the current fiscal and efficient capital management will help improve the overall return ratios. "We believe our growth trajectory has bottomed out and expect to see some acceleration going forward, given the strong outlook for summer season and lower base effect. Accordingly, we expect top line growth of 20% at EBITDA margins of 8.5-9% in FY15," V-Guard managing director Mithun Chittilappilly told ET.

V-Guard witnessed a decline in some of its product categories during the fiscal. For instance, in the inverter segment, which contributes about 15% to the company's total revenues, fewer power cuts spelt a decline in revenues. "However, power cuts have now resumed, making us believe that the issues were only temporary due to elections," said Chittilappilly.

Similarly, the pump and fan businesses, which accounts for about a fifth of the total revenues, witnessed slower growth due to stretched monsoons last year. This segment is also likely to report a strong growth this year, the company added. Although V-Guard's growth was impacted in 2013-14 due to unfavourable macro environment, its return on capital improved to 25% compared with 23% in the previous year.

The inventory, debtor and creditor days also improved compared with the previous year, with the result that its working capital days came down to 76 days from 84 days a year ago. "We have become stricter with debtors and reduced credit to non-traditional markets. We expect the ratios to improve further," said Chittilappilly.

The company generated Rs 111 crore cash in 2013-14 compared with Rs 14.5 crore in the previous fiscal, helping it bring down debt to equity to 0.3 compared with 0.6 in 2012-13.



