

December 20, 2021

The Manager Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	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
Ref:- Scrip Code: 532953	Ref:- Symbol: VGUARD

Sub: - Outcome of Board Meeting and disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations)

Dear Madam / Sir,

Pursuant to Regulation 30, read with Schedule III, of the SEBI Listing Regulations, this is to inform that the Board of Directors of V-Guard Industries Limited (“the Company”) at their meeting held today, i.e. December 20, 2021, based on the recommendation of Audit Committee and Independent Directors Committee has considered and approved a Scheme of Amalgamation amongst the Company, Simon Electric Private Limited (“Transferor Company”) and their respective Shareholders and Creditors in compliance with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“the Act”).

The Board also approved the execution of Merger Implementation Agreement with Simon Electric Private Limited (“SEPL” - the Indian business of Simon Group, Spain) and its Shareholders i.e, Simon Holdings S.L. (“SHSL”) and Simon S.A. (“SSA”) (corporations established under the laws of Spain) for implementing the amalgamation of SEPL into the Company.

Upon effecting the scheme of Amalgamation, the Simon’s India business will be merged with the business of the Company. The value of the transaction is Rs. 27.3 Crores and the equity shares of the Company will be issued and allotted to the shareholders of SEPL.

The above Scheme of Amalgamation shall be subject to the approval of National Company Law Tribunal (NCLT), Securities Exchange Board of India (SEBI), BSE Limited and National Stock Exchange of India Limited (NSE), Shareholders and Creditors of both the Companies.

The detailed disclosure as required under Regulation 30 of the SEBI Listing Regulations, read with Circular CIR/CFD/CMD/4/2015 dated September 9, 2015, as amended from time to time, is enclosed as **Annexure-I** and **Annexure- II** to this outcome.

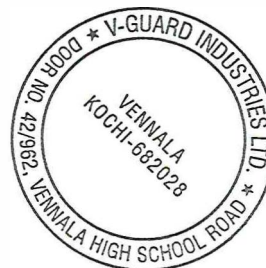
You are requested to take the information on record.

Thanking you

For V-Guard Industries Ltd.



Jayasree K
Company Secretary
(Membership No. A15900)



Encl: as stated

ANNEXURE -I

Regulation 30 read with Schedule III to the Listing Regulations and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, as amended from time to time.

Sl. No.	Particulars	Details									
1	Name of the entity(ies) forming part of the amalgamation, details in brief such as, size, turnover etc.	<p>(a) <u>Details of Transferee Company</u></p> <p>V-Guard Industries Limited (VGIL) is a public limited Company incorporated on February 12, 1996 with Corporate Identification Number L31200KL1996PLC010010. The Registered office of the Company is located at 42/962, Vennala High School Road, Vennala, Ernakulam – 682028. The equity shares of the Company are listed at BSE Limited and National Stock Exchange of India Limited.</p> <p>(b) <u>Details of Transferor Company</u></p> <p>Simon Electric Private Limited (SEPL) is a private limited Company incorporated on August 02, 2006 as a private Company limited by shares with Corporate Identification Number U51101KL2006PTC072824. SEPL is the wholly owned subsidiary of Simon Holding SL and Simon SA, Spain. The Registered office of the Company is located at XIII/300 E-27(XXXV/565), 5th Floor, KCF Tower, Kakkanad Desom, Thrikkakara P.O, Kanayannur Taluk, Vazhakkala, Ernakulam-682021.</p> <p>(c) <u>Details of Net worth and revenue of the Transferee Company and the Transferor Company as on September 30, 2021</u></p> <p style="text-align: right;">(Rs. in lakhs)</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Net worth</th> <th>Turnover</th> </tr> </thead> <tbody> <tr> <td>VGIL</td> <td>1,25,212.73</td> <td>1,46,368.53</td> </tr> <tr> <td>SEPL</td> <td>2,343.78</td> <td>578.21</td> </tr> </tbody> </table>	Particulars	Net worth	Turnover	VGIL	1,25,212.73	1,46,368.53	SEPL	2,343.78	578.21
Particulars	Net worth	Turnover									
VGIL	1,25,212.73	1,46,368.53									
SEPL	2,343.78	578.21									
2	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”	The Scheme of Amalgamation amongst VGIL, SEPL and their respective Shareholders and Creditors in compliance with Sections 230 to 232 and other applicable provisions of the Act does not fall within the purview of related party transactions.									

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3	Area of business of the entity(ies);	<p><u>Area of business of VGIL</u></p> <p>The Company is engaged in the business of designing and manufacturing of (a) electrical products such as stabilizers, digital UPS and batteries, solar inverters, (b) electrical items such as house wiring cables, switchgears, modular switches, pumps and (c) household appliances such as solar and electric water heaters, fans, air coolers and kitchen appliances.</p> <p><u>Area of business of SEPL</u></p> <p>The Company is engaged in the business of manufacturing and trading of electrical wiring accessories, such as electrical switches, sockets, fan regulators and home automation products.</p>
4	Rationale for Amalgamation	<p>Rationale and benefits of Amalgamation are as follows;</p> <ul style="list-style-type: none"> (i) Providing an established and operating modular switches manufacturing facility for the Transferee Company along with the required human and other resources; (ii) Enhanced economies of scale in production, through improved utilization of the switches manufacturing facility (iii) Entry/ access to into 'Premium' modular switches segments (iv) Acquiring technical know-how and knowledge required for designing, developing, manufacturing, distributing, and selling switches, as embedded in the current SEPL business (v) Learning from the manufacturing and quality systems of one of the leading global players in the modular switches product category; (vi) Connecting into an established and global vendor / supplier ecosystem; (vii) Quicker access to the existing products and the markets of the Transferor Company (especially in Northern States / regions); (viii) Creating value to various stakeholders of the Transferee Company, including shareholders, creditors, customers, and employees as the combined business would benefit from increased scale and wider product portfolio.
5	In case of cash consideration – amount or otherwise share	Upon the Scheme becoming effective, in consideration of the amalgamation of SEPL with

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	exchange ratio;	VGIL for an aggregate value of Rs. 27.3 crores, and based on the valuation report issued by D and P India Advisory Services LLP, registered valuer, which is confirmed by the fairness opinion issued by IDBI Capital Markets & Securities Limited, SEBI Registered Merchant Banker, the equity shares of VGIL will be issued and allotted to the shareholders of SEPL in the share exchange ratio of 0.0076646 equity share having a face value of Re. 1 each of VGIL for every 1 equity share having a face value of Rs. 10/- each of SEPL. The equity shares to be issued and allotted pursuant to the Scheme shall rank pari passu with the then existing equity shares of the Company in all respects including dividends, if any, that may be declared by VGIL on or after the Scheme becoming effective, as the case may be, and shall be listed on the stock exchanges.
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6	Brief details of change in shareholding pattern of Listed Entity. Details of shareholding of Transferee Company			
Category	Pre-Scheme shareholding		Post Scheme shareholding	
	No. of equity shares	% of equity shares	No. of equity shares	% of equity shares
Promoter and Promoter group	24,11,34,952	55.96	24,11,34,952	55.82
Public	18,97,61,387	44.04	19,08,44,393	44.18
Total	43,08,96,339	100.00	43,19,79,345	100.00

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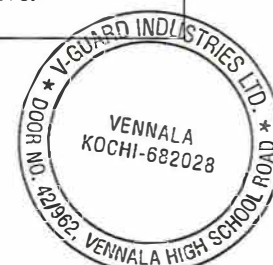


Annexure II

Regulation 30 read with Schedule III to the Listing Regulations and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, as amended from time to time.

Sr. No.	Particulars
1.	<u>NAME(S) OF THE PARTIES WITH WHOM THE AGREEMENT IS ENTERED</u>
1.1	V-Guard Industries Limited , a company incorporated under the Companies Act, 1956, with corporate identity number L31200KL1996PLC010010 and having its registered office at 42/962, Vennala High School Road, Vennala, Kochi, Ernakulam, Kerala – 682 028.
1.2	Simon Electric Private Limited , a company incorporated under the Companies Act, 1956, with corporate identity number U51101KL2006PTC072824 and having its registered office at XIII/300 E-27(XXXV/565), 5th Floor, KCF Tower, Kakkanad Desom, Thrikkakara P.O, Kanayannur Taluk, Vazhakkala, Ernakulam, Kerala – 682021.
1.3	Simon Holding S. L. , a corporation established under the laws of Spain, having its registered office at Barcelona, Calle Diputación 390, 08013.
1.4	Simon S. A. , a corporation established under the laws of Spain, having its registered office at Barcelona, Calle Diputación 390, 08013.
2.	<u>PURPOSE OF ENTERING INTO THE AGREEMENT</u>
2.1	For the purpose of recording the terms of the Amalgamation of SEPL with VGIL and the rights and obligations of the respective parties in relation thereto.
3.	<u>SIZE OF THE AGREEMENT</u>
3.1	100% of the Amalgamation consideration is payable by VGIL in the form of issuance and allotment of equity shares of the Company to the shareholders of SEPL (in the ratio of their respective shareholding in SEPL). The equity shares of VGIL will be issued and allotted to the shareholders of SEPL in the share exchange ratio of 0.0076646 equity share having a face value of Re. 1 each of VGIL for every 1 equity share having a face value of Rs. 10/- each of SEPL.
4.	<u>SHAREHOLDING, IF ANY, IN THE ENTITY WITH WHOM THE AGREEMENT IS EXECUTED</u>
4.1	Nil.
5	<u>SIGNIFICANT TERMS OF THE AGREEMENT (IN BRIEF), SPECIAL RIGHTS LIKE RIGHT TO APPOINT DIRECTORS, FIRST RIGHT TO SHARE SUBSCRIPTION IN CASE OF ISSUANCE OF SHARES, RIGHT TO RESTRICT ANY CHANGE IN CAPITAL STRUCTURE, ETC.</u>
5.1	The terms of the Merger Implementation Agreement <i>inter alia</i> stipulate the following: (i) key conditions for the implementation of the Scheme, which <i>inter alia</i> includes receipt of necessary approvals, such as approval of the Scheme by the jurisdictional National Company Law Tribunal, approval by the respective requisite majorities of each class of Shareholders and Creditors of VGIL and SEPL, the Stock Exchanges issuing their observation letter / no-objection letter in relation to the Scheme under Regulation 37 of the SEBI Listing Regulations, receipt of written Consent from State Industrial Development Corporation of Uttarakhand Limited, etc. (ii) sequence of events to be undertaken for the Scheme to become effective.

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Sr. No.	Particulars
	<p>(iii) customary representations and warranties, covenants with respect to <i>inter alia</i> maintenance of net-worth by SEPL, non-compete and non-solicitation obligations and customary indemnity obligations by SEPL, SHSL & SSA.</p> <p>No special rights in VGIL are given to the shareholders of SEPL under the Merger Implementation Agreement.</p>
6.	<u>WHETHER THE SAID PARTIES ARE RELATED TO PROMOTER/ PROMOTER GROUP/ GROUP COMPANIES IN ANY MANNER. IF YES, NATURE OF RELATIONSHIP</u>
6.1	The parties to the Merger Implementation Agreement are unrelated to VGIL, its promoters/ promoter group or group companies.
7.	<u>WHETHER THE TRANSACTION WOULD FALL WITHIN RELATED PARTY TRANSACTIONS? IF YES, WHETHER THE SAME IS DONE AT "ARMS LENGTH"</u>
7.1	The transactions contemplated under the Merger Implementation Agreement does not fall within the purview of related party transactions.
8.	<u>IN CASE OF LOAN AGREEMENTS, DETAILS OF LENDER, NATURE OF LOAN, TOTAL AMOUNT OF LOAN GRANTED, TOTAL AMOUNT OUTSTANDING, DATE OF EXECUTION OF THE LOAN AGREEMENT/ SANCTION LETTER, DETAILS OF THE SECURITY PROVIDED TO THE LENDERS FOR SUCH LOAN</u>
8.1	Not applicable.
9.	<u>IN CASE OF ISSUANCE OF SHARES TO THE PARTIES, DETAILS OF ISSUE PRICE, CLASS OF SHARES ISSUED</u>
9.1	The issuance is done as per the share exchange ratio determined by the registered valuer in the valuation report. Each of the shares allotted to the shareholders of SEPL pursuant to the Amalgamation shall rank <i>pari passu</i> in all respects and have the same rights as attached to the then existing equity shares of VGIL.
10.	<u>ANY OTHER DISCLOSURE RELATED TO SUCH AGREEMENTS, VIZ. DETAILS OF NOMINEE ON THE BOARD OF DIRECTORS OF THE LISTED ENTITY, POTENTIAL CONFLICT OF INTEREST ARISING OUT OF SUCH AGREEMENTS, ETC.</u>
10.1	No such case.
11.	<u>IN CASE OF TERMINATION OR AMENDMENT OF AGREEMENT, LISTED ENTITY SHALL DISCLOSE ADDITIONAL DETAILS TO THE STOCK EXCHANGE(S):</u> i. name of parties to the agreement ; ii. nature of the agreement; iii. date of execution of the agreement; iv. details of amendment and impact thereof or reasons of termination and impact thereof.
11.1	Not Applicable

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