

V-Guard Industries to acquire 100% stake in Sunflame Enterprises Private Limited

Kochi, December 9, 2022: V-Guard Industries (V-Guard) announced that it has signed definitive agreements today for acquiring 100% stake in Sunflame Enterprises Private Ltd. (SEPL) for a consideration of INR 660 crs, on a cash-free, debt-free basis, subject to closing adjustments. The transaction is expected to close by mid of January 2023.

The acquisition is in line with V-Guard's strategy to become a significant player in the domestic Kitchen Appliances segment. The Sunflame brand has a pan India presence with a strong brand recall. SEPL's wide portfolio, product development capabilities and the recently established state-of-the-art integrated manufacturing facility provide the perfect opportunity for V-Guard to scale up its Kitchen Appliances business while also unlocking synergy benefits. The transaction would be funded through a mix of internal accruals and debt.

Speaking on the occasion, Mr. Mithun Chittilappilly, Managing Director, V-Guard, said, "The proposed acquisition is a key milestone in V-Guard's journey to have deeper engagement with its consumers by providing thoughtful products and experiences. Sunflame is an iconic brand etched in the memories of Indian households and is expected to provide significant thrust to V-Guard's plans to become a leading Indian Kitchen Appliances player. We appreciate the trust reposed by SEPL's Promoter family in us to take the Sunflame brand to greater heights."

Mr. K. L. Verma, Managing Director, SEPL said, "We are proud of the Sunflame legacy, having won and retained the trust of our customers and partners for nearly four decades. Having started this journey in 1984, we have come a long way since then. V-Guard, a name synonymous with trust, is the right organization to take this legacy forward. We are confident that the Sunflame brand would scale even greater heights with V-Guard."

Mr. V. Ramachandran, COO, V-Guard, said, "SEPL acquisition is a synergistic fit, and offers multiple levers for unlocking significant synergies in areas like geography, product portfolio and channels. We believe that this deal is value accretive for the shareholders of V-Guard and would catapult the Company into league of frontline Kitchen Appliances players in the country."

Deloitte Touche Tohmatsu India, Cyril Amarchand Mangaldas and Singhi Advisors provided financial, legal and transaction advisory services respectively to V-Guard.

About Sunflame Enterprises Private Ltd.

Sunflame Enterprises Private Ltd. (SEPL) is one of the leading players in the kitchen appliances space in India. With a rich history of nearly four decades, SEPL has persistently endeavored to understand the consumer needs and enthralled them with their innovative designs, features and technology through continuous innovation. The Company offers a wide product portfolio including cooktops, chimneys, pressure cooker, mixer grinder and small kitchen appliances that caters to every consumer segment. SEPL recorded a revenue of Rs 349.8 crs in FY22.





About V-Guard Industries Ltd.

V-Guard Industries Limited (V-Guard) is India's leading consumer electrical and electronics major based in Kochi. A publicly listed entity, the company recorded revenues of Rs 3,498 crs in FY 2022 and is present across the country with 32 branches and with over 50,000 channel partners. Founded in 1977 by Mr. Kochouseph Chittilapilly to manufacture and market Voltage stabilizers, it has now become a force to reckon with in the Indian electric and electronic goods panorama. The company, in the last 45 years, has established a strong brand name and aggressively diversified into a multi-product company with a portfolio including Voltage stabilizers, Inverter & Inverter Batteries, Electric Water Heaters, Solar Water Heaters, Pumps & Motors, Domestic Switchgears, Wires & Cables, Fans, Modular Switches, Air Coolers and Kitchen Appliances. V-Guard not only exhibits market leadership in India in several categories, but also product leadership through launching several 'industry-first' smart products as Intelligent & Smart Water Heaters, Smart Inverters, Smart fans with LED lights and several other innovative and aesthetically superior designs in various product categories.

