

October 10, 2022

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

Dear Madam & Sir

Sub: - Meeting of unsecured creditors of the Company.

Ref: In the matter of Scheme of Amalgamation amongst V-Guard Industries Limited (Transferee Company) & Simon Electric Private limited and their respective shareholders and creditors (Transferor Company).

1. This is to inform that by order dated September 27, 2022, the Kochi Bench of the Honourable National Company Law Tribunal has directed meetings of the equity shareholders and unsecured creditors of the Company.
2. In pursuance of the NCLT order and as directed therein and in compliance with the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, further notice is hereby given that meetings of the Equity Shareholders and Unsecured Creditors of the Company will be held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") as under:

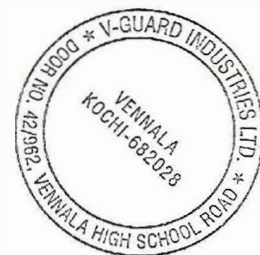
Meeting of	Date of Meeting	Time of Meeting
Equity Shareholders	November 14, 2022	11:30 a.m
Unsecured Creditors	November 14, 2022	02:30 p.m

1. Copy of the Notice and statement under Sections 230 to 232 read with Section 102 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, of the aforesaid meetings is enclosed herewith and annexures along with notice and explanatory statements is made available on the website of the Company and can be accessed through the below mentioned link:

<https://www.vguard.in/uploads/downloads/scheme/Unsecured%20Creditors%20Notice%20Explanatory%20Statement%20and%20Annexures.pdf>

V-GUARD INDUSTRIES LTD.
Regd. office 42/962,
Vennala High School Road,
Vennala, Kochi - 682 028.
CIN: L31200KL1996PLC010010

P +91 484 433 5000, 200 5000
E mail@vguard.in
W www.vguard.in



2. An Unsecured Creditor whose name appears in the list of Unsecured Creditors as on the Cut-off date i.e., May 31, 2022, only shall be entitled to exercise the voting rights on the resolution proposed in the notice and attend the meeting of the Unsecured Creditors. Voting rights of an Unsecured Creditor shall be in proportion to the outstanding amount due by the Company as on the cut-off date.

Kindly take the same on record.

For V-Guard Industries Limited

**JAYASREE
KAMALA**

Digitally signed by
JAYASREE KAMALA
Date: 2022.10.10 21:13:02
+05'30'

Jayasree K
Company Secretary



V-GUARD INDUSTRIES LIMITED

Registered Office	:	42/962, Vennala High School Road, Vennala, Ernakulam - 682028
Tel No	:	0484 - 4335000
CIN	:	L31200KL1996PLC010010
Website	:	www.vguard.in
Email	:	cscompliance@vguard.in

TRIBUNAL CONVENED MEETING OF THE UNSECURED CREDITORS

*(Convened pursuant to Order dated September 27, 2022 of the
Hon'ble National Company Law Tribunal, Kochi Bench)*

Day	:	Monday
Date	:	November 14, 2022
Time	:	02.30 PM
Mode	:	Through Video Conferencing / Other Audio Visual Means.

REMOTE E-VOTING

Cut-off date for e-voting	May 31, 2022
Commencing on	Friday, November 11, 2022 at 9.00 AM IST
Ending on	Sunday, November 13, 2022 at 5.00 PM IST

E-voting facility shall also be available to the Unsecured Creditors of the V-Guard Industries Limited during the Meeting.

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IN THE NATIONAL COMPANY LAW TRIBUNAL,

KOCHI BENCH,

CA (CAA) NO. 03 / KOB / 2022

In the matter of

The Companies Act, 2013;

And

In the matter of

Sections 230 - 232 and other relevant provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of

Scheme of Amalgamation between Simon Electric Private Limited (Applicant Company No. 1/ Transferor Company/ Amalgamating Company), a company incorporated under the Companies Act, 1956 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, India – 682021

with

V-Guard Industries Limited (Applicant Company No. 2 / Transferee Company/ Amalgamated Company), a company incorporated under the Companies Act, 1956 and having its registered office at 42/962, Vennala High School Road, Vennala Kochi Ernakulam Kerala, India – 682028

and their respective shareholders and creditors.

Simon Electric Private Limited
[CIN: U51101KL2006PTC072824]

}

**...Applicant Company No. 1 / Transferor Company /
Amalgamating Company**

V-Guard Industries Limited
[CIN: L31200KL1996PLC010010]

}

**...Applicant Company No. 2 / Transferee Company /
Amalgamated Company**

Form No. CAA 2

(Pursuant to Section 230 (3) of the Companies Act, 2013 and Rules 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016)

COMPANY APPLICATION NO. CA (CAA) NO. 03 / KOB / 2022

V-Guard Industries Limited..... Applicant Company No. 2

**NOTICE AND ADVERTISEMENT OF NOTICE OF THE MEETING OF THE
UNSECURED CREDITORS OF V-GUARD INDUSTRIES LIMITED**

Notice is hereby given that by an order dated September 27, 2022 (the "Order") in the above mentioned CA (CAA) No. 03/ KOB/ 2022 ("**Company Application**"), the Kochi bench of the Hon'ble National Company Law Tribunal ("**NCLT**") has directed a meeting to be convened and held of the unsecured creditors of V-Guard Industries Limited ("**Company/ VGIL**"), for the purpose of considering, and if thought fit, approving with or without modification, the scheme of amalgamation amongst the Company and Simon Electric Private Limited ("**SEPL**"), and their respective shareholders and creditors, pursuant to the provisions of Sections 230 to 232, and other applicable provisions of the Companies Act, 2013 ("**Act**") (the "**Scheme**" or "**Scheme of Amalgamation**").

In pursuance of the said Order and as directed therein, further notice is hereby given that a meeting of unsecured creditors of the Company will be held on Monday, November 14, 2022, at 2.30 PM IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), at which time and place the said unsecured creditors of the Company are requested to attend the meeting of the unsecured creditors of the Company, for the purpose of considering, and if thought fit, approving the proposed Scheme ("**Tribunal Convened Meeting**" or "**Meeting**"), in compliance with the applicable provisions of the Companies Act, 2013 and by exercising the operating procedures referred to in General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021 and General Circular No. 3/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs, Government of India (collectively referred to as "**MCA Circulars**") read with SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 ("**SEBI Relaxation Circulars**") and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015 ("**Listing Regulations**").

Copies of the Scheme, this Notice and the Explanatory Statement under Section 230 (3) of the Act and all documents referred to therein are available on the website of the Company (www.vguard.in) and can also be obtained free of charge from the registered office of the Company at 42/962, Vennala High School Road, Vennala Kochi Ernakulam Kerala - 682028, on all days, except Saturday, Sunday and public holidays, between 11:00 A.M. and 1:00 P.M., up to and including the date of the Meeting.

The NCLT has appointed Mr. Sankar P Panicker, Advocate, having office at Panicker and Panicker, Advocates, 64/768, Jaikunj, Chittoor Road, Kochi - 682035 as the Chairperson of the Meeting ("**Chairperson**") and has appointed Mr. Sathiq Buhari, having address at Sagreen Law Chamber, Vanchiyoor, Thiruvananthapuram, Kerala - 695035 as Alternate Chairperson of the Meeting ("**Alternate Chairperson**"). The above mentioned Scheme, if approved at the Meeting, will be subject to the subsequent approval of the NCLT.

TAKE NOTICE that pursuant to the said Order and in accordance with the provisions of Section 108 and other applicable provisions of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended; and Regulation 44 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**Listing Regulations**"), the Company has engaged the services of National Securities Depository Limited ("**NSDL**") for the purpose of providing facility of remote e-voting prior to the Meeting and e-voting during the Meeting. Accordingly, voting by unsecured

creditors of the Company shall be carried out either through (a) remote e-voting prior to the Meeting, and/or (b) e-voting during the Meeting.

TAKE FURTHER NOTICE that the unsecured creditors shall have, in addition to e-voting during the Meeting, the facility and option of voting on the resolutions for approval of the Scheme by casting their votes through remote e-voting prior to the Meeting during the period commencing from 9.00 a.m IST on Friday, November 11, 2022 and ending at 5.00 p.m. IST on Sunday, November 13, 2022. The voting rights of unsecured creditors shall be to the amount due in the name of the unsecured creditor shall be in proportion to the value of their outstanding value/ amount (due to the unsecured creditor) as per the books of the Company stood as on cut-off date Tuesday, May 31, 2022 (“**Cut-off Date**”). A person who is not an unsecured creditor as on the Cut-off Date, should treat the Notice for information purpose only. The unsecured creditors opting to cast their votes by remote e-voting or e-voting during the Meeting through VC/ OAVM are requested to read the instructions set out in the Notes of this Notice for further details on remote e-voting and e-voting during the Meeting.

TAKE FURTHER NOTICE that the following resolution is proposed under Sections 230 to 232 of the Act and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Memorandum of Association and Articles of Association of the Company, for the purpose of considering, and if thought fit, approving the Scheme:

*“**RESOLVED THAT** pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013 (the “**Act**”), and the rules framed thereunder, as amended or re-enacted from time to time, and in accordance with the provisions of the the Memorandum of Association and Articles of Association of V-Guard Industries Limited (“**Company**”), and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by the Securities and Exchange Board of India (“**SEBI**”) and as amended from time to time, read with the observation letters dated May 13, 2022 each issued by BSE Limited and the National Stock Exchange of India Limited and relevant provisions of other applicable laws, and subject to the approval and sanction of the jurisdictional National Company Law Tribunal (“**NCLT**”) and / or the National Company Law Appellate Tribunal, High Court(s), Supreme Court of India or such other forum or authority as may be vested with the appellate jurisdiction in relation to approval of the Scheme and such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such terms and conditions and modifications, as may be imposed, prescribed or suggested by the appropriate authorities and subject to such other approvals, consents, permissions, and/ or sanctions of any appropriate authority, body or institution, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**Board**”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution) the proposed Scheme of Amalgamation of Simon Electric Private Limited (“**Transferor Company**”) and the Company (“**Transferee Company**”) and their respective shareholders and creditors (the “**Scheme**”), as per the draft enclosed to this notice, be and is hereby approved;*

***RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution and for removal of any difficulties or doubts, the Board, be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem desirable, necessary, expedient, usual or proper, and to settle any questions or difficulties or doubts that may arise, including passing of such accounting entries and /or making such adjustments in the books of accounts, transfer/vesting of such assets and liabilities as considered necessary to give effect to the above resolution, settling of any questions or difficulties arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation thereof or in any matter whatsoever connected therewith, or to review the position relating to the satisfaction of various conditions of the Scheme and if necessary, to waive any of those, and to make modifications, amendments, revisions, edits and all other actions as may be required to finalise the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for carrying the Scheme into effect or to carry out such modifications/directions as may be required and/or imposed and/or permitted by the NCLT while sanctioning the Scheme, or by any governmental authorities, to do and perform and to authorize the performance of all such acts and deeds which are necessary or advisable for the implementation*

of the Scheme and upon the sanction of the Scheme by, amongst others, the NCLT and/or SEBI and/or Reserve Bank of India and/or any other regulatory/Government authorities, to implement and to make the Scheme effective, without any further approval of the Board or to approve withdrawal (and where applicable, re-filing) of the Scheme at any stage for any reason including in case any changes and/or modifications are suggested/required to be made in the Scheme or any condition suggested, required or imposed, whether by any shareholder and/or creditor of the Company, the SEBI, the NCLT, and/or Reserve Bank of India and/or any other authority, are in its view not acceptable to the Company, and/or if the Scheme cannot be implemented otherwise, and to do all such acts, deeds and things as it may deem necessary and desirable in connection therewith and incidental thereto, to approve and authorize execution of any agreements, deeds, documents, declarations, affidavits, writings, etc (including any alterations or modifications in the documents executed or to be executed), whether or not under the Common Seal of the Company, as may be required from time to time in connection with the Scheme.”

TAKE FURTHER NOTICE that a copy of the Scheme, the Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Merger Rules, along with the enclosures as indicated in the Index, are enclosed herewith. In compliance with the Order, Section 108 of the Act and the MCA Circulars, the notice of this Meeting, together with the documents accompanying the same, as required under Section 230 of the Companies Act, 2013, shall be sent by the Company, through email to those unsecured creditors who have registered their email id with the Company and physical copies will be provided on specific request made to investors@vguard.in. A copy of this Notice will also be available on the website of BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) at www.bseindia.com and www.nseindia.com, respectively and also on the website of NSDL at www.evoting.nsdl.com.

In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the unsecured creditors only if the Scheme is approved by majority of persons representing three-fourth in value of the unsecured creditors, of the Company, voting through remote e-voting and e-voting facility made available during the Meeting through VC/ OAVM.

Sd/-

Dated at this October 10, 2022

Place : Ernakulam

Sankar P Panicker

Chairperson appointed for the Meeting

Registered Office:

V-Guard Industries Limited

42/962, Vennala High School Road,

Vennala, Kochi,

Ernakulam, Kerala - 682 028

CIN : L31200KL1996PLC010010

W : www.vguard.in

E : cscompliance@vguard.in

Notes:

1. Pursuant to the order dated September 27, 2022 (“NCLT Order”), in Company Scheme Application C.A.(CAA) No. 03/KOB/2022 (“Order”), passed by the National Company Law Tribunal, Kochi Bench (“Hon’ble NCLT”) and in accordance with the MCA Circulars, provisions of the Companies Act, 2013 (“Act”), this meeting is being held through VC/OAVM. The deemed venue for the meeting will be “42/962, Vennala High School Road, Vennala, Ernakulam”. Since the Meeting will be held through VC/OAVM, the Route Map is not annexed in this Notice.
2. For convenience of the unsecured creditors and proper conduct of the Meeting, the unsecured creditors can login and join at least 20 minutes before the time scheduled for the Meeting and the meeting link shall be kept open throughout the proceedings of the Meeting.
3. The attendance of the unsecured creditors attending the Meeting through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. In the event of no quorum is present within 30 minutes from commencement of meeting then in such event the unsecured creditors present shall constitute the quorum.
4. Corporate unsecured creditors are required to send by e-mail to ‘variyaams@gmail.com’ or investors@vguard.in, a certified true copy of the board resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting.
5. The Company is pleased to provide its Unsecured creditors the facility for voting through remote e-voting as well as e-voting during the Meeting and has engaged National Security Depositories Ltd. (“NSDL”) to provide e-voting facility and for participation in the Meeting through VC / OAVM facility.
6. Notice of the Meeting along with all other documents are uploaded on the Company’s website www.vguard.in and as directed by the Hon’ble NCLT by its order dated September 27, 2022, Notice is being sent to such unsecured creditors whose outstanding debt is not less than Rs. 500,000 (Five Lakhs), through e-mail of whose email IDs are registered with the Company for communication purposes.
7. The Notice of Meeting and all other documents are available on the website of BSE Ltd., and The National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. Further, Notice of Meeting along with all other documents are available on the website of NSDL, the agency engaged for providing e-voting facility, i.e.www.evoting.nsdl.com.
8. The cut-off date for the purpose of determining the unsecured creditors eligible for participation in remote e-voting and voting at the Meeting is Tuesday, May 31, 2022. Please note that a person, whose name is recorded in the Books of accounts maintained by the Company, as on cut-off date only shall be entitled to avail the facility of remote e-voting or e-voting during the Meeting. If unsecured creditors opt for remote e-voting, then they should not vote at the Meeting. However, once an e-vote on the resolution is cast by a unsecured creditor, such unsecured creditor is not permitted to change it subsequently or cast the vote again. Unsecured creditors who have cast their vote by remote e-voting prior to the date of the Meeting can attend the Meeting and participate in the Meeting but shall not be entitled to cast their vote again.
9. As directed by the Hon’ble NCLT by its order dated September 27, 2022 M/s. Sudha Nerukkavil Variyam, Chartered Accountant, having address at Kumarapuram Variyam, Eravimangalam, Eravimangalam Vayanasala, Thrissur 680751 has been appointed as the scrutinizer to scrutinize both the remote e-voting as well as e-voting during the Meeting in a fair and transparent manner.

10. An unsecured creditor may participate in the Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again. At the end of remote e-voting period, the facility shall forthwith be blocked.

THE INSTRUCTIONS FOR UNSECURED CREDITORS FOR REMOTE E-VOTING AND JOINING THE MEETING ARE AS UNDER:-

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. **Your Login id and password details casting your vote electronically and for attending the Meeting of Unsecured Creditors through VC/ OAVM are attached in the pdf file enclosed herewith. Please note that the password to open the pdf file is the unique id mentioned above or the first time the system will ask to reset your password**
5. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
6. Now, you will have to click on “Login” button.
7. After you click on the “Login” button, Home page of e-Voting will open.
8. You will be able to see the EVEN no. of the company.
9. Click on “EVEN” of company to cast your vote.
10. Now you are ready for e-Voting as the Voting page opens.
11. Cast your vote by selecting appropriate options i.e. assent or dissent, and click on “Submit” and also “Confirm” when prompted.
12. Upon confirmation, the message “Vote cast successfully” will be displayed.
13. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
14. Once you confirm your vote on the resolution, you will not be allowed to modify your vote
15. If you face any problems/experience any difficulty or If you forgot your password please feel free to contact toll free number 1800 1020 990 /1800 224 430 or contact on email id evoting@nsdl.co.in

The instructions for Unsecured Creditors for e-voting on the day of the Unsecured Creditors Meeting are as under:

- 1) The procedure for e-Voting on the day of the Unsecured Creditor Meeting is same as the instructions mentioned above for remote e-voting.

- 2) Only those Unsecured Creditors, who will be present in the Unsecured Creditors meeting through VC/ OAVM facility and have not casted their vote on the Resolution through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Unsecured Creditors Meeting.

Instructions for Unsecured Creditors for attending the Unsecured Creditors Meeting through VC/ OAVM are as under:

Unsecured Creditors will be provided with a facility to attend the Unsecured Creditors Meeting through VC/OAVM through the NSDL e-Voting system. Unsecured Creditors may access the same at <https://www.evoting.nsdl.com> under shareholder / member login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / member login where the EVEN of Company will be displayed.

IN THE NATIONAL COMPANY LAW TRIBUNAL,**KOCHI BENCH,****CA (CAA) NO. 03 / KOB / 2022***In the matter of*

The Companies Act, 2013;

And

In the matter of

Sections 230 - 232 and other relevant provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;

And

In the matter of

Scheme of Amalgamation between Simon Electric Private Limited (Applicant Company No. 1/ Transferor Company/ Amalgamating Company) , a company incorporated under the Companies Act, 1956 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, India – 682021

with

V-Guard Industries Limited (Applicant Company No. 2 / Transferee Company/ Amalgamated Company), a company incorporated under the Companies Act, 1956 and having its registered office at 42/962, Vennala High School Road, Vennala Kochi Ernakulam Kerala, India – 682028

and their respective shareholders and creditors.

Simon Electric Private Limited
[CIN: U51101KL2006PTC072824]

}

**...Applicant Company No. 1 / Transferor Company /
Amalgamating Company**V-Guard Industries Limited
[CIN: L31200KL1996PLC010010]

}

**...Applicant Company No. 2 / Transferee Company /
Amalgamated Company**

EXPLANATORY STATEMENT UNDER SECTIONS 230(3) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016

- Pursuant to an order pronounced on September 27, 2022, by the Hon'ble National Company Law Tribunal, Kochi Bench ("**NCLT**") in the Company Application (CAA) NO. 03 / KOB / 2022 ("Order"), a meeting of the unsecured creditors of V-Guard Industries Limited (the "**Company / Transferee Company / VGIL**") is being convened ("**Tribunal Convened Meeting**" or "**Meeting**") for the purpose of considering, and if thought fit, approving the scheme of amalgamation amongst the Company, Simon Electric Private Limited ("**SEPL**"), and their respective shareholders and creditors, pursuant to the provisions of Sections 230 to 232, and other applicable provisions of the Companies Act, 2013 ("**Act**") (the "**Scheme**" or "**Scheme of Amalgamation**"). The Company and SEPL are together referred to as the "**Companies**". This is a statement accompanying the notice for the Meeting as required under the Act. The Meeting is being convened as per the details given below:

Day	Monday
Date	November 14, 2022
Time	2.30 p.m. [IST]
Mode	Through Video Conferencing /Other Audio Visual Means

- A copy of the Scheme which has been, *inter alia*, approved by the Board of Directors ("**Board**") of the Companies at their respective meetings held on December 20, 2021 is enclosed as **Annexure 1**. Capitalised terms used herein but not defined shall have the meaning assigned to them in the Scheme, unless otherwise stated.
- The Scheme, *inter alia*, provides for the following:
 - the transfer and vesting of the entire undertaking and business of the Transferor Company, on a going concern basis, to the Transferee Company ("**Amalgamation**") and the consequent payment of consideration by the Transferee Company, in lieu of 100% of the total paid up share capital of the Transferor Company, by way of issuance and allotment of shares of the Transferee Company to the shareholders of the Transferor Company on the Record Date (as defined in the Scheme) in the ratio of their respective shareholding in the Transferor Company, i.e, 0.0076646 equity shares having a face value of INR 1 (Indian Rupee One only) each of the Transferee Company (constituting 100% of the merger consideration) for every 1 (One) equity share of the Transferor Company having a face value of INR 10 (Indian Rupees Ten only); and
 - various other matters consequential or integrally connected therewith;
- In terms of the said Order, the quorum for the Meeting shall be 30 (thirty) unsecured creditors of the Company present through VC/OAVM. In the event quorum is not present within 30 minutes from commencement of meeting, then in such event, the unsecured creditors present shall constitute the quorum.
- In terms of the said Order, the NCLT, has appointed Mr. Sankar P Panicker, Advocate, having office at Panicker and Panicker, Advocates, 64/768, Jaikunj, Chittoor Road, Kochi -682035 as the Chairperson of the Meeting ("**Chairperson**") and has appointed Mr. Sathiq Buhari, having address at Sagreen Law Chamber, Vanchiyoor, Thiruvananthapuram, Kerala – 695035 as Alternate Chairperson of the Meeting ("**Alternate Chairperson**").
- In accordance with the provisions of Sections 230-232 of the Act, the Scheme shall be considered approved by the unsecured creditors only if the Scheme is approved by majority of persons representing three-fourths in value of the unsecured creditors, of the Company, voting at the Meeting or through remote e-voting.

7. The Companies have filed the Scheme with the Registrar of Companies, Ernakulam, Kerala in Form No. GNL-1.

8. Details as per Rule 6(3) of the Merger Rules

(i) Details of the order of the NCLT directing the calling, convening and conducting of the Meeting:

Please refer to paragraph no. 1 of this Explanatory Statement for date of the Order and the date, time and venue of the Tribunal Convened Meeting.

(ii) Details of the Companies:

V-Guard Industries Limited

(a) *Corporate Identification Number:* L31200KL1996PLC010010

(b) *Permanent Account Number:* AAACV5492Q

(c) *Name of Company:* V-Guard Industries Limited

(d) *Date of Incorporation:* February 12, 1996

(e) *Type of Company:* Listed public limited company

(f) *Registered Office and e-mail address:* 42/962, Vennala High School Road, Vennala Kochi Ernakulam Kerala – 682028; Email Address: cocompliance@vguard.in

(g) *Summary of the main objects as per the memorandum of association; and main business carried on by the Company:*

(A) The main objects of the Company as set out in Clause III. A of the Memorandum of Association are as follows:

“To establish and carry on the business of manufacturing, selling, distributing or otherwise dealing in all types of electrical, electro mechanical, and electronic appliances, equipment, lighting and lighting fixtures, accessories and spares including stabilizers, electric motors, pump sets, clocks, time pieces, watches, water heaters, washing machines, dish washers, ovens, mixies, electric irons, refrigerators, television sets, air conditioners, home and kitchen appliances of all kinds both electrical and non-electrical, communication equipments, photocopying machines, cameras, panel boards, relays, switch gears, switches and control gears, circuit breakers, transformers, electric meters, water meters, uninterrupted power supply systems, constant voltage transformers, accumulators and computers, security alarms, security systems, door locks with or without power, padlocks, other locking devices, printed circuit boards of all kinds and for all purposes whether populated or otherwise, insulated cables, insulated and enameled winding wires of all varieties and uses, all kinds of tubes, pipes, pipe fittings, hoses, components, accessories, moulded goods of all kinds and for all purposes including tanks, containers, bottles, toys and all other blown, moulded, formed or extruded goods and articles, whether made of steel, alloys, stainless steel, PVC, plastics, rubber or any other metal, or substance or materials, photovoltaic solar energy devices/systems such as lighting, pump sets, audio-video equipments, fans and all kinds of solar energy systems”

(B) The main business carried on by the Company is as follows:

Designing and manufacturing of (a) electronic 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 appliance such as solar and electric water heaters, fans, air coolers and kitchen appliances.

(h) Details of change of name, registered office and objects of the Company during the last five years

(A) Change of Name: There has been no change of name of the Company during the last five years.

(B) Change of Registered Office: There has been no change of registered office of the Company during the last five years.

(C) Change of objects: There has been no change in objects of the Company during the last five years from the date of this Notice.

(i) *Name of the stock exchange(s) where securities of the company are listed:* Equity shares of the Company are listed on BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”).

(j) Details of the capital structure of the Company including authorised, issued, subscribed and paid up share capital:

(A) The share capital structure of the Company as on September 30, 2022 is as under:

Particulars	Amount (INR)
Authorized Capital	
50,00,00,000 equity shares of face value of INR 1 each	50,00,00,000
TOTAL	50,00,00,000
Issued Share Capital*	
43,16,80,145 equity shares of face value of INR 1 each	43,16,80,145
TOTAL	43,16,80,145
Subscribed and Paid-up Share Capital*	
43,16,80,145 equity shares of face value of INR 1 each	43,16,80,145
TOTAL	43,16,80,145

***Note:** As provided in Clause 2.3 of the Scheme, upon exercise of the stock options by an employee (who has been issued such stock option) in accordance with the terms and conditions of the employee stock option scheme, the Company shall be required to issue fully paid-up equity shares of the Company in accordance with the terms and conditions of the employee stock option scheme and accordingly the issued, subscribed, and paid-up share capital of the Company may undergo change.

Subsequent to September 30, 2022, till date of this Notice, there has been no change in the authorised, issued, subscribed and paid up share capital of the Company.

(B) The expected Post-Scheme capital structure of the Company will be as follows:

Share Capital	Amount (in INR)
Authorized share capital	
191,50,00,000 equity shares of INR 1 each	191,50,00,000
TOTAL	191,50,00,000
Issued share capital*	
43,27,63,151 equity shares of INR 1 each fully paid up	43,27,63,151
TOTAL	43,27,63,151
Subscribed and paid-up share capital*	
43,27,63,151 equity shares of INR 1 each fully paid up	43,27,63,151
TOTAL	43,27,63,151

* **Note:** As provided in Clause 10.7 of the Scheme of Amalgamation, fractional entitlement arising, if any, at the time of issue and allotment of new equity shares to the shareholders of transferor company, shall be rounded off to the nearest higher integer. Accordingly, the number of shares to be issued and allotted may suitably get increased to the extent of such entitlement.

(k) Details of the promoters and directors of the Company along with their addresses:

(A) The details of the promoters of the Company are as follows:

S. No.	Name of promoter	Address
Promoter		
1.	Mr. Kochouseph Chittilappilly	Chittilappilly House, Bye Pass Road, Vennala, Kochi – 682028
2.	Mrs. Sheela Grace Kochouseph	Chittilappilly House, Bye Pass Road, Vennala, Kochi – 682028
Promoter Group		
3.	Mr. Mithun Kochouseph Chittilappilly	Chittilappilly House, Bye Pass Road, Vennala, Kochi – 682028
4.	Mr. Arun K Chittilappilly	No. 87, Flat A2, Rusthumji Residency Richmond Road, Bangalore 560025
5.	Anekha Chittilappilly Trust	12D, RDS Avenue One, Shihab Thangal Road, Panampilly Nagar, Ernakulam – 682036
6.	Arav Chittilappilly Trust	XIII/300, 2 nd Floor, K Chittilappilly Tower, Bharat Matha College Road, Kakkanad, Ernakulam 682021
7.	K Chittilappilly Trust	XIII/300, 2 nd Floor, K Chittilappilly Tower, Bharat Matha College Road, Kakkanad, Ernakulam 682021

Note: Details of the persons / entities of the promoter group who are holding shares of the Company are provided.

(B) The details of the directors of the Company are as follows:

S. No.	Name of Director	Designation	Address
1.	Mr. Cherian Naduvathra Punnoose	Chairman, Independent Director	F11, Express Estate KK Road, Kaloore PO, Ernakulam – 682017
2.	Mr. Mithun Kochouseph Chittilappilly	Managing Director, Executive	Chittilappilly House, Bypass Road, Vennala, Kochi – 682028
3.	Mr. Chenayappillil John George	Independent Director	12A, Skyline Elysium Gardens, Stadium Link Road, Kaloore, Kochi –17
4.	Mr. Ramachandran Venkataraman	Director and Chief Operating Officer	C-80, 3 rd Floor, NDSE II, New Delhi-110049
5.	Mr. George Muthoot Jacob	Independent Director	TC 4/2515, Pattom, Kowdiar Road, Pattom Palace, P.O. Trivandrum, Kerala – 695004
6.	Mr. Kasaragod Ullas Kamath	Independent Director	Flat No. 202, No.4, Renaissance Mangalam, 13 th Cross Between 10 th & 11 th Main, Malleswaram, Bangalore – 560003
7.	Mr. Biju Varkkey	Independent Director	House 303, Residential Area, IIM A old campus, Vastrapur, Ahmedabad 380015
8.	Ms. Radha Unni	Independent Director	Flat No. 6, Riverview Apartments, 21, Fourth Main Road, Gandhi Nagar, Adyar, Chennai- 600020

Note: The directors of the Company may change as per business and regulatory requirements.

Simon Electric Private Limited

- (a) Corporate Identification Number: U51101KL2006PTC072824
- (b) Permanent Account Number: AABCI5654G
- (c) Name of the Company: Simon Electric Private Limited
- (d) Date of Incorporation: August 2, 2006
- (e) Type of Company: Unlisted private limited company
- (f) Registered Office and Email Address: XIII/300 E-27(XXXV/565), 5th Floor, KCF Tower, Kakkanad Desom, Thrikkakara P.O, Kanayannur Taluk Vazhakkala, Ernakulam, Kerala – 682021; Email: rahul.gupta@simon.co.in
- (g) Summary of the main objects as per the memorandum of association and main business carried on by SEPL:

(A) The main objects of SEPL as set out in Clause 3 of the Memorandum of Association are as follows:

- “(i) carry on the business as manufacturers, traders, importers and exporters of all types of electrical plugs, sockets, wiring accessories, distribution boards, controlgear, HRC fuses, miniature circuit breakers, bulbs, tubes, heating elements and other electrical goods,

appliances, equipment's apparatus and all types of fusegears, circuit breakers, electrical cubical fuse switches, isolator switches and load break switches, electrical goods, light engineering goods and other allied goods; and

(ii) carry on business as importers, exporters, merchants and traders and to deal with all kinds of electrical goods and light engineering goods.”

(B) The main business carried on by SEPL is as follows:

Manufacturing and trading of electrical wiring accessories, such as electrical switches, sockets, fan regulators and home automation products.

(h) Details of change of name, registered office and objects of SEPL during the last five years:

(A) Change of Name: There has been no change of name of the Company during the last five years.

(B) Change of Registered Office: The registered office was changed from the A-310, RG City Centre, Community Centre, Motia Khan, Pahar Ganj, New Delhi – 110052 to XIII/300 E-27(XXXVI/565), 5th Floor, KCF Tower, Kakkanad Desom, Thrikkakara P.O, Kanayannur Taluk Vazhakkala, Ernakulam, Kerala – 682021 vide fresh certificate of incorporation issued on December 7, 2021.

(C) Change of objects: There has been no change in objects of the Company during the last five years.

(i) Name of the stock exchange(s) where securities of the company are listed:

Not applicable

(j) Details of the capital structure of SEPL including authorised, issued, subscribed and paid up share capital:

(A) The share capital structure of SEPL as on September 30, 2022 is as under:

Particulars	Amount (INR)
Authorized Capital	
14,15,00,000 equity shares of face value of INR 10 each	141,50,00,000
TOTAL	141,50,00,000
Issued Share Capital	
14,12,99,757 equity shares of face value of INR 10 each fully paid	141,29,97,570
TOTAL	141,29,97,570
Subscribed and Paid-up Share Capital	
14,12,99,757 equity shares of face value of INR 10 each fully paid	141,29,97,570
TOTAL	141,29,97,570

Subsequent to September 30, 2022, till date, there has been no change in the authorised, issued, subscribed and paid up share capital of SEPL.

(k) Details of the promoters and directors of SEPL along with their addresses:

(A) The details of the promoters of SEPL are as follows:

S. No.	Name of promoter	Address
1.	Simon Holding S. L.	Barcelona, Calle Diputación 390, 08013
2.	Simon S. A.	Barcelona, Calle Diputación 390, 08013

(B) The details of the directors of SEPL are as follows:

S. No.	Name of Director	Designation	Address
1.	Mr. Nicolas De Trincheria Simon	Nominee Director	PG Bonanova 0050 01 00002 08017, Bonanova, Barcelona, Spain - 187497
2.	Mr. Amit Garg	Director	Z 17a, Tzb Meghdootam, 50 Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh - UP - 201301
3.	Mr. Sergio Simon Vives	Director	Cavallers 0076 05 E, 08034- Barcelona, Barcelona, Spain - 187497
4.	Mr. Vinod Kumar	Director	907, Ruby-1, Gardinta Glamour, Vasundhara, Ghaziabad, Uttar Pradesh- UP – 201010
5.	Mr. Esteban Bretcha Palacios	Director	Balmes, 426 P 04-B, Barcelona Barcelona Spain 08022

Note: The directors of SEPL may change as per business and regulatory requirements.

(iii) *If the scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or of associate companies:*

The parties to the Scheme are independent entities. None of the directors of SEPL hold any shares of the Company. The parties to the Scheme do not have common directors.

(iv) *The date of the board meeting of the Company at which the Scheme was approved by the board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution:*

The Board of Directors of the Company approved the Scheme at their meeting dated December 20, 2021. Details of the manner in which the directors of the Company voted at this meeting are as follows:

S. No.	Name of Director	Voted in favor/ against/ abstained
1.	Mr. Cherian Naduvathra Punnoose	Voted in favour
2.	Mr. Mithun Kochouseph Chittilappilly	Voted in favour
3.	Mr. Chenayappillil John George	Voted in favour
4.	Mr. Ramachandran Venkataraman	Voted in favour
5.	Mr. George Muthoot Jacob	Voted in favour
6.	Mr. Jayaraj Balakrishnan*	Voted in favour
7.	Mr. Kasaragod Ullas Kamath	Voted in favour
8.	Mr. Biju Varkkey	Voted in favour
9.	Ms. Radha Unni	Voted in favour

*Mr. Jayaraj Balakrishnan retired from the Board on July 28, 2022

The board of directors of SEPL approved the Scheme at their meeting dated December 20, 2021. Details of the manner in which the directors of SEPL voted at this meeting are as follows:

S. No.	Name of director	Voted in favor/ against/ abstained
1.	Mr. Nicolas De Trincheria Simon	Voted in favour
2.	Mr. Amit Garg	Voted in favour
3.	Mr. Sergio Simon Vives	Voted in favour
4.	Mr. Vinod Kumar	Voted in favour
5.	Mr. Esteban Bretcha Palacios	Voted in favour

(v) Details required in terms of Rule 6(3)(v) of the Merger Rules:

(a) Parties involved in such compromise or arrangement:

Please refer to paragraph no. 1 of this Explanatory Statement for details of the parties involved in the Scheme.

(b) In case of amalgamation or merger, appointed date, effective date, share swap ratio (if applicable) and other considerations, if any:

(A) “**Appointed Date**” means the Effective Date (beginning of business hours), or such other date as may be directed / approved by the NCLT being the date from which the Scheme shall, post effectiveness of the Scheme, become operative.

(B) “**Effective Date**” means the date or last of the dates on which the certified copies of the Sanction Order are filed with the Registrar of Companies after the last of the approvals or events specified under Clause 20.1 of Part V of the Scheme are satisfied or obtained or have occurred or the requirement of which has been waived (in writing) in accordance with the Scheme. References in the Scheme to ‘coming into effect of the Scheme’ or ‘effectiveness of the Scheme’ shall mean the Effective Date; and upon occurrence of the Effective Date, the Scheme shall be deemed to be effected from the Appointed Date.

(C) “**Sanction Order**” means the order of the NCLT sanctioning the Scheme; “**Record Date**” means the date to be fixed by the board of the Company, after mutual agreement on the same between the Company and SEPL, for determining the equity shareholders of the Transferor Company to whom equity shares of the Transferee Company shall be allotted pursuant to this Scheme;

(D) Upon the Scheme becoming effective and in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall issue and allot shares of the Transferee Company to the shareholders of the Transferor Company, whose names are recorded in the register of members as a member of the Transferor Company on the Record Date, (in the ratio of their respective shareholding in the Transferor Company), in the following manner:

“for every 1 (one) equity share of face and paid-up value of Rs. 10/- (Ten) held in the Transferor Company, 0.0076646 (zero point zero zero seven six six four six) equity shares of face and paid-up value of Rs. 1/- (One) of the Transferee Company.”

(c) Summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any; and the declaration that the valuation report is available for inspection at the registered office of the company:

For the purposes of the Scheme, a report in relation to the share swap ratio (hereinafter referred to as “**Registered Valuer’s Report**”) to determine the total shares to be issued by the Transferee Company, to shareholders of the Transferor Company, in exchange of their interest in the Transferor

Company, in consideration of the merger, was issued on December 20, 2021 by D and P India Advisory Services LLP registered with Insolvency & Bankruptcy Board of India vide Regn. No. IBBI/RV-E/05/2020/131. The Registered Valuer's Report along with the short format valuation report dated December 23, 2021 and response letters dated December 30, 2021, January 12, 2022 and January 20, 2022 have been enclosed as **Annexure 6**.

In compliance with Para (A)(2)(d) of Part I of Securities and Exchange Board of India ("**SEBI**") Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("**SEBI Scheme Master Circular**"), a fairness opinion dated December 20, 2021 has been issued by IDBI Capital Markets & Securities Limited, a SEBI registered Category I Merchant Banker having Regn. No. INM000010866 ("**Fairness Opinion**") on the share swap ratio as recommended in the Registered Valuer's Report. The Fairness Opinion along with the clarificatory letter been enclosed as **Annexure 7**.

The recommendation of the share swap ratio has been approved by the Audit Committee and Board of the Company and the Board of Directors of SEPL.

The Registered Valuer's Report along with the short format valuation report and response letters and Fairness Opinion along with the clarificatory letter are enclosed herewith as **Annexure 6** and **Annexure 7** respectively and also available for inspection at the website of the Company at www.vguard.in.

(d) Details of capital/debt restructuring, if any:

The Scheme does not envisage any restructuring of the share capital of the Transferee Company, however, the Scheme provides that:

- (A) upon the Scheme becoming effective and in consideration of the Merger, the Company shall issue equity shares credited as fully-paid up shares in the Company to the shareholders of the Transferor Company whose names are recorded in the register of members as members of the Transferor Company on the Record Date.
- (B) pursuant to the Scheme, the issued, subscribed and paid-up share capital of the Company shall stand suitably increased consequent upon the issuance of new equity shares.
- (C) on the coming into effect of the Scheme, SEPL shall stand dissolved without being wound-up. On the Effective Date, (i) the Board of the Transferor Company shall, without any further acts, resolutions, filings, instruments or deeds, cease to exist and stand dissolved; and (ii) the name of the Transferor Company shall be struck off from the records of the Registrar of Companies.
- (D) the pre-Scheme and post-Scheme shareholding patterns of the Company and SEPL, are attached as **Annexure 3** and **Annexure 4** respectively.

The Scheme does not envisage any debt restructuring of the Company or SEPL pursuant to the Scheme.

(e) Rationale for the amalgamation:

The Scheme is expected to have, *inter-alia*, the following benefits:

- (A) Providing an established and operating modular switches manufacturing facility for the Transferee Company along with the required human and other resources.

- (B) Enhanced economies of scale in production, through improved utilization of the switches manufacturing facility.
 - (C) Entry/ access to 'Premium' modular switches segments.
 - (D) Acquiring technical know-how and knowledge required for designing, developing, manufacturing, distributing, and selling switches, as embedded in the current business of Transferor Company.
 - (E) Learning from the manufacturing and quality systems of one of the leading global players in the modular switches product category.
 - (F) Connecting into an established and global vendor / supplier ecosystem.
 - (G) Quicker access to the existing products and the markets of the Transferor Company (especially in Northern States / regions).
 - (H) 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.
- (f) Benefits of the compromise or arrangement as perceived by the Board of Directors to the company, members, creditors and others (as applicable):

Please refer to paragraph no. (vi) below for benefits of the Scheme as perceived by the Board to the members, creditors and other stakeholders.

- (g) Amount due to unsecured creditors.

As on May 31, 2022, the Company has 8,100 (Eight Thousand One Hundred) unsecured creditors and amount due to such unsecured creditors was INR 407,09,07,837 /- (Rupees Four Hundred and Seven Crores Nine Lakhs Seven Thousand Eight Hundred and Thirty Seven only).

As on September 30, 2022, SEPL has 73 (Seventy Three) unsecured creditors to whom dues of INR 1,55,47,852 (Rupees One Crore fifty-five lakh forty-seven thousand eight hundred fifty-two only) are owed.

- (vi) Disclosure about the effect of the compromise or arrangement on:

- (A) The Transferor Company:

S. No.	Category of stakeholder	Effect of the Scheme on the stakeholders
1.	Shareholders	The effect of the Scheme on the shareholders, promoters and non-promoter shareholders of SEPL is given in the report adopted by the Board of Directors of SEPL pursuant to the provisions of Section 232(2)(c) of the Act which is attached as Annexure 2 to this Explanatory Statement.
2.	Promoters	
3.	Non-Promoter Shareholders	

S. No.	Category of stakeholder	Effect of the Scheme on the stakeholders
4.	Key Managerial Personnel	<p>As per the Scheme, with effect from the Effective Date (as defined in the Scheme), the Company has undertaken to engage all the permanent employees, temporary employees and/or contract employees of SEPL without any break or interruption in their services and on the same terms and conditions (which are not less favourable) on which they are engaged by SEPL as on the Effective Date. The rights of the aforesaid persons of SEPL would in no way be affected by the Scheme.</p> <p>Upon the Scheme becoming effective, SEPL shall stand dissolved without being wound up. In the circumstances, the directors and key managerial personnel of SEPL shall cease to be the directors and key managerial personnel of SEPL.</p> <p>The directors, key managerial personnel of SEPL and their relatives may be deemed to have an interest in the Scheme to the extent of the equity shares held by them in the amalgamating companies. None of the directors or key managerial personnel of SEPL hold any shares of the Company.</p>
5.	Directors	
6.	Employees	
7.	Creditors	<p>In terms of the Scheme, there is no arrangement with the creditors, either secured or unsecured of SEPL. No compromise is offered under the Scheme to any of the creditors of SEPL. The liabilities of the creditors of SEPL, is neither being reduced nor being extinguished. The creditors of SEPL would in no way be affected by the Scheme.</p> <p>All liabilities (as defined in the Scheme and which will include all liabilities and obligations of SEPL towards its creditors) shall, pursuant to the sanction of the Scheme by the Tribunal be transferred to and vested in or be deemed to have been transferred to and vested in the Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Company to the extent they are outstanding as on the Effective Date so as to become the Liabilities of the Company on the same terms and conditions as were applicable to SEPL.</p>
8.	Debenture Holders	Not Applicable. SEPL does not have any debenture holders.
9.	Depositors	Not Applicable. SEPL does not have any depositors.
10.	Debenture Trustee / Deposit Trustee	Not Applicable. SEPL does not have any deposit trustee or debenture trustee.

(B) The Transferee Company:

S. No.	Category of stakeholder	Effect of the Scheme on the stakeholders
1.	Shareholders	<p>The Company only has equity shareholders and does not have any preference shareholders.</p> <p>The Board of Directors (“Board”) noted that the proposed Scheme is in the interest of the shareholders on account of benefits of the Scheme which may potentially unlock long term value. The Board also noted that pursuant to the Scheme, the entire business and undertaking of SEPL shall vest in the Company, and accordingly the shareholders of the Company will have a share in returns arising from larger business operations and asset base of the Company.</p> <p>Upon the Scheme becoming effective and in consideration of vesting of the undertaking, as defined under the Scheme, the Company shall allot equity shares, credited as fully paid-up, to the shareholders of SEPL. For every one equity share of SEPL with a fair value of INR 1.93 per share (face value of INR 10 per share), 0.0076646 equity share of the Company with a fair value of INR 252.08 per share (face value of INR 1 per share) will be issued and allotted.</p> <p>As per Clause 10.7 of the Scheme of Amalgamation, fractional entitlement arising, if any, at the time of issue and allotment of new equity shares to the shareholders of transferor company, shall be rounded off to the nearest higher integer. Accordingly, the number of shares to be issued and allotted may suitably get increased to the extent of such entitlement.</p> <p>Shares allotted to shareholders of SEPL shall rank pari passu in all respects with the then existing shares of the Company.</p> <p>Considering the overall rationale and benefit of the Scheme, the Board is of the view that the Scheme is in the best interest of all stakeholders including the shareholders of the Company, and no shareholder is expected to have disproportionate advantage or disadvantage in any manner. The Scheme is in the best interests of the shareholders and will not adversely affect the rights or interest of any shareholder of the Company including the minority shareholders, in any manner whatsoever.</p>
2.	Promoters	<p>The promoters will be treated at par with the other (non-promoter) shareholders of the Company.</p> <p>Please refer to point (1) above of this table for details regarding effect on the shareholders.</p>
3.	Non-Promoter Shareholders	<p>The Scheme is in the best interest of all stakeholders including the shareholders of the Company, and no shareholder is expected to have disproportionate advantage or disadvantage in any manner. The effect of the Scheme on the non-promoter shareholders of the Applicant Company will be similar to the effect of the Scheme on all promoter shareholders of the Applicant Company.</p>

S. No.	Category of stakeholder	Effect of the Scheme on the stakeholders
4.	Key Managerial Personnel	Upon the scheme becoming effective, no Key Managerial Personnel is expected to have disproportionate advantage or disadvantage in any manner.
5.	Directors	Upon the scheme becoming effective, no Director is expected to have disproportionate advantage or disadvantage in any manner.
6.	Creditors	The Scheme is not in any way prejudicial to the interests of any creditors of the Company.
7.	Depositors	Not applicable. The Applicant Company does not have any depositors.
8.	Debenture holders	Not applicable. The Applicant Company does not have any debenture holders.
9.	Debenture trustee / Deposit trustee	Not applicable. The Applicant Company does not have any deposit trustee or debenture trustee.
10.	Employees	There will be no impact on the employment of employees of the Company, pursuant to the Scheme.

(vii) Disclosure about effect of compromise or arrangement on material interests on directors, Key Managerial Personnel (KMP) and debenture trustee.

None of the Key Managerial Personnel (as defined under the Act) of Company and their respective Relatives (as defined under the Act) have any interests, financial or otherwise in the Scheme, except to the extent of their respective shareholding in the Company, if any. The effect of the Scheme on the material interests of the directors and Key Managerial Personnel of the Company and their respective Relatives, is not in any way different from the effect on other shareholders of the Company. The details of the shareholding of the directors and Key Managerial Personnel of the Company as on date of notice is as follows:

S. No.	Name	Designation	No. of shares held in the Company
1.	Mr. Cherian Naduvathra Punnoose	Chairman, Independent Director	Nil
2.	Mr. Mithun Kochouseph Chittilappilly	Managing Director, Executive	8,63,89,878
3.	Mr. Chenayappillil John George	Independent Director	Nil
4.	Mr. Ramachandran Venkataraman	Director and Chief Operating Officer	14,74,148
5.	Mr. George Muthoot Jacob	Independent Director	Nil
6.	Mr. Kasaragod Ullas Kamath	Independent Director	Nil
7.	Mr. Biju Varkkey	Independent Director	Nil
8.	Ms. Radha Unni	Independent Director	Nil

Note: The directors of the Company may change as per business and statutory requirements.

Company does not have any debenture trustees.

(viii) Details of investigations or proceedings instituted or pending against the Company or SEPL, under the Act:

There are no investigation or proceedings instituted or pending against the Company or SEPL under the Act (as per Rule 6(3)(viii) of the Merger Rules).

(ix) Details of availability of the documents for obtaining extracts from or making or obtaining copies:

Copies of the following documents will be available for obtaining extract from or for making or obtaining copies of or for inspection by the members of the Company at its registered office between 11:00 a.m. to 1:00 p.m. on any day (except Saturday, Sunday and public holidays) upto one day prior to the date of the Meeting and on the website of the Company at www.vguard.in . An advance notice should be given by e-mail to the Company at cscpliance@vguard.in, if it is desired to obtain copies of the Notice from the registered office of the Company. Alternatively, a request for obtaining an electronic/ soft copy of the Notice may be made by writing an email to investors@vguard.in:

- (A) This Notice, Explanatory Statement and all documents annexed hereto;
- (B) Certified copy of the order passed by the Kochi Bench of NCLT in Company Application No. CA(CAA) 03 / KOB/ 2022 pronounced on September 27, 2022 directing the Company to convene the respective Tribunal convened meetings;
- (C) Copy of the Scheme;
- (D) Copies of the Memorandum of Association and Articles of Association of the Company and SEPL;
- (E) Copies of the latest audited financial statements of the Companies as of March 31, 2022, and Supplementary accounting statements (unaudited) of the Companies for the period ending September 30, 2022;
- (F) Copy of the Registered Valuer's Report issued on December 20, 2021 by D and P India Advisory Services LLP, along with the short format valuation report dated December 23, 2021 and response letters dated December 30, 2021, January 12, 2022 and January 20, 2022;
- (G) Copy of the Fairness Opinion dated December 20, 2021 issued by IDBI Capital Markets & Securities Limited, a SEBI registered Category I Merchant Banker having Regn. No. INM000010866 on the share swap ratio as recommended in the Registered Valuer's Report, along with the clarificatory letter dated January 20, 2022;
- (H) The certificates issued by the respective statutory auditors of the Companies to the effect that the accounting treatment, if any, proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Act;
- (I) Copy of the Audit Committee Report dated December 20, 2021 of the Company;
- (J) Copy of the resolution passed by the Board of Directors of the Company and SEPL dated December 20, 2021 approving the Scheme;
- (K) Observation letters dated May 13, 2022 issued by NSE and BSE respectively to the Company;
- (L) Copy of the report adopted by the Board of Directors of the Company and SEPL as per the provisions of Section 232(2)(c) of the Act;
- (M) Copy of the pre-scheme and post-scheme shareholding pattern of the Company and SEPL;
- (N) Copies of contracts or agreements material to the compromise or arrangement;

- (O) Copies of Form No. GNL-1 filed with the relevant Registrar of Companies along with challans, evidencing filing of the Scheme; and
- (P) Such other information or documents as the Board of the Transferee Company may consider necessary and relevant.
- (x) Details of approvals, sanctions or no-objection(s) from regulatory or any other governmental authorities required, received or pending for the purpose of the Scheme:
- (A) In terms of Regulation 37 of the Listing Regulations, BSE and NSE, by their respective letters, both dated May 13, 2022, have issued their observations on the Scheme to the Company conveying their no adverse observations/no objection to the Scheme (“**Observation Letters**”). Copy of the Observation Letters dated May 13, 2022 as received from BSE and NSE are enclosed as **Annexure 8** and **Annexure 9**, respectively.
- (B) As required by the SEBI Scheme Master Circular, the Company has filed its Complaints Reports dated March 7, 2022 with BSE and dated February 25, 2022 with NSE. Copies of the complaints reports of BSE and NSE filed by the Company are enclosed as **Annexure 10** and **Annexure 11**, respectively.
- (C) The Scheme was filed by the Companies with the Kochi Bench of the NCLT on July 9, 2022, and the NCLT has passed directions to convene Meeting(s) vide an Order pronounced on September 27, 2022.
- (D) The Scheme is subject to approval by the requisite majority of the shareholders, secured and unsecured creditors of the Company in terms of the applicable provisions of the Act and the Merger Rules.
- (E) Further, the Company confirms that notice of the Scheme in the prescribed form is also being served on all concerned authorities in terms of the Order of the Kochi bench of the NCLT dated September 27, 2022, including the Central Government, the Registrar of Companies, the Income-tax authorities.
- (F) The Scheme is conditional and subject to necessary sanctions and approvals as set out in the Scheme.
- (G) Brief background and salient features of the Scheme

The salient features of the Scheme are as follows:

The capitalised terms used herein below, shall have the meaning ascribed to such terms in the Scheme.

The Scheme, *inter alia*, provides for the transfer and vesting of the entire undertaking and business of the Transferor Company, on a going concern basis, to the Transferee Company and the consequent discharge of consideration by Transferee Company to the shareholders of the Transferor Company under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (“**Merger**”) such that:

- (a) all the properties of the Transferor Company, immediately before the Merger, shall become the property of the Transferee Company, by virtue of the Merger.
- (b) all the liabilities of the Transferor Company, immediately before the Merger, shall become the liabilities of the Transferee Company, by virtue of the Merger.

- (c) shareholders holding not less than three-fourths in value of the shares in the Transferor Company, will become shareholders of the Transferee Company, by virtue of the Merger.
- (d) Appointed Date for the Scheme means the Effective Date (beginning of business hours), or such other date as may be directed / approved by the NCLT being the date from which the Scheme shall, post effectiveness of the Scheme, become operative.
- (e) “**Effective Date**” means the date or last of the dates on which the certified copies of the Sanction Order are filed with the Registrar of Companies after the last of the approvals or events specified under Clause 20.1 of Part V of the Scheme are satisfied or obtained or have occurred or the requirement of which has been waived (in writing) in accordance with the Scheme. References in the Scheme to ‘coming into effect of the Scheme’ or ‘effectiveness of the Scheme’ shall mean the Effective Date; and upon occurrence of the Effective Date, the Scheme shall be deemed to be effected from the Appointed Date
- (f) The Scheme shall be effective from the Appointed Date and operative from the Effective Date.
- (g) The coming into effect of the Scheme is conditional upon and subject to:
- The approval of the Scheme by the respective requisite majorities of each class of shareholders (including (if applicable) by way of voting through postal ballot and / or e-voting) and creditors (where applicable) of the Transferor Company and Transferee Company as required under the Act or as directed by the NCLT, subject to any dispensation that may be granted by the NCLT;
 - the Scheme being sanctioned by the NCLT in terms of Sections 230 to 232 and other applicable provisions of the Act;
 - the Stock Exchanges issuing their observation letter / no-objection letter in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and such observation letter / no-objection letter does not impose any material adverse obligation or condition on any party or any material deviation in the transactions contemplated hereunder;
 - if, after announcement of the transactions contemplated under this Scheme, any governmental authority requires its approval to be obtained (either on account of any applicable laws having been amended after announcement of such transactions or otherwise) and indicates as such to any party in writing, then such governmental authority having granted its approval as may be required for the consummation of the transactions contemplated hereunder and such approval does not impose any material adverse obligation or condition on any party or any material deviation in the transactions contemplated in this Scheme;
 - the certified or authenticated copy of the Order being filed by the Transferor Company and the Transferee Company with the Registrar of Companies;
 - receipt of written consent from State Industrial Development Corporation of Uttarakhand Limited (SIDCUL) by the Transferor Company for the merger of Transferor Company into Transferee Company and change in the name of the lessor for the manufacturing facility of the Transferor Company located at 6955 square meter Plot no. 26, Sector 4, Industrial Area, Ranipur, Haridwar, Uttarakhand, from the Transferor Company to the Transferee Company;
 - receipt of consents from the Appropriate Authority (as defined in the Scheme) or any other person by the Transferor Company and the Transferee Company as may be necessary for the effective transfer of the Undertaking and / or implementation of the relevant parts of the Scheme, and such consent does not impose any material adverse obligation or condition on any party or any material deviation in the transactions contemplated hereunder; and

- such other conditions precedent as may be mutually agreed between the Transferor Company and the Transferee Company in writing
- (h) Upon effectiveness of the Scheme, the equity shares issued to the shareholders of SEPL are proposed to be listed on the BSE and NSE.
- (i) On the coming into effect of the Scheme, the Transferor Company shall stand dissolved without being wound-up. On and from the Effective Date, (i) the Board of the Transferor Company shall, without any further acts, resolutions, filings, instruments or deeds, cease to exist and stand dissolved; and (ii) the name of the Transferor Company shall be struck off from the records of the Registrar of Companies.

A copy of the proposed Scheme is attached as **Annexure 1** to this Notice and Explanatory Statement.

The Scheme is not prejudicial to the interest of the shareholders and creditors of the Company.

The features set out above being only the salient features of the Scheme, which are subject to details set out in the Scheme, the unsecured creditors are requested to read the entire text of the Scheme (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the Scheme.

(xi) Additional disclosures required in terms of the Observation Letter

- (A) *Company shall ensure disclosure of all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme*

A list of litigations as of the date of this notice has been enclosed as **Annexure 5** to this Explanatory Statement.

- (B) *Company shall ensure to add an explanatory statement, to the application to be filed before Honorable NCLT and to notices to be given to shareholders and creditors, on (a) Negative Cash Flows from operating activities; (b) Losses being incurred for last 3 FYs and six month period ended on September 30, 2021*

Due to challenges in scaling significantly and associated underutilization of production capacity, exacerbated by the COVID-19 situation, the SEPL had negative cash flows from operating activities and losses for the last 3 (three) financial years and six month period ended on September 30, 2021. SEPL had planned to increase its geographic footprint by expanding its sales and distribution network to other parts of India (as current operations of SEPL are predominantly in North India). However, the same could not be achieved due to prevailing market conditions, including fierce competition in the segment which include global players like Legrand, Schneider etc. on the one hand and large domestic firms like Havells, Anchor, GM on the other. In addition, the supply chain disruptions and lockdowns induced by the COVID-19 severely impacted the timelines for introduction of new premium products by SEPL, amongst other things, which further aggregated the financial situation of SEPL.

Going forward, SEPL expects to achieve a significant growth in their revenues by expanding to other parts of India, introduction of newer premium products in the Indian market and optimizing the supply chain management, which is expected to drive the production capacity utilisation and thereby minimize losses. As the revenues are expected to grow coupled with cost optimization, business is expected to harness operating leverage and economies of scale to improve margins over a period of time.

- (C) *Company shall ensure to add an explanatory statement, to the application to be filed before the Honorable NCLT and to notices to be given to shareholders and creditors, explaining the rationale*

as how Simon Electric Private Limited will maintain their positive cash flows from operating activities if it would have been operated as a separate going concern entity

The management of SEPL has prepared SEPL's projections from a market-participant perspective and is expected to maintain positive cashflows from operating activities by enhanced sales and cost optimization leading to positive margins. SEPL has a premium offering in the electric switches market and in line with some of the other market participants such as Legrand and GM Modular. Historically, SEPL's sales were impacted due to issues with its supply and distribution network and by optimizing the supply chain management and by introduction of newer premium products in their portfolio through R&D, SEPL expects to achieve a significant growth in their revenues. Moreover, the management of SEPL has also considered a planned expansion to other parts of India (as current operations of SEPL are predominantly in North India), synergies any market participant would bring to SEPL. As the revenues are expected to grow in the projected period coupled with cost optimization, business is expected to harness operating leverage and economies of scale to increase margins over a period of time.

- (D) *Company shall ensure to add the brief note on synergy submitted to SEBI vide email dated April 29, 2022 above should form part of the application to be filed before Honorable NCLT and to notices to be given to shareholders and creditors*

A brief note on the synergy between the Company and SEPL submitted to SEBI vide email dated April 29, 2022 has been enclosed as **Annexure 17** to this Explanatory Statement.

- (E) *Company is advised that the information pertaining to all the Unlisted Companies involved in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*

Information pertaining to SEPL in the format specified for abridged prospectus by the Securities and Exchange Board of India has been enclosed as **Annexure 18** to this Explanatory Statement.

This statement may be treated as an Explanatory Statement under Section 230(3), 232(1), 232(2) and 102 of the Act and the statement for the purposes of Rule 6(3) of the Merger Rules.

Dated at this October 10, 2022

Place : Ernakulam

Sd/-

Sankar P Panicker

Chairperson appointed for the Meeting

Registered Office:

V-Guard Industries Limited

42/962, Vennala High School Road,

Vennala, Kochi,

Ernakulam, Kerala – 682 028

CIN : L31200KL1996PLC010010

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