Information Memorandum
Dated May 6, 2016
(**Private & Confidential**)

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

Our Company (Corporate Identification Number U31900MH2015PLC262254) was incorporated as a public limited company on February 25, 2015 with its registered office at 6th Floor, CG House, Dr Annie Besant Road, Worli, Mumbai – 400 030.

Registered Office: 6th Floor, CG House, Dr Annie Besant Road, Worli, Mumbai – 400 030
Tel: +91 22 2423 7777 **Fax:** +91 22 2423 7788
Corporate Office: Equinox Business Park, 1st Floor, Tower 3, LBS Marg, Kurla (W), Mumbai 400070
Tel: +91 22 6167 8499 **Fax:** +91 22 6167 8383
Information Memorandum for listing of 626,746,142 equity shares of Rs.2 each

NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest funds in the equity shares of our Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking a decision to invest in the shares of our Company. For taking an investment decision, Investors must rely on their own examination of our Company including the risks involved.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to our Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of our Company are proposed to be listed on the BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). For the purposes of this listing, the Designated Stock Exchange is BSE.

Our Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on our Company's website viz. www.crompton.co.in. The Information Memorandum would also be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com)

REGISTRAR TO THE ISSUE	
	Karvy Computershare Private Limited Karvy House, No. 46, 8-2-609/K Avenue 4, Street No. 1 Banjara Hills, Hyderabad - 500 034,Telangana **Telephone:**+91-40-23312454 **Fax:** (022)040-23311968 **Email:**Varghese@karvy.com **Website**: www.karvycomputershare.com **Contact Person:** Mr. Varghese P.A. **SEBI Registration:** INR000000221

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

In this Information Memorandum, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section.

In this Information Memorandum, unless otherwise indicated or the context otherwise requires, all references to "Crompton Greaves Consumer Electricals Limited", "CGCEL", "Resulting Company", the/our "Company", "we", "our", "us", "Resulting Company" or "Resulting Entity" are to Crompton Greaves Consumer Electricals Limited or, as the context requires, and references to "you" are to the prospective investors in the Equity Shares.

Conventional and General Terms / Abbreviations

Term	Description
Act/Companies Act	The erstwhile Companies Act, 1956 and/or Companies Act, 2013, as applicable
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
Crompton Greaves Limited or Demerged Company or CGL	Crompton Greaves Limited
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant/ DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DP ID	Depository Participant Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extra-Ordinary General Meeting
EPS	Earnings per Share
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 including the regulations framed thereunder
FII	Foreign Institutional Investor as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board, Ministry of Finance, GoI
FVCI	Foreign Venture Capital Investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI under applicable laws in India
GAAP	Generally Accepted Accounting Principles
GoI	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IT Act	Income Tax Act, 1961
Indian GAAP	Generally accepted accounting principles followed in India
JV	Joint Venture
MICR	Magnetic Ink Character Recognition

Term	Description
MoU	Memorandum of Understanding
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Funds Transfer
NR	Non-Resident
NRI	Non-Resident Indian
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
p.a	Per annum
PAC	Persons Acting in Concert
PAN	Permanent Account Number under the IT Act
PLR	Prime Lending Rate
RBI	The Reserve Bank of India
Rs. / Rupees / INR / ₹	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	Securities Contract (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
STT	Securities Transaction Tax
Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trademark Act	Trademark Act, 1999
US/USA	United States of America

Company Related and Industry Related Terms

Term	Description
Appointed Date for Demerger	October 1, 2015
Capital / Share capital	Share capital of Crompton Greaves Consumer Electricals Limited
Director(s)	Director(s) of our Company, unless otherwise specified
Demerged Undertaking/Consumer Products Business Undertaking/ Consumer Products Business	Means and include all the business, undertakings, properties, investments and liabilities of whatsoever nature and kind and wheresoever situated, of the Demerged Company, in relation to and pertaining to the Consumer Products Business on a going concern basis, together with all its assets and liabilities
Designated Stock Exchange	BSE Limited
Effective Date	January 1, 2016
Eligible Shareholder (s)	Shall mean eligible holder(s) of the Equity Shares of Crompton Greaves Limited as on the Record Date
Equity Share(s) or Share(s)	Equity shares of Crompton Greaves Consumer Electricals Limited having a face value of Rs 2/- each unless otherwise specified in the context thereof.
Equity Shareholder / Shareholder	A holder of the Equity Shares
Financial Year/ Fiscal/	Any period of twelve months ended March 31 of that particular year, unless otherwise

Term	Description
Fiscal Year/ FY	stated.
Group Companies	Unless the context otherwise required, shall mean Group Companies as enumerated in the chapter “Group Companies”
IT Act	The Income Tax Act, 1961 and amendments thereto
Information Memorandum	This document filed with the Stock Exchanges known as and referred to as the Information Memorandum or IM
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Promoters	Promoters of our Company, namely Avantha Holdings Limited, Varun Prakashan Private Limited and Avantha Realty Limited
Promoter Group	Unless the context requires otherwise, the entities forming part of our promoter group in accordance with SEBI ICDR Regulations
Scheme/Scheme of Arrangement / Scheme of Arrangement for Demerger	Scheme of Arrangement for Demerger under Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956 amongst Crompton Greaves Limited and Crompton Greaves Consumer Electricals Limited and their respective shareholders and creditors, sanctioned by the High Court of Judicature at Bombay on November 20, 2015
Record Date	March 16, 2016
Registrar and Transfer Agent	Karvy Computershare Private Limited
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
Stock Exchanges	BSE and NSE
Articles/ Articles of Association / AoA	The articles of association of our Company, as amended
Auditor	The Statutory Auditors of our Company, M/s. Sharp & Tannan
Board/ Board of Directors	Board of Directors of our Company
Memorandum/ Memorandum of Association	The memorandum of association of our Company, as amended

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, and “Financial Statements”, shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from our financial statements. The financial year commences on April 1 and ends on March 31 of each year, so all references to a particular financial year are to the twelve month period ended March 31 of that year, unless specified otherwise.

In this Information Memorandum, any inconsistencies in any table between the aggregate and the totals of the sums recorded are because of rounding off. All references to "India" contained in this Information Memorandum are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. For extra definitions, please see the area titled "Definitions and Abbreviations" of this Information Memorandum.

Unless stated otherwise, industry information utilized all through this Information Memorandum has been acquired from published information. Such published information by and large expresses that the data contained in those publications has been obtained from sources accepted to be reliable; however their exactness and completeness are not ensured and their reliability cannot be assured. Despite the fact that we accept that industry information utilized within this Information Memorandum is reliable, it has not been independently verified. The data included in this Information Memorandum about different organizations is based on their particular Annual Reports and information made available by the respective companies.

FORWARD LOOKING STATEMENTS

This Information Memorandum includes statements which contain words or phrases such as "will", "would", "aim", "aimed", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimate", "estimating", "intend", "plan", "contemplate", "seek to", "seeking to", "trying to", "target", "propose to", "future", "objective", "goal", "project", "should", "can", "could", "may", "will pursue", and similar expressions or variations of such expressions, that are "forward looking statements".

Our forward looking statements contain information regarding, among other things, our financial condition, future plans and business strategy. All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in Indian or international interest rates;
- Changes in laws and regulations in India;
- Changes in political conditions in India;
- Changes in the foreign exchange control regulations in India
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.

We undertake no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. In light of the foregoing, and the risks, uncertainties and assumptions discussed in "Risk Factors" and elsewhere in this Information Memorandum, any forward looking statement discussed in this Information Memorandum may change or may not occur, and our actual results could differ materially from those anticipated in such forward looking statement.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our Company's business, results of operations and financial condition could suffer, the price of the Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated our Company is not in a position to specify or quantify the financial or other risks mentioned herein.

Wherever used in this section the terms "we", "us" "our" shall mean Crompton Greaves Consumer Electrical Limited, unless otherwise stated.

INTERNAL RISK FACTORS

1. Copper, steel and aluminium are the primary raw materials for the manufacture of fans, pumps and other appliances marketed by us. Consequently, volatility in the supply or price of copper, steel, and aluminium could adversely affect our operations and profitability.

Copper, steel and aluminium are the primary raw materials for fans, pumps and appliances manufactured and marketed by us. We are exposed to volatility in the price of steel, copper, and aluminium. The prices of the aforesaid commodities are highly volatile and cyclical in nature. Numerous factors, most of which are beyond our control, influence their respective prices. These factors include general economic conditions, worldwide production capacity, capacity-utilization rates, downturns in purchase by traditional bulk end users of these commodities or their customers, a slowdown in basic manufacturing industries, import duties and other trade restrictions and currency exchange rates. If the price of steel, copper and aluminium increase in the future, there can be no assurance that we will be able to pass on such increases to our customers. Increased prices of these commodities may also cause potential customers to defer purchase of our products, which would have an adverse effect on our operations, financial condition and profitability.

2. We have not entered into long term contracts with the suppliers of raw material and components for our manufacturing facilities and with the vendors of the products marketed and sold by us. Our inability to obtain raw material and/or source our products from our suppliers/vendors in a timely manner, in sufficient quantities and/or at competitive prices could adversely affect our operations, financial condition and/or profitability.

If our suppliers/vendors are unable to supply (a) the raw material and/or components required for the manufacture of our products, and/or (b) the products that are marketed and sold by us, in sufficient quantities, or there is a loss of one or more significant suppliers/vendors, our ability to obtain our raw material, components and/or products at competitive rates could be adversely affected. In such event, our cost of purchasing such raw material/components/products from alternate sources could be higher thereby adversely affecting our operating margins and results of our operations. Further we do not enter into long term agreements with suppliers of raw material and components for our manufacturing facilities and with the vendors of the products marketed and sold by us. Any severance of our relations with these suppliers and/or vendors could adversely affect our operations and profitability.

3. We are dependent on a single or a limited number of suppliers for certain raw materials, hence disruption in the supplies of these raw materials could materially disrupt our operations

Our largest single commodity purchase is copper rods, which is used in the manufacturing of fans. We currently purchase copper from a sole supplier under quantity contracts. Any disruption in supply under this contract could temporarily disrupt our fans manufacturing until alternate supplies are arranged. Where we rely on a limited number of suppliers or a single supplier, a loss of any single or limited source supplier or inability to obtain supplies from suppliers in a timely and cost-effective manner could lead to increased costs or delays or suspensions in our manufacturing and deliveries, which could have an adverse effect on our financial conditions and results of operations.

4. Our future success will depend on our ability to anticipate and respond to technological advances, new standards and changing consumer preferences.

Our success will depend on our ability to anticipate technological advances, new standards and changing consumer preferences and develop new products to meet consumer needs. There is a significant shift towards energy efficient products driven by the Governments' drive to reduce energy costs. In several categories, products which are more energy efficient, are being promoted and preferred.

We believe that the market for lighting products is currently experiencing a significant technology shift to LED lighting systems. Cost of production of LED is reducing. Our future success in the lighting segment depends upon our ability to keep up with the continuing evolution of LED technology to capture this growing LED market opportunity. The development and introduction of new LED products may result in additional product introduction expenses.

5. We may be affected by obsolescence of our assets that could adversely affect our operations.

Asset obsolescence due to fast changing technology & processes could affect the Company's operations by causing production at one or more facilities to shut down or slowdown thereby having a material adverse effect on the Company's results of operations and financial condition. Any interruption in production capability may require the Company to make significant and unanticipated capital expenditures, which could have an adverse effect on the Company's profitability and cash flows.

6. Failure to safeguard the reputation of our brands or failure to maintain and enhance our brand recognition could have an adverse effect on our business, results of operations and financial condition.

We depend on the continuing reputation and success of our brand, "Crompton". Our reputation and brand recognition depends primarily on the quality, pricing and consistency of our products, as well as the success of our marketing and promotional efforts. We believe that maintaining and enhancing our brand is essential to our efforts to maintain and expand our customer base. If customers do not perceive our products to be of high quality or of competitive prices, our brand image may be impacted.

If we are unable to maintain and further enhance our brand recognition and increase market awareness for our products, our ability to attract and retain customers may be affected and our business prospects may be materially and adversely affected. Any negative publicity or customer disputes and complaints regarding the brand, "Crompton", may harm the value of our "Crompton" brand, as well as the business, revenue and growth prospects of our Company.

7. We outsource manufacturing of our products to third parties, and any failure by such third parties to meet our standards or perform their obligations may adversely affect our business, results of operations and financial condition.

In addition to in-house manufacturing at our own facilities, we also outsource manufacturing of fans, pumps, appliances and lighting products to approved third party manufacturers on a principal to principal basis.

The outsourcing arrangements with our third party manufacturers are not exclusive. Since, we do not control the operations of these third party manufacturers, we may not be able to monitor the performance of these third parties as directly and efficiently as we monitor our own manufacturing process. Although, we carry out quality control checks of the products manufactured under these outsourcing contracts on a sample basis, we are exposed to the risks that third-party manufacturers may fail to perform their contractual obligations.

8. Any unfavourable changes in the factors affecting our operating results may adversely affect our operations and profitability.

Our business and results of operations may be adversely affected by, among other factors, the following:

- extended sales cycle for our products;
- the size, timing and profitability of project contracts;
- the timing and success of project tender submissions to government and institutional customers;
- economic downturns in India and global markets;
- a decrease in international and domestic prices for our products and services;
- delays in project schedules and adverse changes in purchasing practices of our customers;
- the ability to raise the finance required for investments; and/or an increase in interest rates at which we can raise such finances;
- strikes or work stoppages by our employees;
- competition from global and Indian electrical companies, including new entrants in the market;
- changes in government policies, including introduction of or adverse changes in tariff or non-tariff barriers, affecting our industry generally in India or globally;
- accidents and natural disasters; and
- the time required to train new employees in order to use their skills effectively.

All of the above factors may affect our revenues and therefore have an impact on our operating results.

9. Our operating expenses include overheads that may remain fixed in the medium term. In case there is any decline in our operating performance, we may be unable to reduce such expenses.

Our operating expenses include various fixed costs, which are as such, not dependent on sales revenue. Any shortfall in sales may cause significant variations in operating results in any particular quarter, as we would not be able to reduce our fixed operating expenses in the short term. The effect of any decline in sales may thereby be magnified because a portion of our earnings are committed to paying these fixed costs. Accordingly, we believe that period-to-period comparisons of our results may not necessarily give a correct presentation of the performance and should not be relied upon as indications of future performance.

10. Any prolonged business interruption at our manufacturing facilities could have a material adverse effect on results of operation and financial conditions.

Any material interruption at our manufacturing facilities, including power failure, fire and unexpected mechanical failure of equipment, could reduce our ability to produce and thereby impact earnings for the affected period.

Irregular or interrupted supply of power or water, electricity shortages or government intervention, particularly in the form of power rationing are factors that could adversely affect our daily operations.

If there is an insufficient supply of electricity or water to satisfy our requirements or a significant increase in electricity prices, we may need to limit or delay our production, which could adversely affect our business, financial condition and results of operations. We cannot assure that we will always have access to sufficient supplies of electricity in the future to accommodate our production requirements and planned growth. Similarly, there is no assurance that those of our manufacturing facilities unaffected by interruption will have the capacity to increase their output to manufacture products to make up the affected manufacturing facilities. In the event of prolonged disruptions our manufacturing facilities, we may have to import various supplies and products in order to meet our production requirements, which could affect our profitability.

11. Our inability to maintain the stability of our distribution network and attract additional distributors may have an adverse effect on our results of operations and financial condition.

The challenge in our business lies in reaching a geographically dispersed end-user at the right time at the right place with the right product. We rely on our distribution network and dealerships to reach the end customer and sell our products in each of the regions in which we operate. Our business is dependent on maintaining good relationships with our distributors and dealers and ensuring that our distributors and dealers find our products to be commercially remunerative and have continuing demand from customers. Furthermore, our growth depends on our ability to attract additional distributors to our distribution network. There can be no assurance that our current distributors and dealers will continue to do business with us, or that we can continue to attract additional distributors and dealers to our network. If we do not succeed in maintaining the stability of our distribution network and attracting additional distributors to our distribution network, our market share may decline, materially affecting our results of operations and financial condition.

12. We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.

We use third party transportation providers for the transportation of our raw materials and finished products. Disruption in transportation due to strikes could have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products maybe lost or damaged in transit for various reasons. There may also be delay in delivery of raw materials and products which may adversely affect our business and results of operation. An increase in the freight costs or unavailability of freight for transportation of products to export markets may have an adverse effect on our business and results of operations.

13. Stringent environmental, health and safety laws and regulations may result in increased liabilities and increased capital expenditures, which could have a material adverse impact on our operations and profitability.

Our operations are subject to environmental, health and safety and other regulatory and/or statutory requirements. Non-compliance with these regulations, which among other things, limit or prohibit emissions or spills of toxic substances produced in connection with our operations, could expose us to civil penalties, criminal sanctions and revocation of key business licences. In addition, due to the possibility of new regulatory or other developments, future environmental expenditures may increase. Further we may be required to suspend and/or stop our manufacturing activities, in order to ensure that suitable modifications are carried out for ensuring compliance with such statutory and/or regulatory requirements. Our failure to comply with any statutory and/or regulatory requirements in connection with environment, health and safety could affect our operations, financial condition and profitability.

14. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could have a material adverse impact on our profitability.

We monitor our inventory levels based on projections of future demand. Because of the lead time necessary to produce commercial quantities of our products, we make production decisions well in advance of sales. An inaccurate forecast of demand for any product can result in the unavailability/surplus of products. Unavailability of products in high demand, may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of products, which may increase costs, negatively impact cash flow, reduce the quality of inventory, erode margins and ultimately create write-offs. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition.

15. We are subject to risks associated with product warranty, recall and product liability due to defects in our products, which could generate substantial claims, adverse publicity or adversely affect our business, results of operations or financial condition.

Defects, if any, in our products could require us to undertake service actions or product recalls. These actions could require us to expend considerable resources in correcting these problems and could adversely affect demand for our products. Repeated warranty claims could adversely affect our results of operations. Management resources could also be diverted from our business towards defending such claims. As a result, our business, result of operations and financial condition could suffer. We cannot assure you that the limitations of liability set forth in our contracts will be enforceable in all instances or will otherwise protect us from liability for damages.

16. ***Limits on intellectual property and other statutory/regulatory protection may make us vulnerable to competition from other parties that use similar technology and expertise. Accordingly, our inability to obtain protection on the intellectual property rights with respect to the processes and/or technology could adversely affect our profitability.***

While we may, in the course of our research and development, develop processes and/or technology which differentiates our processes and/or technology from those of our competitors, such processes and/or technology may not be capable of being adequately protected by intellectual property rights and may be subject to statutory or regulatory restrictions in certain jurisdictions. Accordingly, our inability to obtain protection on the intellectual property rights with respect to the processes and/or technology could adversely affect our profitability.

17. ***We sell our products in highly competitive markets. Inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our operations and profitability.***

We sell our products in highly price competitive markets. As a result, to remain competitive in our markets, we must continuously strive to reduce our production, transportation and distribution costs and improve our operating efficiencies. If we are unable to respond effectively to these competitive pressures, our competitors may be able to sell their products at prices lower than us, which would have an adverse effect on our market share and results of operations. Certain of our competitors may be larger than us in terms of production capacity and/or have a more extensive operations, benefiting from greater economies of scale and operating efficiencies. There can be no assurance that we can continue to effectively compete with such manufacturers in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

18. ***Our success significantly depends on our management and operational teams and other skilled professionals. If we fail to retain, motivate and/or attract such personnel, our business may be unable to grow and our revenues and profitability could be adversely affected.***

We are dependent on the senior members of our management and operational team. If we cannot hire and retain additional qualified personnel, our ability to grow may be impacted. Although we provide career development opportunities to meet the challenge of employee attrition, we may not be able to hire and retain enough skilled and experienced employees to replace those who leave. Additionally, we may not be able to redeploy and retrain our employees to keep pace with continuing changes, evolving standards and changing customer preferences. If we fail to retain, motivate and/or attract such personnel, our business may be unable to grow and our revenues could decline impacting our profitability.

19. ***We may be affected by labour strikes or other disruptions in connection with labour that could adversely affect our operations, profitability and financial condition.***

We cannot assure you that we will not experience labour unrest in the future, which may delay or disrupt our operations. If work stoppages, work slow-downs or lockouts at our facilities occur for a prolonged period of time, our operations and financial condition could be adversely affected.

20. ***Some of the properties used by our Company for the purposes of its operations are not owned by our Company. Any termination of the lease agreements or our failure to renew the same could adversely affect our operations.***

Currently, our manufacturing facilities at Ahmednagar and Goa are held by us on a long term lease basis. Any termination of the lease agreements or our failure to renew the same, in a timely manner or at all could adversely affect our operations.

21. Our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business would adversely affect our operations and profitability.

We are required to obtain and maintain various statutory and regulatory permits and approvals to operate our business. We will be required to renew such permits and approvals. While we believe that we will be able to renew or obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

22. Any unfavorable outcome in legal proceedings initiated by or against us may adversely affect our operations and profitability.

A number of judicial, arbitral, administrative and other proceedings have been initiated by and/or against our Company and are pending adjudication before various authorities. These have arisen in the ordinary course of business of our Company. In the event that a substantial portion of these proceedings or one or more of the proceedings involving a substantial amount are decided against us, our operations and profitability could be adversely affected.

23. Our inability to procure and/or maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.

Our operations are subject to inherent risks, such as defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. Our insurance may not be adequate to completely cover any or all of our liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. Our inability to procure and/or maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability.

24. We rely on our information technology systems in managing our supply chain, manufacturing process, logistics and other integral parts of our business.

We rely on our information technology system, including our data management and application systems, which are managed by third-party service providers. The reliability of our network infrastructure is critical to our business. These information technology systems could be damaged or cease to function properly due to the poor performance or failure of third-party service providers, catastrophic events, power outages, security breaches, network outages, malwares, failed upgrades or other similar events. Any failure in our information technology systems could result in business interruptions, including disruption in our supply management, damaged reputation and weakening of our competitive position, any of which could have a material adverse effect on our business, results of operations and financial condition.

25. Our operations require adequate working capital. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.

Our operations require adequate amount of working capital. We are required to obtain and/or maintain adequate cash flows and funding facilities, from time to time, in order to, inter-alia, finance the purchase of raw materials, products and components, upgrade and maintain our manufacturing facilities. Our inability to obtain and/or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations, financial condition and profitability.

26. Our inability to service our debt in a timely manner may have an adverse effect on our results of operations and financial condition.

A continued downturn in the business cycle may put strain on the Company's cash flows, such that the Company may be not be able to generate sufficient cash required to pay its principal or interest obligations in respect of its borrowings. The Company's inability to service its debt on time may have other consequences for its business results & operations, requiring the Company to dedicate a substantial portion of its cash flow from operations to servicing the indebtedness, limiting the Company's ability to borrow additional amounts and materially impacting the Company's ability to invest in future growth opportunities.

27. If any of our contingent liabilities materialise, our liquidity, business, prospects, financial condition and results of operations could be adversely affected.

If any of the contingent liabilities not provided for in the financial statements of our Company as on December 31, 2015, materialise, our liquidity, business, prospects, financial condition and results of operations could be adversely affected. For further details please refer to the section titled "Financial Statements" of the Information Memorandum.

EXTERNAL RISK FACTORS

1. Political instability or changes in the policies formulated by the Government of India from time to time could affect the liberalization of the Indian economy and adversely affect our business, results of operations and financial condition.

We are incorporated in India and all our fixed assets and human resources are located in India. Our business, and the market price and liquidity of the Equity Shares may be adversely affected by changes in foreign exchange rates and regulations, interest rates, government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The pace of economic liberalisation in India could change in future, and statutory/regulatory requirements and/or policies governing foreign investments, the securities market, currency exchange and other matters affecting our business and/or investment in our securities could change as well. Any significant change in liberalisation and deregulation of policies in India could adversely affect business and economic conditions in India generally and our business, operations and profitability in particular.

2. Natural calamities could have a negative impact on the Indian economy and harm our business.

India has experienced natural calamities such as earthquakes, floods, drought and tsunami in recent years. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy which could adversely affect our business and the price of our Equity Shares.

SECTION III - INTRODUCTION

GENERAL INFORMATION

Our Company (Corporate Identification Number U31900MH2015PLC262254) was incorporated as a public limited company on February 25, 2015 with its registered office at 6th Floor, CG House, Dr Annie Besant Road, Worli, Mumbai – 400 030. The Hon'ble High Court of Judicature at Bombay, vide its order dated November 20, 2015 has approved the Scheme of Arrangement between Crompton Greaves Limited and Crompton Greaves Consumer Electricals Limited and their respective shareholders. Pursuant to the Scheme, the Consumer Products Business Undertaking of the Demerged Company is transferred to and vested with the Resulting Company with the appointed date of October 1, 2015 in accordance with Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956. The effective date of the Scheme is January 1, 2016.

Address of the Registered Office:

6th Floor, CG House, Dr Annie Besant Road, Worli, Mumbai – 400 030
Tel: +91 22 2423 7777
Fax: +91 22 2423 7788

Board of Directors:

The Board of Directors as on the date of filing of the Information Memorandum are

S. No.	Name of Directors
1.	Mr. D Sundaram
2.	Mr. P M Murty
3.	Mr. Shantanu Khosla
4.	Mr. Hemant Madhusudan Nerurkar
5.	Ms. Sonia Niranjan Das

For further details of the Board of Directors of our Company, please refer to the section titled “Management”.

Chief Financial Officer, Company Secretary and Compliance Officer:
Mr. Sandeep Batra
Equinox Business Park,
1st Floor, Tower no. 3
LBS Marg, Kurla (West)
Mumbai 400070
Tel: +91 22 6167 8499
Fax: +91 22 6167 8383
Email Id: sandeep.batra@cgglobal.com

Legal Advisor to the listing

Khaitan & Co
One Indiabulls Centre,
13th Floor, Tower 1,
841 Senapati Bapat Marg
Mumbai- 400 013
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050

Authority for Listing

The Hon'ble High Court of Judicature at Bombay, vide its order dated November 20, 2015 has approved the Scheme of Arrangement between Crompton Greaves Limited and Crompton Greaves Consumer Electricals Limited and their respective shareholders and creditors. Pursuant to the Scheme, the Consumer Products Business Undertaking of the Demerged Company is transferred to and vested with the Resulting Company with the appointed date of October 1, 2015 in accordance with Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956. The Scheme was made effective on January 1, 2016. In accordance with the said Scheme, the equity shares of Crompton Greaves Consumer Electricals Limited issued pursuant to the Scheme shall be listed and admitted to trading on BSE and NSE. Such admission and listing is not automatic and will be subject to fulfillment by our Company of the listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by our Company seeking listing.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria of SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 do not become applicable. However, SEBI vide its letter no. CFD/DIL-1/BNS/SD/2621/2016 dated May 2, 2016, granted relaxation of clause (b) to sub-rule (2) of Rule 19 thereof by making an application to SEBI under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013. Our Company has submitted the Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their websites www.bseindia.com and www.nseindia.com. Our Company has made the said Information Memorandum available on its websitewww.crompton.co.in. Our Company has published an advertisement in the newspapers containing its details as per the SEBI Circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 with the details required as in terms of para 6 of part B of the said Circular. The advertisement draws specific reference to the availability of the Information Memorandum on its website.

General Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in terms of para 6 of part B of SEBI Circular SEBI/CFD/DIL/5/2013 dated February 4, 2013 or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Company Secretary

Mr. Sandeep Batra
Equinox Business Park,
1st Floor, Tower no. 3
LBS Marg, Kurla (West)
Mumbai 400070
Tel: +91 22 6167 8499
Fax: +91 22 6167 8383
Email:sandeep.batra@cgglobal.com

Auditors of our Company

Sharp & Tannan
Ravindra Annexe, 194,
Churchgate Reclamation,
Dinshaw Vachha Road,
Mumbai- 400 020
Phone: +91 2204 7722, 6633 8343
Fax number: +91 22 6633 8352
Email Id: mpp@sharpandtannan.com

Contact Person: Mr. Milind P Phadke
Registration number: 109982W

Registrar and Transfer Agent:

Karvy Computershare Private Limited
Karvy House, No. 46,
8-2-609/K Avenue 4,
Street No. 1 Banjara Hills,
Hyderabad - 500 034, Telangana
Telephone: +91-40-23312454
Fax: (022) 040-23311968
Email: Varghese@karvy.com
Website: www.karvycomputershare.com
Contact Person: Mr. Varghese P.A.
SEBI Registration: INR000000221

CAPITAL STRUCTURE

SHARE CAPITAL

A. Share Capital of our Company Pre-Scheme of Arrangement

Particulars	Amount (Rs.)
Authorized Capital 650,000,000 Equity Shares of Rs.2 each	1300,000,000
Issued, Subscribed And Paid-Up Share Capital 250,000 Equity Shares of Rs 2 each fully paid up	500,000

B. Share Capital of our Company Post-Scheme of Arrangement

Particulars	Amount (Rs.)
Authorized Capital 650,000,000 Equity Shares of Rs.2 each	1300,000,000
Issued, Subscribed And Paid-Up Share Capital 626,746,142 equity shares of Rs.2/- each	1253,492,284

Note: The post scheme capital structure is as of April 30, 2016.

Notes to the Capital Structure

1. **Share Capital History**

(a) Equity share capital history of our Company

Sr no	Date of Allotment	No. of Shares	Cumulative No. of Shares	Face Value (Rs.)	Premium (Rs.)	Cumulative Paid-up Capital (Rs.)	Nature of Allotment	Consideration
1.	February 25,2015	250,000	250,000	2	0	5,00,000	Subscriber to the Memorandum	Cash
2.	March 22, 2016	626,746,142	626,996,142	2	0	1253,992,284	Allotment pursuant to scheme of demerger	Pursuant to scheme of demerger
3.	March 22, 2016	(250,000)	626,746,142	2	0	1253,492,284	Cancellation of initial share capital pursuant to scheme of demerger	Pursuant to scheme of demerger

As per the Scheme of Arrangement, upon the Scheme becoming effective from the Appointed date, the issued, subscribed and paid-up capital of our Company consisting of 250,000 Equity Shares aggregating to Rs. 500,000 was cancelled.

On March 22, 2016, our Company allotted 626,746,142 Equity Shares to the erstwhile shareholders of the Demerged Company.

Shareholding pattern before and after the Scheme:

2. **The shareholding pattern of our Company prior to the allotment of shares under the Scheme is as under:**

Cate-gory Code	Category of Shareholders	No. of Share-holders	Total No. of shares	No. of shares held in demateri alsed form	Total shareholding As a % of total number of shares		Shares pledged or otherwise encumbered	
					(A+B)[1]	(A+B+C)	No. of	As a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
(A)	**Shareholding of Promoter and Promoter Group**							
(1)	**Indian**							
(a)	Individuals/H.U.F	6*	6*	0	0.00	0.00	NIL	NIL
(b)	Cental/State Government(s)	0	0	0	0.00	0.00	NIL	NIL
(c)	Bodies Corporate	1	249,994	0	100.00	100.00	NIL	NIL
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	NIL	NIL
(e)	Any Other (specify)							
	Sub-Total (A)(1)	**7**	**250,000**	**0**	**100.00**	**100.00**	**NIL**	**NIL**
(2)	**Foreign**							
(a)	Non Resident Individuals/Foreign Nationals							
(b)	Bodies Corporate							
(c)	Institutions							
(d)	Qualified Foreign Investor							
(e)	Any Other (specify)							
	Sub Total (A)(2)	0	0	0	0.00	0.00		
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**1**	**250,000**	**0**	**100.00**	**100.00**	**NIL**	**NIL**
(B)	**Public Shareholding**							
(1)	**Institutions**							
(a)	Mutual Fund/UTI	0.00	0.00	0.00	0.00	0.00	**NIL**	**NIL**
(b)	Financial Institutions/Banks	0.00	0.00	0.00	0.00	0.00		
(c)	Central/State Government(s)	0.00	0.00	0.00	0.00	0.00	**NIL**	**NIL**
(d)	Venture Capital Funds	0.00	0.00	0.00	0.00	0.00		
(e)	Insurance Companies	0.00	0.00	0.00	0.00	0.00	**NIL**	**NIL**
(f)	Foreign Institutional Investors	0.00	0.00	0.00	0.00	0.00		
(g)	Foreign Venture Cap. Inv	0.00	0.00	0.00	0.00	0.00	**NIL**	**NIL**
(h)	Qualified Foreign Investor	0.00	0.00	0.00	0.00	0.00		
(i)	Any Other (specify)	0.00	0.00	0.00	0.00	0.00	**NIL**	**NIL**
	Sub-Total (B)(1)	0.00	0.00	0.00	0.00	0.00		

Cate-gory Code	Category of Shareholders	No. of Share-holders	Total No. of shares	No. of shares held in demateri alsed form	Total shareholding As a % of total number of shares		Shares pledged or otherwise encumbered	
					(A+B)[1]	(A+B+C)	No. of	As a %
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV)*100
(2)	**Non Institutions**							
(a)	Bodies Corporate	0.00	0.00	0.00	0.00	0.00	**NIL**	**NIL**
(b)	Individuals							
	i) Holding nominal share capital upto Rs. 2 lakh	0.00	0.00	0.00	0.00	0.00		
	ii) Holding nominal share capital in excess of Rs. 2 lakh	0.00	0.00	0.00	0.00	0.00		
(c)	Qualified Foreign Investor							
(d)	Any Other(specify)							
(d-i)	Overseas Corporate Bodies	0.00	0.00	0.00	0.00	0.00	NIL	NIL
(d-ii)	Non Resident Individuals	0.00	0.00	0.00	0.00	0.00	NIL	NIL
(d-iii)	Foreign National	0.00	0.00	0.00	0.00	0.00	NIL	NIL
	Sub-Total (B)(2)	0.00	0.00	0.00	0.00	0.00	**NIL**	**NIL**
	Total Public shareholding(B)=(B)(1)+(B)(2)	0.00	0.00	0.00	0.00	0.00	NIL	NIL
	TOTAL (A)+(B)	**1**	**250,000**	**0**	**100.00**	0.00	**NIL**	**NIL**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	0.00	0.00	0.00	0.00	0.00	NIL	NIL
1	Promoter and Promoter Group	0.00	0.00	0.00	0.00	0.00	NIL	NIL
2	Public	0.00	0.00	0.00	0.00	0.00	NIL	NIL
	GRAND TOTAL (A)+(B)+(C)	**1**	**250,000**	**0**	**100.00**	**100.00**	**NIL**	**NIL**

*** 6 individual shareholders holding 1 share each and acting as nominees of Crompton Greaves Limited.**

3. **The shareholding pattern of our Company post allotment of shares under the Scheme as on March 22, 2016**

Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	7	215451070	0	0	215451070	34.38	215451070	0	215451070	34.38	0	34.38	0	0.00	163959405	76.10	215451070
(B)	Public	128224	411295072	0	0	411295072	65.62	411295072	0	411295072	65.62	0	65.62	0	0.00	NA	NA	405813478
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	NA	0	0.00	NA	NA	0
(C2)	Shares held by Employees Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total:	**128231**	**626746142**	**0**	**0**	**626746142**	**100.00**	**626746142**	**0**	**626746142**	**100.00**	**0**	**100.00**	**0**	**0.00**	**163959405**	**76.10**	**621264548**

Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding converttible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Indian																		
(a)	Individuals/Hindu undivided Family		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Central Government/State Government(s)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Financial Institutions/Banks		7	215451070	0	0	215451070	34.38	215451070	0	215451070	34.38	0	34.38	0	0.00	181409405	84.20	215451070

	AVANTHA REALTY LIMITED	AAACJ8030A	1	3552	0	0	3552	0.00	3552	0	3552	0.00	0	0.00	0	0.00	0	0.00	3552
	AVANTHA HOLDINGS LIMITED	AABCB6134E	5	215442496	0	0	215442496	34.37	215442496	0	215442496	34.37	0	34.37	0	0.00	181409405	84.20	215442496
	VARUN PRAKASHAN PVT LTD	AABCV7374A	1	5022	0	0	5022	0.00	5022	0	5022	0.00	0	0.00	0	0.00	0	0.00	5022
(d)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(1)		**7**	**215451070**	**0**	**0**	**215451070**	**34.38**	**215451070**	**0**	**215451070**	**34.38**	**0**	**34.38**	**0**	**0.00**	**181409405**	**84.20**	**215451070**
(2)	Foreign																		
(a)	Individuals (Non-Resident Individuals/Foreign Individuals		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(b)	Government		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(c)	Institutions		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
(e)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0
	Sub-Total (A)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**0**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		**7**	**215451070**	**0**	**0**	**215451070**	**34.38**	**215451070**	**0**	**215451070**	**34.38**	**0**	**34.38**	**0**	**0.00**	**181409405**	**84.20**	**215451070**

Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding converttible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Institutions																		
(a)	Mutual Funds		111	144094455	0	0	144094455	22.99	144094455	0	144094455	22.99	0	22.99	0	0.00	NA	NA	144089289
	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED AC BIRLA SUN LIFE BALANCED 95 FUND	AAATB0102C	27	25971638	0	0	25971638	4.14	25971638	0	25971638	4.14	0	4.14	0	0.00	NA	NA	25971638
	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	AAATH1809A	17	57809500	0	0	57809500	9.22	57809500	0	57809500	9.22	0	9.22	0	0.00	NA	NA	57809500
	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C	AAATR0090B	13	37290017	0	0	37290017	5.95	37290017	0	37290017	5.95	0	5.95	0	0.00	NA	NA	37290017

	RELIANCE GROWTH FUND																		
	UTI - LONG TERM EQUITY FUND (TAX SAVING)	AAATU1088L	20	11238444	0	0	11238444	1.79	11238444	0	11238444	1.79	0	1.79	0	0.00	NA	NA	11238444
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Alternate Investment Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investors		172	84154733	0	0	84154733	13.43	84154733	0	84154733	13.43	0	13.43	0	0.00	NA	NA	84074371
	HSBC GLOBAL INVESTMENT FUNDS A/C HSBC GIF MAURITIUS LIMITED	AAACH2172B	1	6659688	0	0	6659688	1.06	6659688	0	6659688	1.06	0	1.06	0	0.00	NA	NA	6659688
	VANGUARD EMERGING MARKETS STOCK INDEX FUND, ASERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND	AAATY0918K	1	6508668	0	0	6508668	1.04	6508668	0	6508668	1.04	0	1.04	0	0.00	NA	NA	6508668
	WGI EMERGING MARKETS SMALLER COMPANIES FUND, LLC	AABCW6488J	1	8622451	0	0	8622451	1.38	8622451	0	8622451	1.38	0	1.38	0	0.00	NA	NA	8622451
	SAMENA SPECIAL SITUATIONS MAURITIUS	AAOCS5502Q	1	8293085	0	0	8293085	1.32	8293085	0	8293085	1.32	0	1.32	0	0.00	NA	NA	8293085
(f)	Financial Institutions/Banks		46	39594073	0	0	39594073	6.32	39594073	0	39594073	6.32	0	6.32	0	0.00	NA	NA	39514713
	LIC OF INDIA CHILD FORTUNE PLUS BALANCED FUND	AAACL0582H	14	29945849	0	0	29945849	4.78	29945849	0	29945849	4.78	0	4.78	0	0.00	NA	NA	29945849
(g)	Insurance Companies		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(h)	Provident Funds/Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(i)	Any Other																		
	Sub Total (B)(1)		**329**	**267843261**	**0**	**0**	**267843261**	**42.74**	**267843261**	**0**	**267843261**	**42.74**	**0**	**42.74**	**0**	**0.00**	**NA**	**NA**	**267678373**
(2)	Central Government/State Government(s)/President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**NA**	**NA**	**0**

(3)	Non-Institutions																		
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs		122975	49429270	0	0	49429270	7.89	49429270	0	49429270	7.89	0	7.89	0	0.00	NA	NA	44221022
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs		29	10472010	0	0	10472010	1.67	10472010	0	10472010	1.67	0	1.67	0	0.00	NA	NA	10472010
(b)	NBFCs Registered with RBI		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(c)	Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Any Other																		
	TRUSTS		14	1396659	0	0	1396659	0.22	1396659	0	1396659	0.22	0	0.22	0	0.00	NA	NA	1396659
	OVERSEAS CORPORATE BODIES		2	61600	0	0	61600	0.01	61600	0	61600	0.01	0	0.01	0	0.00	NA	NA	61250
	NON RESIDENT INDIANS		3325	2134344	0	0	2134344	0.34	2134344	0	2134344	0.34	0	0.34	0	0.00	NA	NA	2073594
	CLEARING MEMBERS		141	26470437	0	0	26470437	4.22	26470437	0	26470437	4.22	0	4.22	0	0.00	NA	NA	26470437
	CITIBANK N.A.	AAACC0462F	2	15994044	0	0	15994044	2.55	15994044	0	15994044	2.55	0	2.55	0	0.00	NA	NA	15994044
	DEUTSCHE BANK A.G.	AAACD1390F	2	6465646	0	0	6465646	1.03	6465646	0	6465646	1.03	0	1.03	0	0.00	NA	NA	6465646
	FOREIGN BANKS		2	900704	0	0	900704	0.14	900704	0	900704	0.14	0	0.14	0	0.00	NA	NA	900704
	BODIES CORPORATES		1403	52581711	0	0	52581711	8.39	52581711	0	52581711	8.39	0	8.39	0	0.00	NA	NA	52534353
	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	AAACH8755L	2	12578791	0	0	12578791	2.01	12578791	0	12578791	2.01	0	2.01	0	0.00	NA	NA	12578791
	FOREIGN NATIONALS		4	5076	0	0	5076	0.00	5076	0	5076	0.00	0	0.00	0	0.00	NA	NA	5076
	Sub Total (B)(3)		**127895**	**143451811**	**0**	**0**	**143451811**	**22.89**	**143451811**	**0**	**143451811**	**22.89**	**0**	**22.89**	**0**	**0.00**			**138135105**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		**128224**	**411295072**	**0**	**0**	**411295072**	**65.62**	**411295072**	**0**	**411295072**	**65.62**	**0**	**65.62**	**0**	**0.00**			**405813478**

Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities				No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
									No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
									Class X	Class Y	Total								
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)				(X)	(XI)	(XII)		(XIII)		(XIV)
(1)	Custodian/DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)		**0**	**0**	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**			**0**

4. **Top ten shareholders of our Company 10 days prior to and as on the date of this Information Memorandum**

Serial No.	Name of the shareholder	Number of equity shares held	% to total capital
1.	Avantha Holdings Limited	134152405	21.40
2.	Avantha Holdings Limited	30205091	4.82
3.	Life Insurance Corporation of India	24840029	3.96
4.	HDFC Trustee Company Limited-HDFC Equity Fund	17705352	2.82
5.	Avantha Holdings Limited	17450000	2.78
6.	Avantha Holdings Ltd	17135000	2.73
7.	Avantha Holdings Limited	16500000	2.63
8.	HDFC Trustee Company Limited - HDFC Top 200 Fund	16213000	2.59
9.	Birla Sun Life Trustee Company Private Limited A/C Birla Sun Life Frontline Equity Fund	14473651	2.31
10.	HDFC Standard Life Insurance Company Limited	12330717	1.97
	Total	**301005245**	**48.03**

5. **Details of Equity Shares held by our Directors**

Except as stated below, there are no other Directors who hold Equity Shares in our Company as on the date of this Information Memorandum

S No.	Name of director	Number of shares
1	Ms. Sonia Das	510
	Total	**510**

6. As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares.

7. There shall be only one denomination of equity shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms, specified by SEBI from time to time.

8. The Promoters of our Company, their relatives and associates and the directors of our Company have not purchased or sold or financed, directly or indirectly, any equity shares of our Company from the date of approval of the Scheme till the date of submission of this Information Memorandum.

9. There shall be no further issue of capital by our Company whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme till listing of the Equity Shares allotted as per the Scheme.

10. Our Company has 1,28,231 Equity Shareholders as on date of filing of this Information Memorandum.

11. Our Company presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of the Scheme, by way of split or consolidation of the denomination of Equity Shares or further issue of equity (including issue of securities convertible into or exchangeable for, directly or indirectly, for our Equity Shares) whether on a preferential basis or bonus or rights issue or further public offering or qualified institutions placement or otherwise.

STATEMENT OF TAX BENEFITS

To
Crompton Greaves Consumer Electricals Ltd.,
CG House,
Worli,
Mumbai.

Dear Sirs,

Statement of Possible Tax Benefits available to Crompton Greaves Consumer Electricals Ltd., and its shareholders

The enclosed statement provides the possible tax benefits available to Crompton Greaves Consumer Electricals Ltd., (‘the Company‘) under the Income-tax Act, 1961 presently in force in India and to the shareholders of the Company under the Income Tax Act, 1961, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:
i) the Company or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SHARP & TANNAN
Chartered Accountants

R. P. Acharya
Partner

Place: Mumbai
Date: 29th April, 2016

Special Benefits to the Company:

The following special benefits are available to the Company after fulfilling the conditions as per the respective provisions of the relevant tax laws:

1. **Deduction for Income from units located in special category states:**
As per section 80-IC of the Income Tax Act, 1961 a deduction of an amount equal to one hundred percent for the first 5 years and thirty percent for the next five years of the profit and gains derived by an undertaking situated located in special category states, shall be allowed to an assessee. Such deduction is available from the year in which the undertaking starts commercial production.

Presently Company is having three manufacturing units in the special category states. Of these for one of unit the period of deduction is already completed. The deduction period of the other two units are up to FY ending 2017 and FY ending 2019. The said units are in Baddi, Himachal Pradesh.

However, the aforesaid deductions are not available while computing tax liability of the Company under Minimum Alternate Tax (MAT). Nonetheless, such MAT paid/payable on the book profits of the Company computed in terms of the provisions of IT Act, read with the Companies Act would be eligible for credit against tax liability arising under normal provisions of tax post tax holiday period.

General Tax Benefits to the Company:

1. Dividends earned are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

2. The Company will be entitled to amortise certain preliminary expenditure, specified under section 35D(2) of the I.T. Act, subject to the limit specified in Section 35D(3). The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the business commences.

3. The amount of tax paid under Section 115JB by the Company for any assessment year beginning on or after 1st April 2010 will be available as credit for ten years succeeding the Assessment Year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA.

4. As per the provision of Section 71(3), if there is a loss under the head "Capital Gains" it cannot be set-off against the income under any other head. Section 74 provides that the short term capital loss can be set-off against both Short term and Long term capital gain. But Long term capital loss cannot be set-off against short term capital gain. The unabsorbed short term capital loss can be carried forward for next eight assessment years and can be set off against any capital gains in subsequent years. The unabsorbed long term capital loss can be carried forward for next eight assessment years and can be set off only against long term capital gains in subsequent years.

5. If the Company invests in the equity shares of another company, or unit in equity oriented fund, or unit of business trust as per the provisions of Section 10(38), any income arising from the transfer of a long-term capital asset being an equity share in a company or unit in equity oriented fund or a unit of business trust is not includible in the total income, if the transaction is chargeable to securities transaction tax. However, the Company is liable to pay MAT u/s 115JB of the Income-tax Act, 1961 on the same.

6. In accordance with section 112, the tax on capital gains on transfer of listed shares or units or Zero coupon bonds, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:

(a) 20 per cent (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess) of the capital gains as computed after indexation of the cost. Or

(b) 10 per cent (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess) of the capital gains as computed without indexation.

7. In accordance with Section 111A, the tax on capital gains arising from the transfer of a short term asset being an equity share in a Company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess), where such transaction is chargeable to Securities Transaction Tax. And if the provisions of Section 111A are not applicable to the short term capital gains, in case of non-chargeability to Securities Transaction Tax, then the tax will be chargeable at the normal rates of tax (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess) as applicable.

8. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which does not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not a tax deductible expenditure.

Section 115-O

Tax rate on distributed profits of domestic companies (DDT) is 15%, plus applicable surcharge on Income tax and the Education cess is at 2% and Secondary and Higher Secondary Education Cess. For the purpose of determining tax on distributed profits the amount of dividend shall be increased to such amount as would after reduction of tax as such increased amount at the rate specified be equal to the net distributed profits.

Tax Rates

The tax rate is 30%. The surcharge on Income tax is 7%, only if the total income exceeds Rs. 10.00 million and where the total income exceeds 100.00 million the surcharge will increase to 12% and Education cess is at 2% and Secondary and Higher Secondary Education Cess is @ 1%

As per the proposed amendment by Finance Bill, 2016 rate of Income Tax shall be 29%of total income if the total turnover or the gross receipts of the Company in previous year is 2014-15 does not exceed five crore rupees.

General Tax Benefits to the Shareholders of the Company

A) ***Residents***

1. Dividends earned on shares of the Company are exempt from tax in accordance with and subject to the provisions of section 10(34) read with section 115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

   As per the proposed amendment by the Finance Bill, 2016 with a view to rationalise the tax treatment provided to income by way of dividend, it is proposed to insert a new section 115BBDA so as to provide that any income by way of dividend in excess of Rs. 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm who is resident in India, at the rate of ten percent. The taxation of dividend income in excess of ten lakh rupees shall be on gross basis.

2. The income arising to the shareholders in respect of buy back of unlisted shares by the Company would be exempt u/s 10(34A) where the Company is liable to pay the additional income-tax on the buy-back of shares u/s 115QA.

3. Shares of the Company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.

4. Long term capital gain arising on sale of shares is fully exempt from tax in accordance with the provisions

of section 10(38) of the Act, where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax.

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income (i.e. dividend) is not a tax deductible expenditure.

6. Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession”.

7. As per the provision of Section 71(3), if there is a loss under the head “Capital Gains” it cannot be set-off against the income under any other head. Section 74 provides that the short term capital loss can be set-off against both Short term and Long term capital gain. But Long term capital loss cannot be set-off against short term capital gain. The unabsorbed short term capital loss can be carried forward for next eight assessment years and can be set off against any capital gains in subsequent years. The unabsorbed long term capital loss can be carried forward for next eight assessment years and can be set off only against long term capital gains in subsequent years.

8. Taxable long term capital gains would arise [if not exempt under section 10(38) or any other section of the Act] to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration:

   (a) Cost of acquisition/ improvement of the shares as adjusted by the cost inflation index notified by the Central Government; and
   (b) Expenditure incurred wholly and exclusively in connection with the transfer of shares.

   Under section 112 of the Act, taxable long-term capital gains are subject to tax at a rate of 20% (plus applicable surcharge and education cess) after indexation, as provided in the second proviso to section 48 of the Act. However, in case of listed securities or units, the amount of such tax could be limited to 10% (plus applicable surcharge and education cess), without indexation, at the option of the shareholder.

9. Short term capital gains on the transfer of equity shares, where the shares are held for a period of not more than 12 months would be taxed at 15% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess), where the sale is made on or after October 1, 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax. In all other cases, the short term capital gains would be taxed at the normal rates of tax (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess) applicable to the resident investor. Cost indexation benefits would not be available in computing tax on short term capital gain.

10. Under section 54EC of the Act, long term capital gain arising on the transfer of shares of the Company [other than the sale referred to in section 10(38) of the Act] is exempt from tax to the extent the same is invested in certain notified bonds within a period of six months from the date of such transfer (upto a maximum limit of Rs 5.0 million) for a minimum period of three years.

11. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual-

   (a) owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
   (b) purchases another residential house other than the new residential house within a period of one

year after the date of transfer of the shares; or

(c) constructs another residential house other than the new residential house within a period of three years after the date of transfer of the shares; and

(d) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head Income from house property.

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head Capital Gains of the year in which the residential house is transferred.

Tax Rates

For Individuals, HUFs, BOI and Association of Persons:
Slab of income (Rs.) Rate of tax (%)

0 – 250,000	Nil
2,50,001 – 5,00,000	10%
5,00,001 – 10,00,000	20%
10,00,001 and above	30%

Notes

a In respect of every individual resident in India who is of the age of sixty years or more but less than eighty years, the basic exemption limit is Rs. 300,000

b In respect of every individual resident in India who is of the age of eighty years or more the basic exemption limit is Rs. 5,00,000.

c Surcharge of 12% is applicable where total income exceeds Rs. 1 crore.
(As per the proposed amendment by Finance Bill, 2016 , Surcharge of 15% is applicable where total income exceeds Rs. 1 crore)

d Education cess will be levied at the rate of 2% on income tax and Secondary and Higher Education cess at the rate of 1%

Persons carrying on business or profession in shares and securities:-

Under Section 36(1)(xv), securities transaction tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profits and Gains of Business or Profession'.

Under the Wealth Tax and Gift Tax Acts:-

1. Wealth Tax is abolished w.e.f. AY 2016-17
2. Gift tax is not leviable in respect of any gifts made on or after 1st October, 1998. Any gift of shares of the Company is not liable to gift-tax. However, in the hands of the Donee the same will be treated as income subject to certain conditions unless the gift is from a relative as defined under Explanation to Section 56(vii) of Income-tax Act, 1961.

B) Non-Residents:

1. Dividends earned on shares of the Company are exempt in accordance with and subject to the provisions of section 10(34) read with Section115-O of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent such loss does not exceed the amount of dividend claimed exempt.

2. Long term capital gain arising on sale of Company's shares is fully exempt from tax in accordance with the provisions of section 10(38) of the Act, where the sale is made on or after October, 1 2004 on a recognized stock exchange and the transaction is chargeable to securities transaction tax.

3. Section 48 provides for special provisions for non-residents. Under first proviso to Section 48, Capital gain on shares or debentures have to be computed in the foreign currency which was utilised to acquire the shares. Thus foreign currency fluctuation adjustment is provided for. Inflation adjustment (stated in second proviso) is not allowed for such assets. For other investments, or investment in shares and debentures where foreign currency was not utilised, inflation adjustment under second proviso is section 48 is available. Inflation adjustment is available to all resident and non-resident assesses. The first proviso (foreign currency fluctuation adjustment) applies to both. Long Term and Short Term Capital Gain – on sale of shares and debentures acquired in foreign currency. The second proviso (inflation adjustment) applies only to Long Term Capital Gain. The capital gain in case of a non-resident has to be computed in the foreign currency which was initially used for investment. Rule 115A provides rules for applying rates of exchange. The cost of investment has to be converted into the foreign currency at the average of Telegraphic Transfer (TT) buying and selling rates as on the date of purchase. The sale price has to be converted into the foreign currency at the average of TT buying and selling rates on the date of sale. The capital gain so worked out in the foreign currency has to be converted into rupees at TT buying rate on the date of sale.

4. As per the provisions of Section 90(2), the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

5. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to Securities Transaction Tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess). A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares if it is bought in foreign currency.

6. In accordance with Section 111A, the tax on capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund, is chargeable to tax at the rate of 15% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess), where such transaction is chargeable to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and education cess as applicable.

C) ***Non-Resident Indians***

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax Act, 1961 which reads as under:

1. In accordance with section 115E, income from investment or income from long-term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus Education Cess and Secondary and Higher Secondary Education Cess). Income by way of long term capital gains in respect of a specified asset (as defined in Section 115C(f) of the Income-tax Act, 1961), shall be chargeable at 10% (plus Education Cess and Secondary and Higher Secondary Education Cess).

2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long-term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which Securities Transaction Tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified new

asset.

3. In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange or both, and the tax deductible has been deducted at source from such income under the provisions of Chapter XVII-B of the Income-tax Act, 1961.

4. In accordance with section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Income-tax Act, 1961.

5. As per the provisions of Section 90(2), the NRI shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

6. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.

7. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax.

8. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to Securities Transaction Tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess). A non-resident will not be eligible for adopting the indexed cost of acquisition and the indexed cost of improvement for the purpose of computation of long-term capital gain on sale of shares if it is bought in foreign currency.

9. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a company or a unit of an equity oriented fund where such transaction has suffered Securities Transaction Tax is chargeable to tax at the rate of 15% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess). If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be chargeable at the applicable normal rates plus surcharge and Education Cess and Secondary and Higher Secondary Education Cess.

10. Taxable long term capital gains would arise [if not exempt under section 10(38) or any other section of the Act] to a resident shareholder where the equity shares are held for a period of more than 12 months prior to the date of transfer of the shares. In accordance with and subject to the provisions of section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of consideration.

11. ***Persons carrying on business or profession in shares and securities.***
Under section 36(1)(xv) of the Act, securities transaction tax paid by a shareholder in respect of taxable securities transactions entered into in the course of its business, would be allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and Gains of Business or Profession".

12. A non-resident taxpayer has an option to be governed by the provisions of the Income-tax Act, 1961 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial (section 90(2) of the Income tax Act, 1961).

D) ***Foreign Institutional Investors (FIIs)***

1. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).

2. In accordance with section 115AD, FIIs will be taxed at 10% (plus applicable surcharge and education cess) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if Securities Transaction Tax is not payable on the transfer of the shares and at 15% (plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess) in accordance with section 111A on short-term capital gains arising on the sale of the shares of the Company which is subject to Securities Transaction Tax. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% plus applicable surcharge and Education Cess and Secondary and Higher Secondary Education Cess, as applicable.
   In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to Securities Transaction Tax.

3. As per the provisions of Section 90(2), the Non Resident shareholder has an option to be governed by the provisions of the tax treaty, if they are more beneficial than the domestic law wherever India has entered into Double Taxation Avoidance Agreement (DTAA) with the relevant country for avoidance of double taxation of income.

4. Under section 196D (2) of the Income-tax Act, 1961, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

E) **Venture Capital Companies/Funds**

In terms of section 10(23FB) of the I.T. Act, income of:-

Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992; and Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, from investment in a Venture Capital Undertaking, is exempt from income tax.

Exemption available under the Act is subject to investment in domestic company whose shares are not listed and which is engaged in certain specified business/ industry.

F) **Under the Wealth Tax and Gift Tax Acts**

1 Wealth-tax is abolished w.e.f. A.Y.2016-17.

2 Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Any gift of shares of the Company is not liable to gift-tax. However, in the hands of the Donee the same will be treated as income subject to certain conditions unless the gift is from a relative as defined under Explanation to Section 56(vi) of Income-tax Act, 1961

General Notes :

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The above statement of possible tax benefits are as per the current direct tax laws relevant for the assessment year 2016-17. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws. Any of the clauses in the above statement, if are affected by proposed amendment in Finance Bill, 2016 are mentioned therein for the purpose of information.

4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

7. Direct Tax Code Bill 2010, which is going to substitute the existing Indian Income-tax Act, 1961 (herein referred as IT Act) is placed before the Parliament and is not considered in the above statement**.**

SECTION IV ABOUT US

INDUSTRY OVERVIEW

You should read the following summary together with the risk factors and the more detailed information about us and our financial results included elsewhere in this Information Memorandum. The information presented in this section has been extracted from publicly available documents and industry publications.

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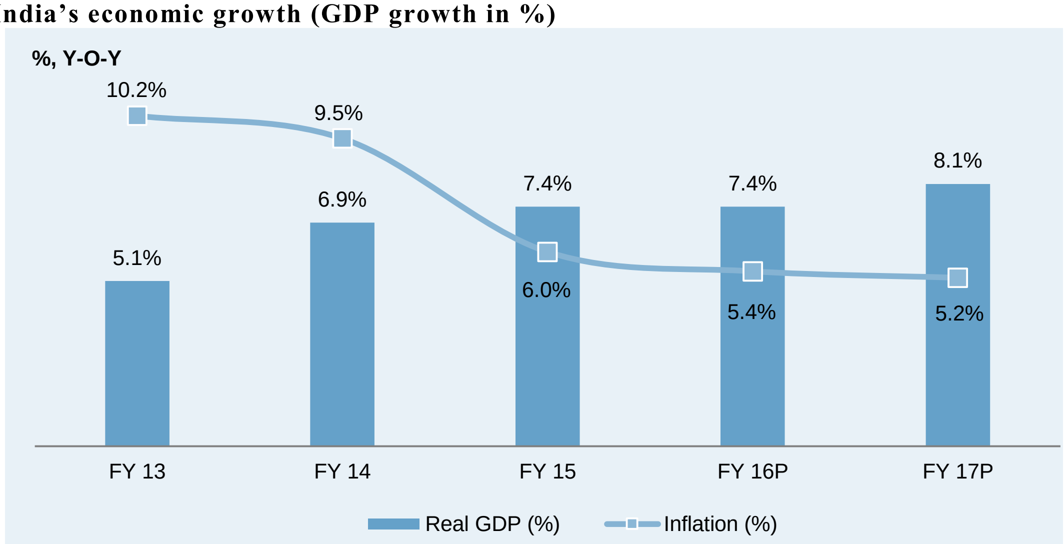
Industry Overview

INDIAN ECONOMY

India's GDP grew 7.4% y-o-y in 2014-15, significantly higher than the BRICS (Brazil, Russia, India, China and South Africa) nations' average of 3.4%. The Indian economy got a shot in the arm from higher consumption following softening inflation. Moreover, growth in fixed investments increased moderately from 3% y-o-y in 2013-14 to 4.6% y-o-y in 2014-15.

India's economic growth (GDP growth in %)



Note: P - projected

Source: Central Statistics Office (CSO), CRISIL Research

Pick-up in consumption to drive economic growth in 2015-16

CRISIL Research expects the Indian economy to grow 7.4% with consumption growth of 7% in 2015-16. Low commodity prices and inflation are expected to improve the real purchasing power and softer interest rates are likely to stimulate demand. Crude oil prices averaged ~$52/ barrel in calendar year 2015 from $98/barrel in 2014. Crisil

Research expects oil prices to remain low in the medium term providing benefit of low fuel cost across various industries. These factors will provide the much-needed trigger for growth as capacity utilisation in manufacturing sector is still low.

Recovery in rural economy to boost consumption in 2016-17

The Indian economy is expected to grow 8.1% in 2016-17, if supported by a normal monsoon. We forecast growth in agriculture to be higher at 4% in FY 17 from an estimated growth of 1.5% in FY 16. For non-agricultural segment (which includes industry and services), growth in industry is forecasted to be at 7% in FY 17 from an estimated growth of 6.5% in FY 16. Among emerging markets, India is likely to remain in a sweet spot as growth triggers increase.

Assuming normal monsoon, recovery in the rural economy should boost consumption. The lagged impact of rate cuts by the Reserve Bank of India (RBI) will start to filter through in the first half of the next fiscal. Crude oil prices are expected to remain low and have been assumed at an average of $51.5 per barrel in the next fiscal. In addition, we expect Seventh Pay Commission payouts, low inflation and easy monetary conditions to support demand.

Electric Lighting Industry

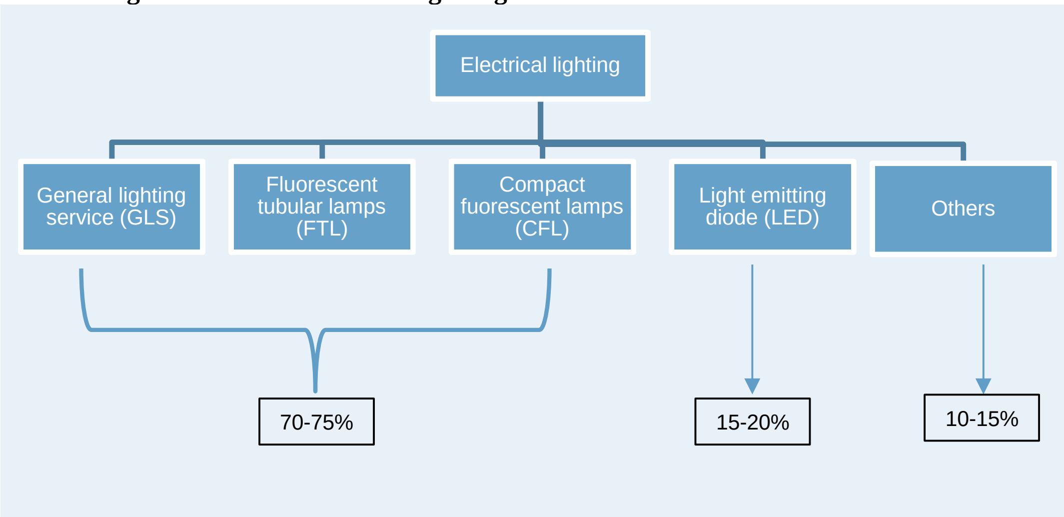
1.Overview

Electric lighting devices are classified on the basis of technology used for producing lights. Based on technology, lights can be classified as general lighting service (GLS which includes incandescent lamp), HID lights, fluorescent tubular lights (FTL), compact fluorescent lights (CFL) and light emitting diodes (LED).

The lighting industry can also be classified on the basis of end use such as residential, commercial, industrial and outdoor (street, flood and infrastructure) lighting. In India, commercial lighting dominates the overall lighting market with 45-50% share, followed by residential lighting at 25-30%. In contrast, globally the residential segment commands a higher share of 40-45%. The reason for lower residential share in India's case is on account of relatively lower level of electrification as well as unavailability of continuous power supply throughout the country.

CRISIL Research estimates the market size of the domestic electric lighting industry at Rs 135-140 billion as of 2014-15.

Market segmentation of electric lighting in India



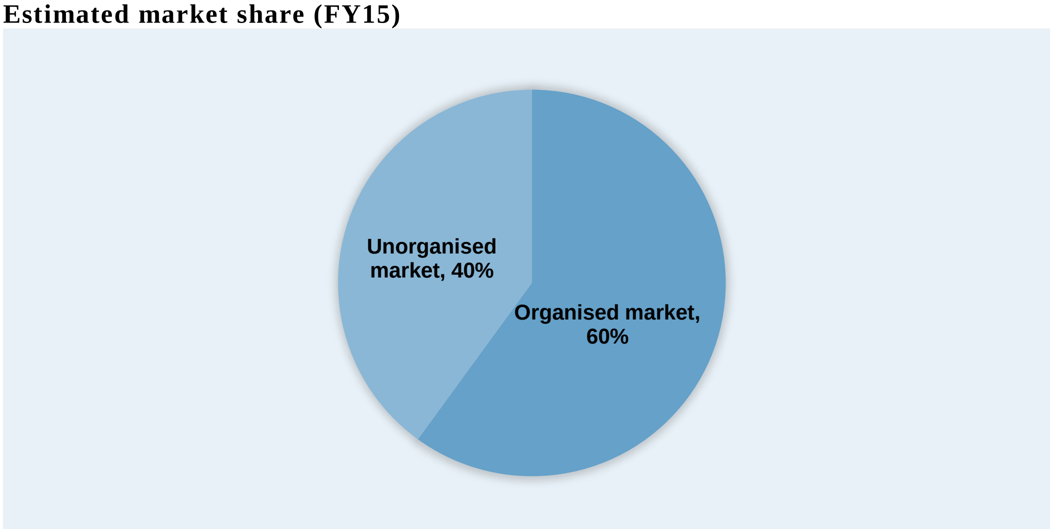
Source: CRISIL Research

Demand for electric lighting in India is largely met by domestic players. Imports (10-11% of market share) primarily include LED (35-37% of imports). India imports largely from China (66%) and Malaysia (9%).

In the domestic market, there are innumerable small, unorganised players who meet close to 40% of the total demand. The organised segment is fairly consolidated with top six players accounting for about 70% of the organised market. In recent times, the share of the unorganised market has been rising, primarily in the LED segment as there were no quality standards on the sales of LEDs in the domestic market.

However, going forward, the share of unorganised market is likely to fall with announcement and implementation of norms for LED bulbs by Bureau of Indian Standards (BIS). This is expected to help control quality and restrict sales of uncertified LED bulbs. The standards are also likely to be implemented for LED lighting fixtures (luminaires) in the near future.

Estimated market share (FY15)



Source: Industry

2.Market growth drivers

Rise in rural penetration with increased electrification

In order to improve electric supply and reach in rural areas, the Government of India (GoI) announced Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for the rural segment in December 2014. Under electrification programmes, GoI has sanctioned around Rs 236 billion for 273 projects across 15 states for 2012-2017. Increase in rural electrification is likely to drive the demand for lighting products.

Availability of power in urban areas 24 X 7

To improve the electricity supply and availability, improve reach in urban areas, GoI launched Integrated Power Development Scheme (IPDS) in 2014-15. The programme seeks to establish 24 X 7 power supply in areas which are currently deprived of long duration power supply. Currently, only metros and some large cities get continuous power supply. Reduction of power outages with the implementation of IPDS will give a demand boost for lighting products in urban areas.

Government initiatives to replace GLS lamps with LED lights

Domestic Efficient Lighting Programme (DELP)

Domestic consumers account for 25-27% of the total electricity demand in India. GoI wishes to promote efficient lighting in the household sector in order to reduce electricity consumption by around 50 billion kWh every year at the national level. For this, GoI plans to replace incandescent lamps, which are mostly used in households, with LED lamps.

According to GoI, around 770 million units would have to be replaced and it targets to do so by March 2019. In 2015, the government has made available LEDs at a cheaper cost (by procuring millions of units in bulk) of Rs 100 or Rs 10, in which case the balance amount of Rs 90 will be added in the consumer's electricity bill over 10 months. As per media reports, cumulative LED sales during January 2015-October 2015 were to the tune of 20-25 million under the DELP scheme.

Going forward, with an increase in procurement by the government, LED prices are likely to fall further, boosting demand. Fall in LED prices under DELP has hammered down retail prices from over Rs 300 per unit in 2014 to Rs 200-250 per unit currently.

Street Light National Programme (SLNP)

SLNP was launched to replace street lights with energy efficient lighting options. For this purpose, 100 cities have been selected and GoI aims to replace 35 million units of street lighting points with LEDs by March 2019. This will push LED sales, further brightening the lighting industry's prospects.

Increasing awareness drives for LED lighting

In order to fight the power deficit crisis, India aims to save energy by implementing energy-efficient technologies and adopting renewable energy sources. For instance, LED lighting leads to huge energy saving. Many LED conclaves have been conducted in cities such as New Delhi, Hyderabad and Mumbai. Also, the Ministry of Power has appropriately used media to increase awareness on energy-efficient lighting solutions.

Growth in urban and rural housing

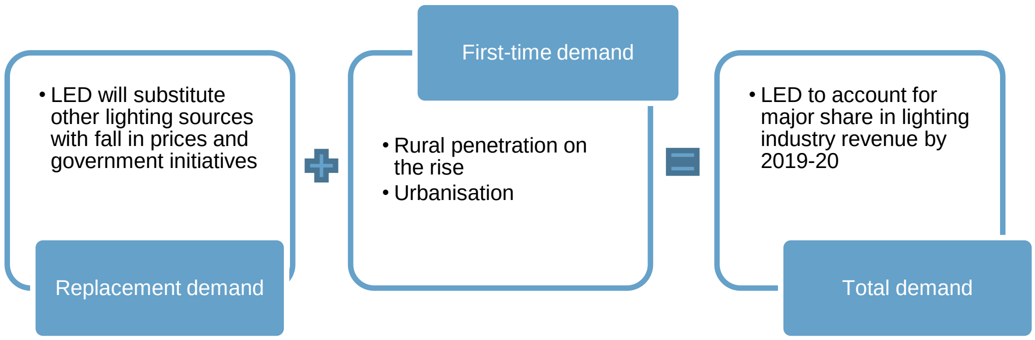
Growth in urban and rural housing is likely to drive demand for electric lighting over the next five years. Semi-urban and rural housing projects are expected to get a boost due to increase in investments by the government in the medium term. Apart from government assistance under *Ministry of Housing and Urban Poverty Alleviation* (MHUPA), urban housing will be driven by a change in demographic patterns, increase in the number of nuclear families and investor demand. Smart cities mission, a separate government initiative, aims to provide funds for affordable housing in 98 cities across the country. Improved standard of living will also boost demand for decorative lightings in urban areas.

Market assessment

The Indian electrical lighting industry grew at 11-12% compounded annual growth rate (CAGR) during 2009-10 to 2014-15 to reach Rs 140 billion. In volume terms, over 1,400 million units were sold in 2014. While volume increased at a mere ~3% CAGR, average realisations increased 7-8% annually on account of increase in share of high value products such as CFL and LED. Volume growth was because of rise in rural electrification and growth in rural and urban housing.

Average price of a CFL bulb was about Rs 110-120 per unit in 2014 as against Rs 10 per unit price of an incandescent bulb. While the initial cost of CFL (or LED) is high, relatively higher life in comparison to an incandescent bulb and significant energy savings over its life time make the high value products desirable.

Total demand break-u



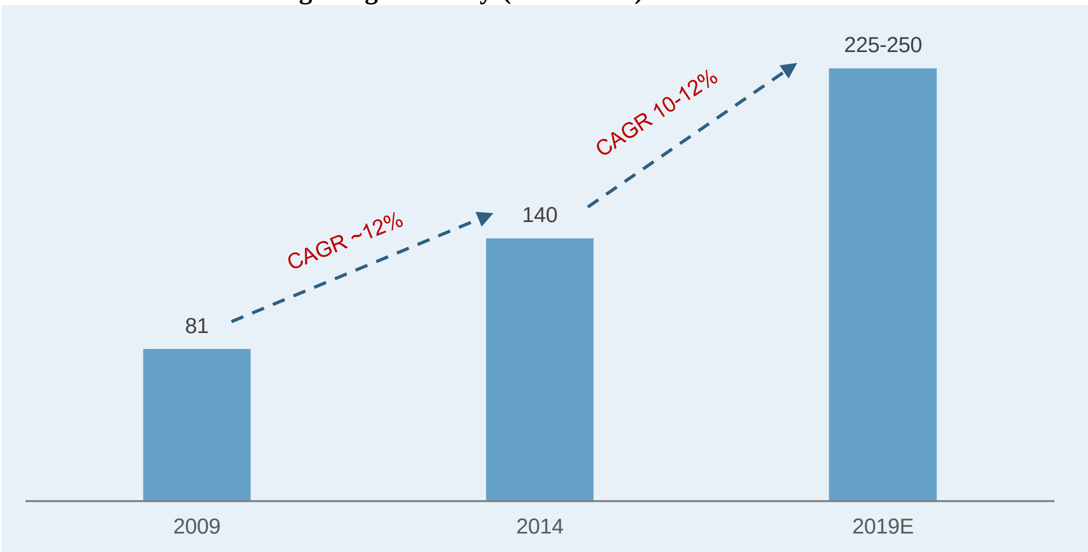
Source: CRISIL Research

Over the next five years, CRISIL Research expects the Indian lighting industry to grow at 10-12% CAGR to Rs 225-250 billion. Growth will largely be driven by the LED segment thanks to government initiatives to reduce dependence on high-power consuming GLS sources. Though the price of an LED bulb is 10 times the price of an incandescent bulb, relatively longer life (20 times more than normal bulb), energy savings over the life of the bulb and government push are likely to encourage demand for LED bulbs. As per CRISIL Research estimates, the share of the LED segment is expected to increase to 45-50% of the total lighting market from 15-20% in 2014-15.

While a portion of GLS sources is expected to be substituted by LED, new demand for lighting is expected to increase with electrification and increased availability of power in rural areas. In case of urban areas, increase in housing demand and urbanisation is expected to steer demand. As per 2011 census, close to 31% of Indian households use kerosene for lighting purposes whereas 0.5% or 1.2 million households do not have access to fuel lighting sources.

Increase in average realisation will largely drive overall growth in the lighting industry with volume growth likely to remain flat to marginally positive. This is because incandescent bulbs - average life of six-eight months - will be substituted by LED bulbs with average life of eight-nine years.

Market size of Indian lighting industry (Rs billion)



Source: CRISIL Research

Key challenges

Threat of imports from China

With boom in the global LED market, Chinese companies set up huge capacities in the past few years to cater to mounting demand. However, capacity utilisation took a beating with slowdown in the Chinese economy. Consequently, many Chinese importers have been offering aggressive discounts to push sales. Although Indian players who import have benefited, the threat of Chinese importers seeking to enter the Indian market through tie-ups cannot be ignored.

Fewer houses with electricity

There is a difference between houses getting electrified and villages getting electrified. A household gets electrified with constant energy access. To cite an example, energy access for tier 1 locations across states like Bihar, Jharkhand, MP, UP, Odisha and West Bengal is below 40% and situation gets worse for tier 2 and 3 areas with almost non-existent energy access with only West Bengal registering figures around 15-20%.

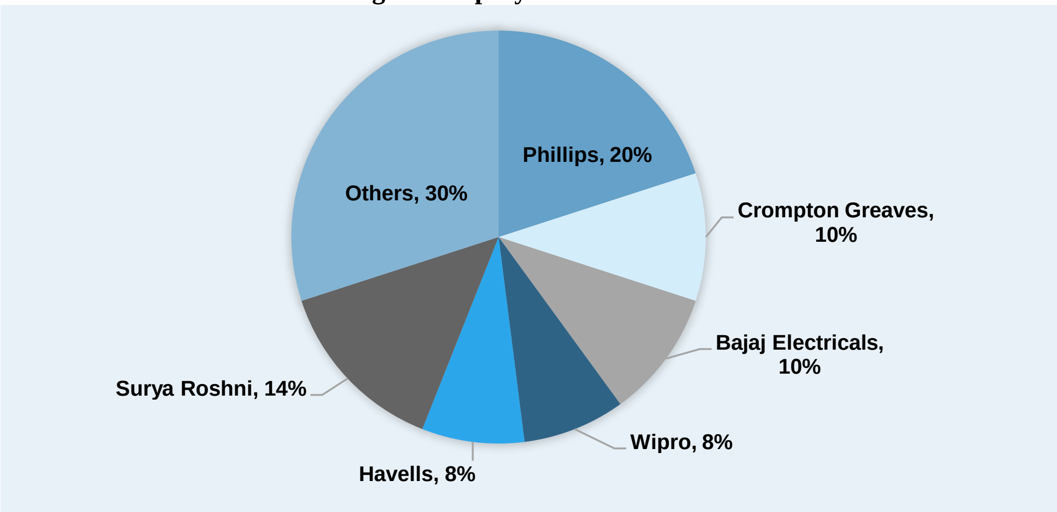
Electricity supplied should be of reliable quality with minimum or no voltage fluctuations. Also, the duration of electricity supply should be sufficient enough to entice the buyer to opt for electricity-powered lights and not alternative fuel-driven lamps.

Competitive landscape

In India, there are many electric lighting players; regional and national, organised and unorganised. Small unorganised players operate at a regional level with little or no manufacturing capability and largely depend on imports. Almost 2/3rd of lighting product imports into India come from China. In order to keep a check on spurious imports, standards for energy efficiency and quality norms have been set.

Despite top 6 players accounting for ~70% of the overall organised market size, the competition in the segment remains very high due to commoditised nature of the product. The market continues to be very price sensitive and although strong brands perform better than others, pricing power remains limited due to huge competition from organised as well as unorganised segment.

Estimated market share of organised players in FY15



Source: Industry

Key future trend

Conversion of CFL capacities to LED

The LED segment is projected to become a key revenue contributor to the lighting industry by 2020. LED lights are expected to replace other lighting sources such as incandescent bulbs, FTL and CFL. Demand for CFL is likely to decline and the LED segment is expected to piggyback on the government's initiatives. Taking a cue from the emerging trend, domestic players may transform their CFL capabilities to LED production setups.

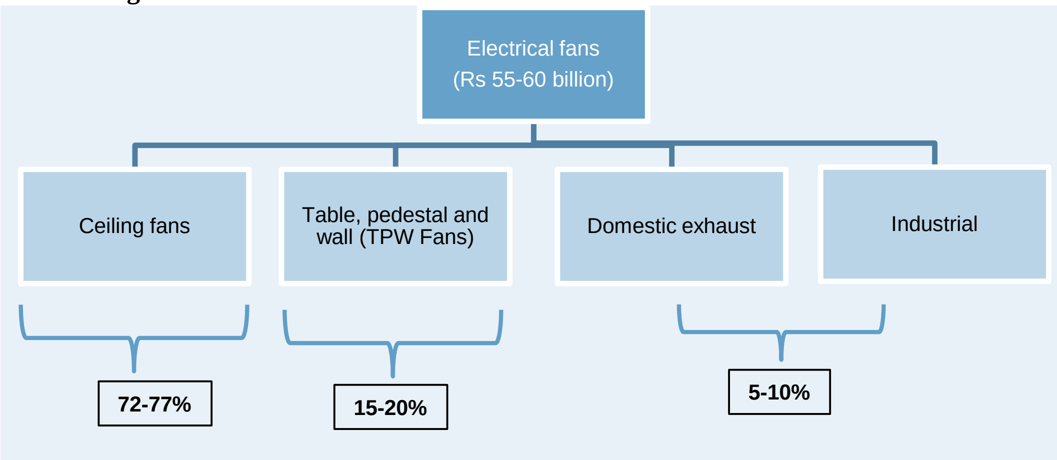
Electric Fan Industry

Overview

Electric fans are categorised under the brown goods (small appliances) segment of the consumer durable industry. Apart from usage in houses and commercial spaces for cooling and ventilation, electric fans are used in industries for sucking away gases through the exhaust variants.

Broadly, the electric fans industry can be classified based on the type (mobility, size, etc.) and end use. Fans which are attached to the ceiling and are immobile are the most widely used and occur in various designs. Table, pedestal and wall fans (TPW) are mobile and used mostly in places which require localised cooling, i.e. places with high ceilings. Domestic exhausts are increasingly being used in kitchens and washrooms for ventilation. Industrial fans, on the other hand, are used to provide flow of air for industrial processes. As per CRISIL Research estimates, the market size of the domestic fan industry was Rs 55-60 billion in 2014-15.

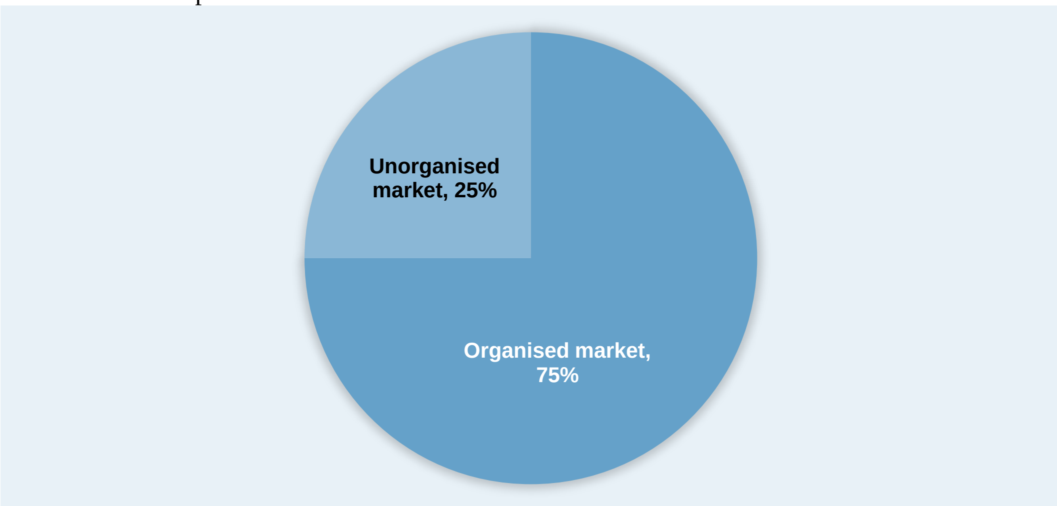
Market segmentation of electric fans in India



Source: CRISIL Research

Demand for electric fans in India is largely met locally. Imports account for 8-10% of the total share. In 2014-15, Chinese imports led with 85% share; about 2-3% was imported from Singapore. In the domestic market, there are many small players in the unorganised segment that meet close to 25% of the fan demand. The organised segment is fairly consolidated with the top four players accounting for about 80% of the organised market share.

Estimated break-up of market share



Source: Industry

Market growth drivers

Rise in rural penetration with increased electrification to drive new demand

Electric fan penetration in rural areas is estimated at 65%, which is lower than urban areas. In order to improve electric supply and reach in urban and rural areas, GoI introduced DDUGJY for rural areas and IPDS for urban areas in December 2014, as already mentioned. Higher power availability is likely to drive new fan demand in rural households. As a result, CRISIL Research estimates rural penetration of fans to reach 76-78% in 2019-20.

Urban areas to drive replacement demand

Bulk of the replacement demand is likely to arise from the highly-penetrated urban and semi-urban markets. Urban penetration for electric fans was 90-95% in 2014-15. Of the overall market size of close to 47 million units in 2014-

15, replacement demand accounted for two-thirds. Features such as warranty, aesthetic designs will play a key role to capture replacement demand and ensure repeat transaction with customers.

Growth in urban and rural housing to drive overall demand

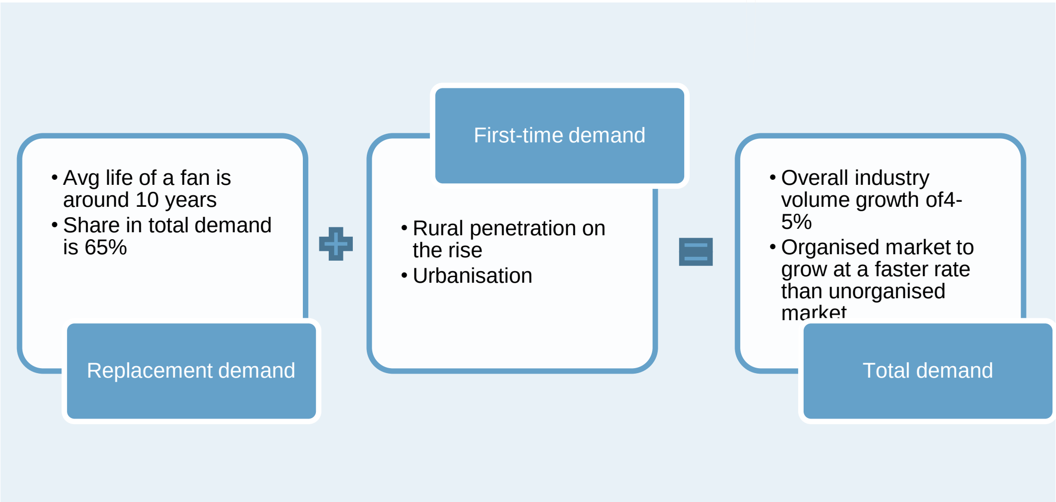
As discussed in the electric lighting section, development in urban and rural housing is expected to be strong over the next five years. This will help the fan industry demand positively.

Market assessment

Organised segment to gain fan market share during FY15-FY20

Urban and semi-urban areas typically account for replacement demand for electric fans, whereas rural areas are characterised by new sales. For the replacement market, CRISIL Research estimates average life of a fan in Indian market conditions to be around 10 years. Share of the replacement market is estimated at around 65% in 2014-15. Fresh demand, on the other hand, depends on increase in real estate activities, urbanisation and rural penetration.

Total demand break-up

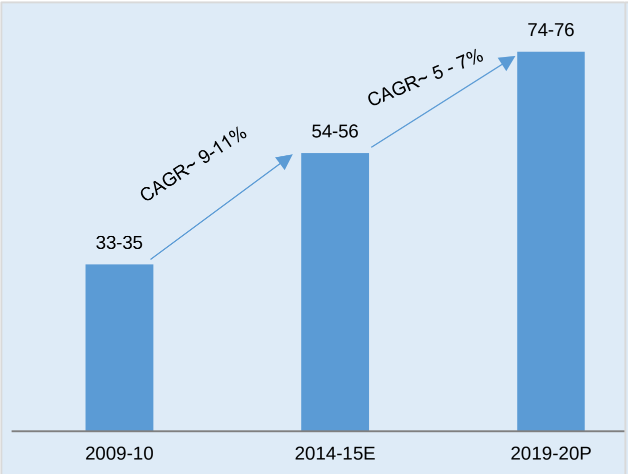


Source: CRISIL Research

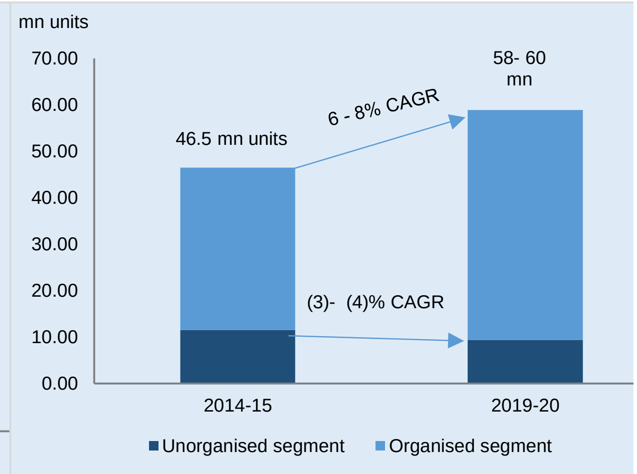
The Indian electrical fan industry grew at a CAGR of 9-11% during 2009-10 to 2014-15 to cross Rs 50 billion. In volume terms, around 47 million units were sold in 2014-15. While the industry witnessed volume growth of 6-8% CAGR, realisations increased only 3-3.5% annually due to a rise in raw material prices.

Demand for ceiling and exhaust fans increased due to increase in housing construction activities, improvement in electric fan penetration rates, rural electrification and replacement demand in urban areas.

Industry size to reach Rs 75 billion by 2019-20



Organised share to increase to 84% by 2019-20



Note: E: estimated, P: projected

Source: CRISIL Research

Over the next five years, the electric fan industry is expected to register a relatively slower growth of 5-7% CAGR, to reach Rs 74-76 billion by 2019-20, due to subdued raw material prices (aluminium, steel) which will keep realisations relatively flat. Demand growth, on the other hand, is estimated to be marginally lower than the previous five-year period because of a high base and high fan penetration.

However, growth will be different for organised and unorganised players with the former registering a healthy CAGR of 6-8% during 2014-15 to 2019-20, while the latter's growth is estimated to decline 3-4%. Consequently, the organised segment's share is expected to increase to 84% in 2019-20 from 75% in 2014-15. The share of the unorganised segment is forecast to reduce over the next five years as large players are increasingly outsourcing their manufacturing activities to smaller players rather than expanding capacity.

Industrial demand for electrical fans is also expected to increase with the government's focus on manufacturing sector with schemes like Make in India.

Key challenges

Growth of substitute goods such as air coolers and air conditioners

Offices in metro and tier 1-3 cities are increasingly opting for air conditioners as against ceiling fans. Even in manufacturing units where there exist sophisticated machines, air conditioners are used to maintain stable temperatures. Among households, some still consider air conditioners as a luxury item.

Fewer houses with electricity

There is a difference between houses getting electrified and villages getting electrified. A household gets electrified with constant energy access. To cite an example, energy access for tier 1 locations across states like Bihar, Jharkhand, MP, UP, Odisha and West Bengal is below 40% and situation gets worse for tier 2 and 3 areas with almost non-existent energy access with only West Bengal registering figures around 15-20%. Electricity supplied should be of reliable quality with minimum or no voltage fluctuations. Also, the duration of electricity supply should be sufficient enough to entice the buyer to opt for electrical appliances such as fan.

Price sensitivity of the market for economy models

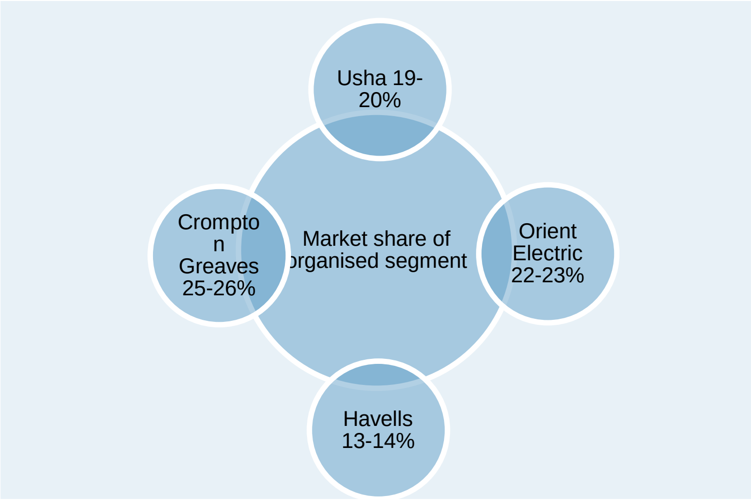
Unorganised players though diminishing in size, still restrict the ability of larger players to pass on the rise in raw material prices to consumers. The expansion of the economy model market is price-driven due to low product differentiation. Hence, it will become difficult for big players to increase their market share in this segment as local players will continue to serve smaller/regionalised markets.

Competitive landscape

Organised market is highly concentrated with top four players accounting for ~80% market share

In India, there are many electrical fans players; regional and national, organised and unorganised. Going forward, we expect consolidation as small players are unable to innovate and large players are looking to outsource to small players. Branding and positioning of products are important factors driving demand in this segment; Players with brand recall manage to get a good price for premium and mid-range products.

Estimated market share in 2014-15



Source: Industry

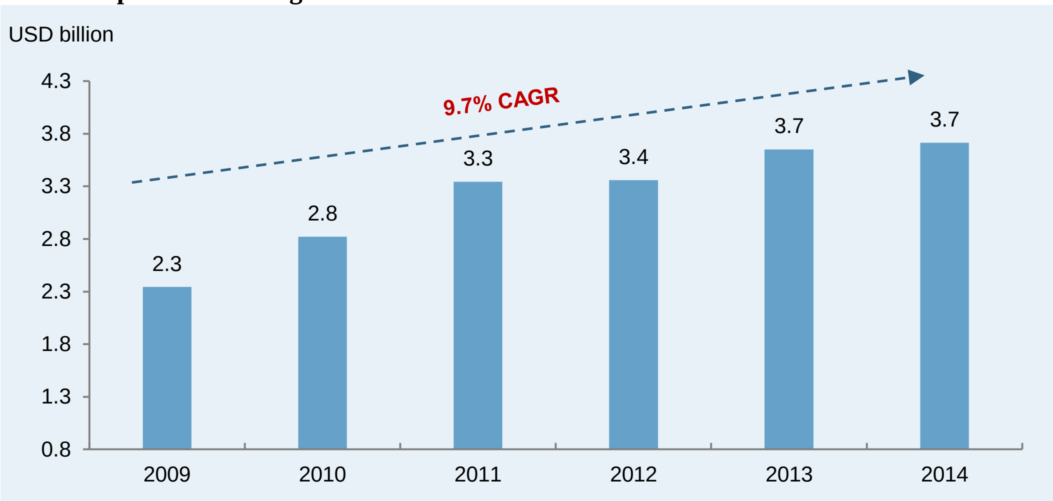
New players are entering the market

Electrical appliance players, who have a selling and distribution infrastructure, are progressively trying to diversify their product mix. The electrical fan industry is no exception. Over the past couple of years, new players such as RR Kobel, Polycab, Luminous and Surya Roshni have ventured into this industry. Of these, barring Polycab, all have outsourced their manufacturing activities.

Fan imports stable, exports increasing gradually

India's fan imports are about Rs 4-4.5 billion annually (7-8% of domestic market size). China is the major exporter of fan to India with 85% share. Imported fans are not able to handle huge voltage fluctuations which are prevalent in many regions across India. Consequently, imports continue to remain range bound.

World exports market grew at around 10% from 2009 to 2014

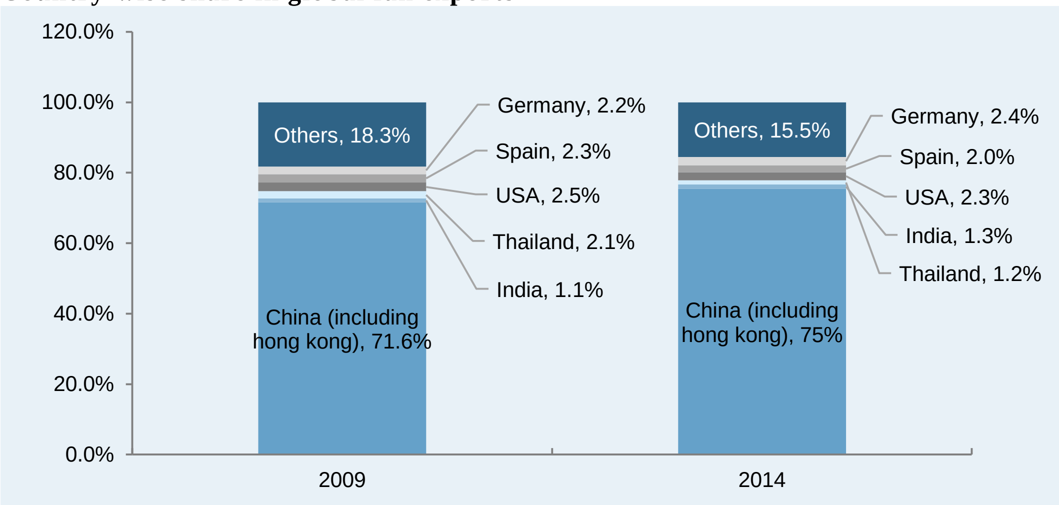


Source: UN Comtrade

In case of export of fans, India is a small player in the global trade accounting for ~1% of USD 3.7 billion exports in 2014. UAE, Ghana, Sudan and Nepal comprise around 50% of the exports destinations for India. China is the largest player in the global fan market accounting for 3/4th of the total exports in 2014. Over the past 5 years, it has consolidated its position by increasing its export market share by 3 percentage points. Even India has witnessed a marginal increase in market share over the past 5 years.

Over the next 5 years, China is expected to continue to hold ~75% of the total market share, while India's share is expected to improve by 30-40 basis points on account of some players focusing on the export market. Overall the global export market is expected to continue to grow at a healthy pace of 8-10% CAGR during 2014-2019 period due to demand from countries like Japan, USA, Canada.

Country-wise share in global fan exports



Source: UN Comtrade

Key future trend

Consolidation of market

With growing competition and increasing demand for newer designs and energy-efficient variants, small unorganised players are likely to start supplying to bigger players. The market will consolidate as small players will be challenged to adopt newer design demands and technological change.

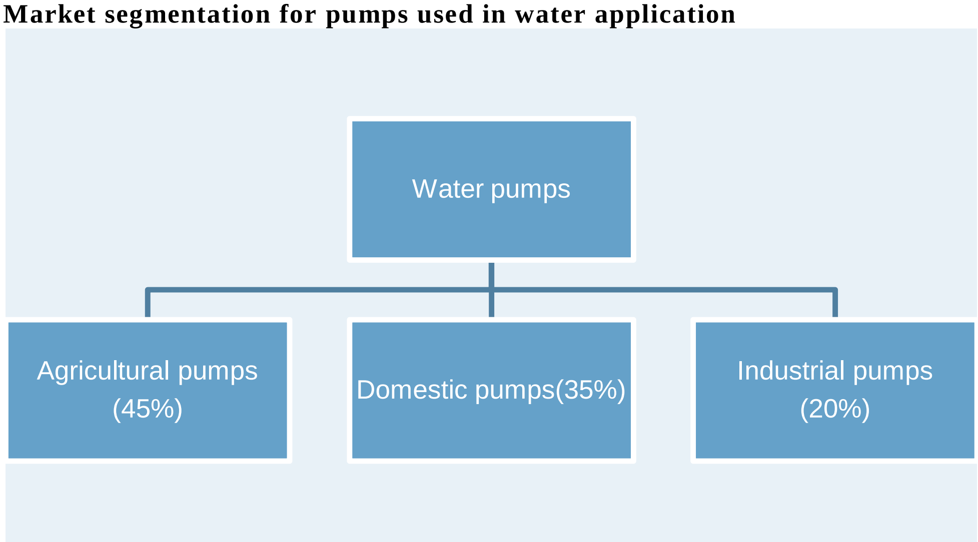
Pump industry

Overview

Pumps are service equipment used across sectors and are vital elements for fluid handling applications. The Indian pump industry can be broadly classified based on end use into industrial, agricultural and domestic pumps. Pumps can also be categorised in terms of size and capacity. Small pumps cater to agriculture, domestic housing and village water supply; medium-size pumps cater to irrigation projects and urban water supply and sanitation. Large pumps serve industrial purposes. For example, in power plants, pumps are used in cooling water generation. In industries such as chemical, fertilisers, oil and gas, petroleum, and petrochemicals, pumps are required to handle process fluids for a host of applications.

As per CRISIL Research estimates, the market size of the Indian pump industry was Rs 85-90 billion in 2014-15 with non-water application pumps for industrial usage accounting for 35-40% of the market. The pump market for water application is valued at ~Rs 50 billion, with the agriculture sector accounting for ~45%, followed by pumps for domestic use and industrial pumps.

Market segmentation for pumps used in water application

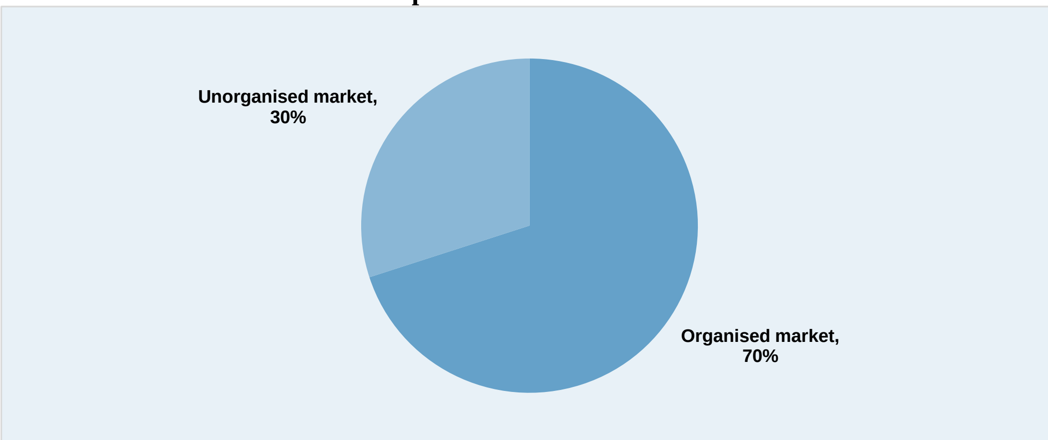


Source: CRISIL Research

Demand for water pumps in India is largely met by domestic manufacturers; only 5% requirement is imported. In the domestic market, there are many small players in the unorganised segment that meet close to 30% of the total pump demand. The organised segment is fairly consolidated with top five players accounting for 40-45% of the share. The unorganised segment’s share has been reducing gradually as larger players are creating strong distribution network and increasing brand-building efforts in this highly competitive industry.

Water pumps manufactured in India are largely sold locally. Exports account for 3-5% of the domestic market at Rs 150-300 crore.

Estimated market share break-up



Source: Industry

Key demand drivers

Increase in irrigation investment leading to higher penetration

Irrigation projects include dams, canals and lift irrigation. Agricultural pumps are used to pump water from the irrigation water sources (ground water, surface water or storage tank and wells) to the sprinklers which sprinkle water in the fields. Demand for agricultural pumps is directly proportional to investments in irrigation and increase in its penetration.

While significant investments have been made in irrigation projects over the past few decades, which has increased penetration from 33-35% in 1990s to about 50% in 2014-15, still half of the farm land in India lacks proper irrigation systems and farmers rely primarily on rain water.

At the Central level, investments have been driven by programmes such as the Accelerated Irrigation Benefits Programme (AIBP) and Command Area Development (CAD), which have helped expedite the implementation of ongoing projects. As per CRISIL Research estimates, cumulative investments close to Rs 2.3 trillion have been made over the past five years ended 2014-15.

During 2014-15 to 2019-20, CRISIL Research expects cumulative investments in irrigation to increase by 1.6 times to Rs 3.6 trillion. Apart from the existing programmes, GoI has announced an investment plan of Rs 500 billion over the next five years under Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) aimed at providing irrigation to all. For the current fiscal, the government has allocated Rs 53 billion which is expected bring an additional 6 lakh hectares under irrigation, while 5 lakh hectares will benefit from drip irrigation.

Expected growth in housing to boost pump demand

Domestic pumps are mostly used in the housing segment to pump up the water to the water storage tanks to be further distributed to households. Individual pumps of small to medium capacity are installed in bungalows and row houses. As already discussed in the lighting segment, growth in urban housing is expected to be healthy over the next five-six years. In this backdrop, the pump industry should be positively impacted.

Growth in industrial activities to impact industrial water pumps positively

Industrial activities are expected to grow over the next five years. India performing better than other BRICS nation and registering a stable economic outlook is a positive sign for overall business growth. Government programmes like Make in India will only increase the production activities. All in all the demand for industrial process equipment is expected to rise and this will impact the water application pumps demand for the good.

Decreasing ground water levels to boost high pressure water pumps demand

Deep-water pumps are primarily used to extract water from wells with depth greater than 10 metres below ground levels. Over the years ground water levels across India have reduced on account of increasing dependence on ground water as against surface water due to erratic rainfall as well as efforts to increase food production. As on 2014, close to 17% of the ~14,000 wells surveyed by the ministry of water resources had depth greater than 10 metres below ground levels. Increasing dependence on ground water as well as fall in its level is likely to boost demand for high pressure water pumps in the future

Market assessment

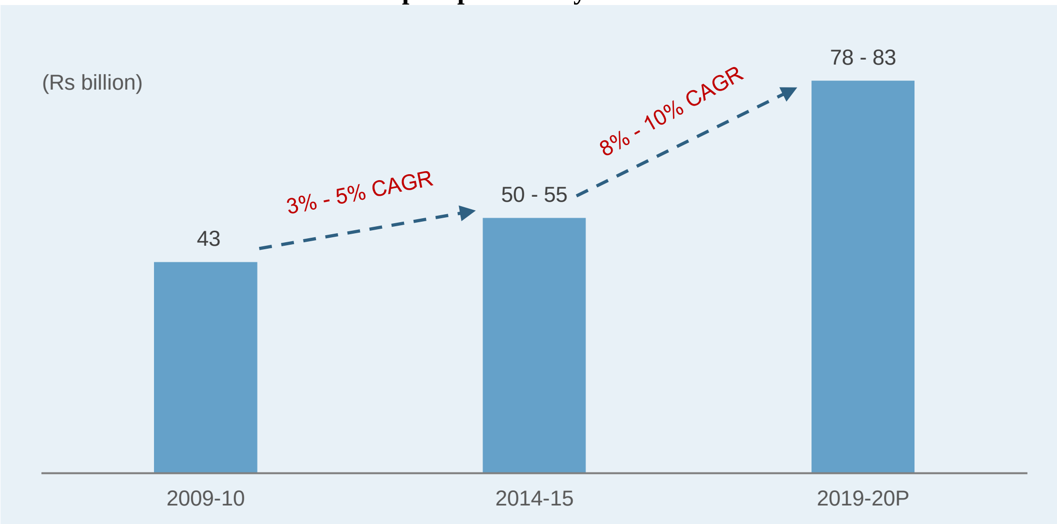
Water pump market to cross Rs 75 billion by FY20

The Indian water pump industry grew at a mere 3-5% CAGR during 2009-10 to 2014-15, to cross Rs 50 billion, because of fall in demand from end-user sectors.

In the agriculture segment, pump demand depends on the average level of rainfall in a particular year. Agricultural pump sales usually increase when rainfall is below long period average (LPA) as farmers increase the use of ground water for crop cultivation. On the other hand, in case of a good monsoon, demand gets impacted as farmers largely utilise rainwater for cultivation (as was the case in 2013-14). Good monsoon in three of the last five years impacted demand for pumps in the agriculture segment.

In case of the housing segment, pump sales were subdued as the urban housing demand grew at just 1% CAGR during 2009-10 to 2014-15, mainly influenced by slowdown in 2013-14. Consequently, better monsoon and slowdown in housing demand impacted pump demand during the previous five-year period.

Estimated market size of water pump industry



Note: P- Projected
Source: CRISIL Research

Going forward, sales growth of water pumps is expected to pick up, driven by improvement in housing demand and government initiatives towards increasing irrigation penetration. Growth will largely be driven by volume as realisation growth will be muted given continued weak metal prices over the next five years. Industrial demand for water pumps is also expected to increase with the government's focus on developing urban infrastructure.
CRISIL Research expects the Indian water pump market to grow at a CAGR of 8-10% over the next five years to reach Rs 78-83 billion by 2019-20.

Key challenges

Availability of low-cost power for irrigation

Efficient pumps come with sophisticated technology and high stainless steel content, which saves power consumption and, hence, tends to be costlier. Cheap local pumps sold by unorganised players are energy inefficient and consume a lot of power. Higher operating expense due to electricity charges does not discourage farmers to buy cheap pumps as they get low-cost power due to government subsidies. In 2014-15, average power tariff for farmers was Rs 2.6 per unit as against average tariff of Rs 5.6 per unit charged across all segments including domestic and industries.

Slower project implementation and delay in irrigation projects

Delays in land acquisition and probe into irrigation scams have impacted investments in states such as Maharashtra and Karnataka. If these issues continue, new investments in irrigation projects might be restrained.

Price sensitivity of the market due to presence of innumerable unorganised players

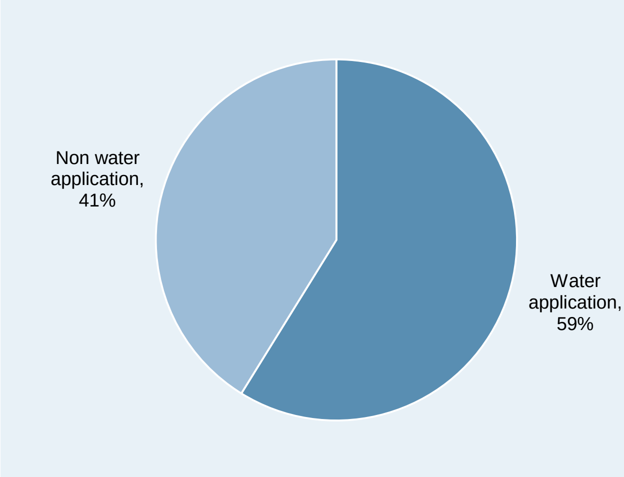
A large number of unorganised players restrict the ability of larger players to pass on the rise in raw material prices to end consumers due to price difference between low-cost, energy-inefficient pumps and pumps of the organised industry.

Competitive scenario

Organised player's market share to increase

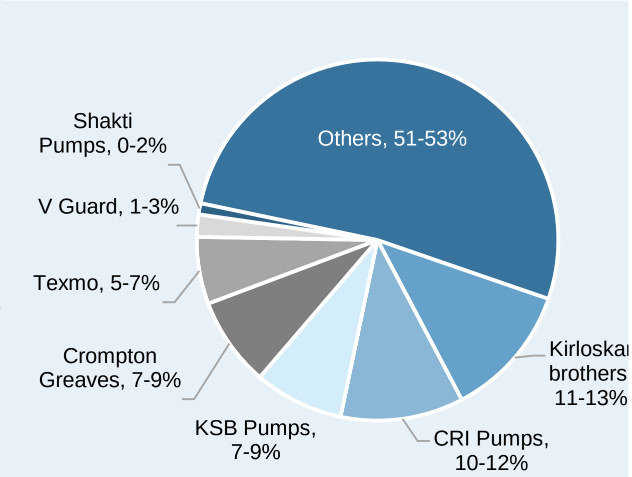
In India there are many pump manufacturers; regional and national, organised and unorganised. Consolidation is expected in this industry with small players unable to expand their market reach beyond a certain limit. For agricultural and domestic purposes, pumps are sold via a distributor network. Price is the most important driver in this segment although the energy-efficient variant is becoming popular.

Break-up of water and non-water application pumps in total pump market of Rs 85-90 bn



Source: Industry

Estimated market share of players in total pump market in FY15



Note: Others include small organised players as well as entire unorganised market

Source: Industry

Key future trends

Consolidation of market

With increase in competition and awareness among household consumers, preference for energy-efficient pumps is likely to rise. This will encourage consolidation of the market as smaller players will not be able to meet higher technological demands.

Solarisation of pumps

Consumers would logically prefer energy-efficient pumps. Even in the agricultural pumps segment, which is price sensitive, there could be demand shift towards energy-efficient pumps with the current government wanting to increase electrification and reduce power inefficiencies. The dynamics of Indian agricultural pumps industry can soon change with solarisation of pumps.

Appliances industry

Small Appliances are categorised under the brown goods segment of the electric consumer durable industry. Based on usage small appliances can be classified into small kitchen appliances (which includes juicer, mixer, grinder, etc), air cooler, geyser, iron, water purification and personal care. In the domestic market, there are large players as well as innumerable small, unorganized players. Small and unorganized players operate at a regional level. Larger players such as Philips, Bajaj, Crompton, Racold and V Guard are present across India. The growth of small appliances market is expected to be driven by product innovation, upgradation of existing products, and value-added features in the coming years. Increase in middle class population and additions to workforce will have a positive impact on demand of small appliances. Further, growth in urban and rural housing along with rise in rural penetration is also likely to have a significant impact on the demand of small appliances. With the penetration of branded household appliances still not very high, there are plenty of opportunities for organised players to grow.

BUSINESS OVERVIEW

The following summary is qualified in its entirety by, and should be read in conjunction with more detailed information of our financial statements appearing elsewhere in this Information Memorandum along with the risks discussed under the section titled "Risk Factors". In this section "our Company", "we", "us" and "our" refers to Crompton Greaves Consumer Electricals Limited.

Overview

We are one of India's leading consumer electrical companies focusing on quality, innovation and smart design across a range of different product categories. Our businesses can be broadly classified into four product categories - fans, lighting products, home appliances and pumps.

Our products include:

- ceiling fans, table fans, pedestal fans, wall mounted fans
- lamps and luminaires for different applications based on a range of technologies like LED, CFL, GLS, FTL, HID, etc
- residential pumps, agricultural pumps, industrial and special application pumps
- water heaters, coolers and other small home appliances.

Our Company was incorporated as a public limited company on February 25, 2015 under the Companies Act, 2013. The Board of Directors of CGL and CGCEL had approved the Scheme of Arrangement between CGL and CGCEL and their respective shareholders and creditors ('Scheme') on March 3, 2015. Pursuant to the Scheme, the consumer product business of CGL was demerged into our Company pursuant to provisions of Sections 391 to 394 read with Section 78 (corresponding section 52 of the Companies Act, 2013), 100-103 and other applicable provisions of the Companies Act, 1956. The Hon'ble High Court of Judicature at Bombay approved the Scheme via order dated November 20, 2015. The effective date of the Scheme is January 1, 2016.

Our Strengths

1. Established brand name

We have been present in the consumer electrical industry for several decades, which has helped us develop 'Crompton' as a brand synonymous with 'quality' and 'reliability'. Over the years, we have developed our products and services to satisfy the changing needs and demands of our customers and end consumers in India. With constant improvement in performance of our products, augmented with quality and recognition of our brand, we believe that our brand has gained the trust of the consumer at large.

2. Wide range of products and strong presence in select product categories

Our revenue stream comes from diverse domains and caters to the requirements of both consumers and customers in the industrial, commercial and agricultural sectors. This in turn reduces our dependence on a particular product or category. This reduced dependency on a single revenue stream, gives us a competitive edge over many of our competitors. We offer products ranging from fans, lighting solutions comprising lamps and luminaires, home and kitchen appliances and pumps which cater to domestic, industrial, commercial, agricultural consumers and customers. We have an industry leading market share of 25-26% in fans in India in Financial Year 2014-15 (source: CRISIL Report). We have strong presence in domestic pumps, lighting and geysers. Our strong brand, technological advancement, extensive manufacturing and sales force network, has helped create a strong presence in these product categories. We were amongst the first few players to launch LED lighting solutions into the Indian market. Our ability to develop and supply varied products as per the changing needs of the customers has made 'Crompton' enjoy a strong market position in many of our product categories.

3. Large established channel network

We have established a large channel network across India, enabling our products to reach our consumers easily. Presently, we have more than 3,000 direct channel partners spread across India. This network of distributors and dealers have enabled us to reach our customers in an efficient manner in remote markets.

4. Superior technology

In order to maintain and enhance our market leadership, we support the execution of our business strategies with superior technology, which helps us to reduce overall costs of our products and meet the ever changing needs of customers in India. Our in-depth technical knowledge allows us to always stay ahead of the curve and bring new consumer relevant products into the market at the appropriate time. We also collaborate with world renowned players when required. For example, we have collaborated with Bridgelux, a global pioneer in technology for lighting. We have a dedicated state-of-art research and development team, constantly endeavouring to upgrade our products in terms of quality and reliability.

5. Asset light business model

Our Company follows a business strategy that tries to achieve capital efficiency by focusing investments only on those assets where our Company's expertise can achieve the best return for investors. This helps our Company to deliver superior returns on invested capital.

6. Strong after sales service

Every year, over a million customers are attended to and addressed by our dedicated after sales service team in India, which supports both installation requirements and complaint handling. We have more than 500 authorised service centres in India. We constantly undertake skill development training programs for our technicians so that customer complaints and grievances can be resolved in a smooth manner. Our technicians ensure that complaints are fully resolved within 48 hours. Our after sales service team efficiently procures, manages and supplies spare parts to customers in India. We have a dedicated spare part management facility in Bhiwandi, Maharashtra.

7. Experienced senior management

Our senior management team consists of individuals with strong academic backgrounds in the requisite fields of business management, engineering and commerce. Our senior management team has considerable experience in the electrical, consumer durables, lighting, consumer goods and engineering industries with some members having worked in the industry for over several decades.

Strategy

A. Brand Excellence

1. To be established as the brand of choice for home improvement electrical durables

Our Company intends to develop and market products that are energy efficient and user friendly. We intend to design our products to provide consumer relevant solutions for overall home improvement. We intend to enhance the quality of our products and sustain ourselves as a reliable brand of choice for home improvement electrical durables.

2. Improve brand visibility

Our Company intends to invest in branding to create awareness and preference for our products in the market. We believe that these investments will help scale up the pace of our growth in the coming years.

B. Portfolio Excellence

1. Aggressively pursue business opportunities in the LED lighting product category

LED technology has caused a major disruption in the lighting market. Traditional lighting is now being replaced by LED Lighting in all market segments. LED Lighting being more durable and energy efficient is the technology for the future. Being one of the first few players to penetrate into the Indian market with LED lamps, we intend to capitalise on this opportunity to further strengthen our position in the market.

2. Focus on energy efficient products across all product lines

We intend to develop and introduce energy efficient products to cater to the changing requirements of our consumers. For this purpose we will focus on energy efficient fans, LED Lighting, solar powered products and star rated products.

C. Go-To-Market Excellence

1. Strengthen overall reach with focus beyond Tier I &Tier II cities

We are continuously focusing on network expansion and market penetration beyond Tier I and Tier II cities, for each of our product categories. In order to expand our market presence, we intend to create awareness of our products in the untapped markets. In order to further strengthen our markets and increase our geographical presence, we propose to enhance our presence in retail markets in Tier I and Tier II cities.

2. Expand rural reach for agricultural pumps and other products

Due to climatic conditions in India, the demand for agricultural water pumps and allied products has increased significantly in rural areas. In order to tap this demand, we intend to expand our distribution network in rural areas.

3. Focus on new channels of distribution

We intend to explore new channels of reaching out to our customers. With the advent of e-commerce, we propose to focus on sales through modern retail outlets and e-retail for our consumer durable appliances. We believe that these new channels shall help us to expand reach at low cost.

D. Operational Excellence

1. Improve position in the premium segment in fans

We have an overall market share of 25-26% in fans in India in Financial Year 2014-15 (source: CRISIL Report). Along with maintaining its leadership position in fans, our Company intends to focus on the premium segment of fans. With advancements in design, demand for premium fans has been increasing and we intend to improve our market position in this segment.

2. Improve overall costs and supply chain optimization

Our Company intends to improve our supply chain capabilities to ensure availability of the right product mix at the right place at the right time at optimum cost. This will enable us to achieve a marked improvement in our customer service levels.

E. Organizational Excellence

1. Focus on building capabilities and high performance culture

Our Company intends to build capabilities across the length, breadth and depth of our organization. Our focus will be on optimizing the use and effectiveness of all of our resources and build a high performance culture.

Product description

We offer wide range of products in each of our product categories, as under:

Fans

Types of fans

- Ceiling fans: Our ceiling fans incorporate power and performance, safety and durability, comfort and style and offer both decorative and economy models to suit individual needs. Our commitment to smart solutions has made millions of homes and workplaces comfortable. In ceiling fans, we are one of the leading brands in terms of quality and image in India.
- Table fans: Our table fans are portable and easy to carry
- Pedestal fans
- Wall mounted fans: Our wall mounted fans are an ideal substitute to provide the consumers with wall to wall air where there is no provision for ceiling fan or table fan
- Ventilating fans: Our ventilating fans are sleek, and designed with lightweight, rust proof body. Our ventilating fans are known for their noiseless operations.
- Heavy duty exhaust fans
- Air circulator
- Industrial fans

The market share of our Company in electrical fans in the Financial Year 2014-15 was 25% to 26% (Source: CRISIL report).

Lighting

Types of lighting and luminaires

- General Lighting Service (incandescent *lamp* or GLS) and Fluorescent Tubular Lamps (FTL)
- High-Intensity Discharge lamps (HID)
- Compact Fluorescent Lamp (CFL)
- Light-Emitting Diode (LED) lamps: Our LED lamps save more than 50% energy and give 3 times more life compared to conventional HID / GLS / FTL / CFL.
- Conventional luminaires:
    - Residential
    - Office
    - Commercial: Our Company's commercial luminaires range consist of recessed, office lighting, surface, wall mounted, suspended, pendant mounted, downlight, retail, health care and pharma lighting luminaires.
    - Flood lighting
- LED Luminaires for all applications
- High Mast / Street Lighting Poles: Our Company offers a wide variety of hot dip galvanised octagonal poles with a sturdy base plate.
- Interior and architectural lighting
- Home lighting

The market share of our Company in electric lighting in the Financial Year 2014-15 was 10% (Source: CRISIL report).

Pumps

Types of pumps

- Residential pumps: Residential pumps forms a major part of our business under this segment. Our domestic pumps consist of self-priming, jet series & submersible pumps sets.
- Agricultural pumps: Our Company manufactures bore well submersible pumps, centrifugal monoset pumps which are commonly used to meet the water requirements in large agriculture farms. Open well submersible pump sets are also specially designed for its robustness and for its applications under submerged conditions.
- Commercial and industrial pumps.

The market share of our Company in pumps in the Financial Year 2014-15 was 7% to 9% (Source: CRISIL report).

Appliances

Types of appliances

- Water heaters: Our range comprises instant and storage water heaters
- Small appliances: Our small appliances include iron, mixer grinders, juices, mixers, toasters, coffee makers, electric kettles and induction cooktops
- Air Coolers and room heaters
- Power solutions: UPS and batteries

After sales service

We have setup call centre facilities for after sales service for our products, supported by technicians who advise our customers on calls and on-site. We also maintain a customer relationship database, which helps us understand the nature of complaint / problems. Spare part management is also an important pillar of our after sales service. We have a spare part management facility in Bhiwandi, Maharashtra, where various spare parts are procured and then supplied to different parts in India. We have more than 500 authorised service centres in India. Our service centres are managed by independent franchisees and their performance is closely monitored and improvement actions are an ongoing process driven by Company officers.

Awards

The Consumer Product business of Crompton Greaves has in the past won the following awards:

Annual IP Award for Design 2010-11

CII National Award (Excellence in Innovative energy saving product) 2010

DSIR National Award (Best R&D Efforts in industry) 2007

Golden peacock Award (Innovative product service) 2007

Golden peacock Award (Innovative product service) 2008

Our Manufacturing Facilities

Location	Product
Plot of Land No.1, GIDC Industrial Estate, Bethora, Ponda, Goa, 403409	Fans
Plot of Land No. 214-A at Kundaim Industrial Estate, Kundiam, Goa, 403115	Fans
Plot of Land No.81, HPSIDC Industrial Area, Baddi, Dist: Solan, HP, 173205	Fans
Plot of Land No.148, 149, 150, 157, 158 and 159,HPSIDC Industrial Area, Baddi, Dist: Solan, HP, 173205	Fans
Baroda Lamp Works, Kural Village, Padra Taluka, Padra Jambusar Road, Dist: Baroda, Gujarat, 391430	Lighting
Lighting Division, Village Thane, Tehsil Baddi, Dist: Solan, Himachal Pradesh, 173205	Lighting

Location	Product
A-28, MIDC Area, Ahmednagar, Maharashtra, 414111	Pumps
C-19, MIDC Area, Ahmednagar, Maharashtra, 414111	Pumps

Our competition

Much of the market which we operate in, is unorganized and fragmented with many small and medium sized players. We face competition in each of our product categories from multi-national corporations and domestic companies.

Our competition varies for each of our product categories. Overall, our Company's major competitors include Havells, Orient, Usha, Luminous, PolyCab, Surya and Anchor for fans, Philips, Surya, Bajaj, Havells, Wipro, PolyCab, HPL and GE for our lighting and luminaire products, Kirloskar, CRI, Texmo, Aqua, M&P and Grundfos for pumps and Bajaj, Philips and Havells for electrical appliances.

Quality Assurance

We have implemented quality assurance management systems and procedures that are aimed at ensuring consistency in the standard of our products and services across various product categories. Our facilities operate in strict accordance with ISO certifications. Our products are rigorously inspected, tested and certified for quality, in-house. We continue to strive to upgrade and meet our customers' requirements, to have edge over competitors and to deliver quality products which give customer satisfaction. We invest in upgrading our equipment and technology and add new equipment from time to time. We believe that the brand 'Crompton' is strongly associated with quality and reliability of our products.

Employees

Our employees contribute significantly to success of our business. We have about 1,500 permanent employees across all of our manufacturing facilities and offices. We conduct training sessions for all of our employees to upgrade their knowledge and skills from time to time.

Health, safety and environment

We are committed to health and safety of our employees and protection of the environment. Our goal is to provide an injury and accident free work environment by applying leading safety management systems.

Our intellectual property

Our Company owns the trademarks, "Crompton" and "Crompton Greaves" with respect to our products categories.

Insurance

Our Company has obtained various insurance covers, insuring us against loss or damage to buildings, plant & machinery, tools, instruments and accessories, furniture, fixtures and fittings, stocks in trade including work in progress, etc due to fire, Act of God perils, machinery breakdown and loss of profit resulting from fire and allied perils. Further, our Company is insured against all marine transit related losses/damages cargo on a warehouse to warehouse basis. Our Company has also obtained insurance against claims of legal liability for third party bodily injury, property damage, and personal and advertising injury (slander and false advertising) both in the declared business premises and away from our business premises. Our Company has obtained insurance policies for our Directors and Officers, group life insurance schemes for executive, mediclaim policy and personal accident insurance policy for both executives and workmen and out-patient department (OPD) policy for senior management of our Company.

Corporate social responsibility

Corporate Social Responsibility (CSR) is based on the belief that business sustainability is closely connected to the sustainable development of the communities that the business is a part of and the environment in which the business operates.

To ensure commitment to CSR at the highest level, Our Company has a CSR Committee comprising members of the Board of Directors.

The CSR Statement of Intent clearly indicates the steps to be taken in the Business Domain, Workplace, Community and Environment.

CSR Activities, amongst others will focus on:

- Hunger, Poverty, Malnutrition And Health
- Education
- Gender Equality And Women Empowerment
- Protection of National Heritage
- Environment Sustainability
- Benefit of Armed Forces
- Rural Development Projects
- Technology Incubators
- Contribution To Government Funds
- Promotion Of Sports

HISTORY AND CERTAIN CORPORATE MATTERS

Corporate Profile and Brief History

Our Company (Corporate Identification Number U31900MH2015PLC262254) was incorporated as a public limited company on February 25, 2015 with its registered office at 6th Floor, CG House, Dr Annie Besant Road, Worli, Mumbai – 400 030.

The objects for which our Company has been established are set out in the Memorandum of Association. The main objects is set out hereunder:

- To carry on the business of manufacturing assembling, altering, exchanging, buying, selling, importing, exporting, servicing or otherwise dealing in all types of consumer electrical goods, home appliances, personal appliances, electronic equipment, and instruments including ceiling fans, table fan, pedestal fan, wall mounting fan, exhaust fans, industrial fans, special purpose fans, cooler products, instant water heaters, storage metal water heaters, immersion water heater, dry / steam irons, juicers, mixers, grinders, hand blenders, electric kettles, toasters, coffee makers, induction cooktops, home ups, rechargeable lanterns, air coolers, room heaters, commercial luminaires, industrial luminaires, streetlight luminaires, post top / landscape luminaires, flood lighting luminaires, LED lighting luminaires, lighting fixtures, bulbs, fluorescent tubes, domestic pumps, agriculture pumps, industrial pumps, audio/video door phone, access - control systems, home - automation solutions, video- surveillance/electronic access control, fire alarm and control systems, plugs & sockets / interlocked switch socket, enclosures, cable glands / cable reels and its accessories including chokes, starters, switches and condensers, undertake turnkey projects, combine two or more of its products, provide after sales services, provide consultancy and other services and solutions in relation to its products.

- To carry on the business of manufacturing, assembling, altering, exchanging, buying, selling, importing exporting, and otherwise dealing in electronic and audio-visual goods of every nature and description such as television, tape recorders, radios, records players, video sets, stereo system, decks, loud speakers, amplifiers, gramophones, records, tapes, watches, clocks, walkie talkies, cameras, cassettes, transistors, assemblers and distributor, electronic flash guns, electronic digital goods, microwave ovens, radio paging systems, computers, miniaturised circuits goods, micro modules, intercommunications sets, microphones, dictaphones, telecommunication requisites, wireless/laboratory/ testing equipments, electronic consumer and domestic goods, musical and visual appliances, apparatus, instruments, equipments and devices for amusement and entertainment, electronic goods required in any trade, industry or manufacture such as photographic, surgical, medical films, nautical, aeronautical, electrical defence industry and including equipments, instruments and goods used in generation, transmission and receiving of any impulses such as and sound, light, electronic and electrical impulses and all kinds of electronic accessories, appliances, implements, components, instruments, equipments stores and spares, spare parts, devices, contrivances, apparatus and supplies related to or connected with the aforesaid, and all such electronic goods adapted, invented and discovered in future.

As on date, our Company does not have any subsidiaries.

SCHEME OF ARRANGEMENT

Rationale as provided in the Scheme:

(i) Crompton Greaves Limited, by itself and through its subsidiaries, is engaged in 3 (three) distinct lines of business namely:

(a) manufacture and distribution of transformers, switchgear, circuit breakers, vacuum interrupters, power automation products, network protection and control gear, as well as design, execution and servicing of turnkey T&D as well as sub-station projects and solutions including complete end to end renewable projects (collectively referred to as the "**Power Business**");

(b) manufacture and distribution of power conversion equipment such as high and low voltage rotating machines, drives and industrial automation products, stampings as well as railway transportation and signalling products (collectively referred to as the "**Industrial Systems Business**"); and

(c) manufacture and distribution of fans, domestic appliances, lighting, pumps, home automation, integrated security systems and wiring accessories (collectively referred to as the "**Consumer Products Business**").

(ii) The nature of risk and competition involved in each of the Power and Industrial Systems Business is distinct, given that they operate *inter alia*, in the business to business ("**B2B**") realm from that in the Consumer Products Business, which largely operates in the business to end consumer ("**B2C**") realm, necessitating different management approaches and focus. Moreover, the competitive dynamics of these businesses are also different, with B2B servicing a global product portfolio while B2C being a local consumption business.

(iii) Thus, separation of the Consumer Products Business, by way of the Scheme, including its business, undertaking and investments from Crompton Greaves Limited would lead to significant benefits for both businesses including:

(a) enhanced strategic flexibility to build a vibrant industrials platform;

(b) enable a dedicated management focus and to accelerate growth of the Consumer business unlocking significant value for the shareholders of Crompton Greaves Limited; and

(c) access to varied sources of funds for the rapid growth of both businesses.

(iv) With a view to achieve the aforesaid growth potential, Crompton Greaves Limited proposes to re-organise and segregate, by way of the Scheme, its business, undertaking and investments in the Consumer Products Business. The restructuring proposed by this Scheme will also provide an opportunity to the investors to select investments which best suit their investment strategies and risk profiles.

(v) The Scheme does not have any adverse effect on either the shareholders or the employees or the creditors of the Demerged Company.

Salient Features of the Scheme:

Scheme of Arrangement ("Scheme") involving demerger of Consumer Products Business of Crompton Greaves Limited ("CGL") into Crompton Greaves Consumer Electricals Limited ("CGCEL").

Consumer Products Business means the entire undertaking of CGL pertaining to its Consumer Products Business and includes all assets (whether moveable or immoveable) and liabilities pertaining to Consumer Products Business.

The proposed Scheme envisages creation of an independent listed company in the business of consumer products by demerger of the Consumer Products Business of CGL into CGCEL.

CGCEL will constitute the Consumer Products Business of CGL and CGL will continue to carry on the Power Business and Industrial Systems Business.

CGCEL would achieve listing and all the existing shareholders of CGL would be allotted shares in CGCEL in the same proportion (share entitlement ratio being 1:1) in which they hold shares in existing CGL.

Post implementation, CGL and CGCEL will be listed on BSE and NSE with mirror shareholding.

The appointed date for the demerger of the Consumer Products Business of the Demerged Company into the Resulting Company means October 1, 2015.

The effective date of the Scheme is January 1, 2016.

CGL had informed BSE and NSE through its letter dated April 23, 2015, that the promoter companies of CGL, had proposed to divest their entire shareholding in our Company amounting to 34.37% of the total issued and paid up share capital of our Company, to one or more special purpose vehicle/ subsidiary companies of Advent International Corporation, USA and Temasek Holdings (Private) Limited for an aggregate consideration of Rs. 2,000 crores ("Transaction"), subject to receipt of necessary regulatory approvals, as per the terms and conditions agreed in the definitive agreements.

Further on April 24, 2015, CGL had informed BSE and NSE that one or more special purpose vehicle/ subsidiary companies of Advent International Corporation, USA and Temasek Holdings (Private) Limited will make an open offer for additional shares of our Company in compliance with SEBI (Substantial Acquisition of Shares and Takeovers), Regulations, 2011. The Transaction values our Company at an enterprise value of Rs. 66 billion (US$1.07 billion). The transaction is subject to closing conditions and receipt of all statutory and other approvals.

MANAGEMENT

As per our Article of Association, our Company is required to have not less than three and not more than 15 Directors. Presently, our Company has 5 Directors out of which 3 are Independent Directors. The provisions of the Companies Act and the Listing Regulations and norms of code of corporate governance applicable to listed companies in India govern the composition of the Board of Directors of our Company.

The following table sets forth details of the Board of Directors as of the date of filing of this Information Memorandum with the Stock Exchanges:

Name	DIN	PAN	Age (years)	Date of Appointment	Term of appointment	Designation	Address	Directorship in other companies
Mr D Sundaram	00016304	AANPS7428P	62	September 18, 2015	5 Years	Independent Director	Flat No. 1901, Tower-A, Beaumonde, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025	(1) TVS Capital Fund Limited (2) TVS Electronics Limited (3) GlaxoSmithKline Pharmaceuticals Limited (4) SBI General Insurance Company Limited (5) Nine Dot Nine Mediaworx Private Limited (6) Medfort Hospitals Private Limited (7) Trent Hypermarket Limited
Mr P M Murty	00011179	AALPM2827N	65	September 18, 2015	5 Years	Independent Director	Flat No. 102, 6-3-1192/A2 to A5, Ashoka Lake View Apartments, Kundan Bagh, Begum Pet, Hyderabad, 500 016	(1) Sleek International Private Limited
Mr Shantanu Khosla	00059877	AJWPK6624M	55	January 1, 2016	5 years	Managing Director	Kanoria House, 4th Floor, 4 Khan Abdul Gaffar Khan Road, Worli Sea Face , Mumbai 400 030	(1) Shortlist Professional Services Limited
Mr. Hemant Madhusudan Nerurkar	00265887	ABGPN0776M	67	January 25, 2016	Till the conclusion of 2nd AGM of the Company to be held in the year 2016 – 2017	Additional Independent Director	Flat No.1201, 12th Floor, Lodha Grandeur, Rahimtullah Sayani Road, Prabhadevi, Mumbai, Maharashtra – 400025	(1) TRL Krosaki Refractories Limited (2) Skill Council for Mining Sector (3) Tega Industries Limited (4) NCC Limited (5) Tube Investments of India Limited (6) Igarashi Motors India Limited

Name	DIN	PAN	Age (years)	Date of Appointment	Term of appointment	Designation	Address	Directorship in other companies
								(7) Om Besco Rail Products Limited (8) Adani Enterprises Limited (9) Management and Entrepeneurship and Professional Skills Council
Ms. Sonia Niranjan Das	03405569	AGIPD9815A	41	January 25, 2016	Till the conclusion of 2nd AGM of the Company to be held in the year 2016 - 2017	Non-executive Additional Director	89C, Pocket – A – 14, Himgiri Apartments, Kalkaji Ext, New Delhi – 110 019	(1) Blue Horizon Investments Limited (2) Gyanodaya Prakashan Private Limited (3) Ultima Hygiens Products Private Limited (4) Newquest Services Private Limited (5) Varun Prakashan Private Limited (6) Krebs & Cie (India) Limited (7) Vanity Propbuild Private Limited (8) Azure Hospitality Private Limited (9) Avantha Projects Limited

None of our Directors hold current and/ or past directorship(s) for a period of five years in listed companies whose shares have been or were suspended from being traded on the BSE or the NSE or in listed companies who have been / were delisted from stock exchanges.

Relationship between Directors

None of the Directors are related to each other.

Brief Profile of Directors

Name	Brief Profile
Mr D Sundaram	• Mr Sundaram is the Vice-Chairman and Managing Director of TVS Capital Funds. He was associated with HUL for more than 34 years where he served under various roles before becoming the vice-chairman in 2008. He is also on the Board of Governors of Institute of Financial Management and Research, Chennai and is a two-time winner of the prestigious "CFO of the Year for FMCG Sector" award by CNBC TV18 (2006 and 2009). • Mr Sundaram is Post Graduate in Management Studies (MMS), Chennai, Fellow of the Institute of Cost and Management Accountants, and has attended the Harvard Business School's Advanced Management Programme.
Mr P M Murty	• Mr P M Murty was a graduate from Indian Institute of Management, Calcutta. Mr Murty had more than 42 years of experience with Asian Paints Limited (APL), wherein he held various senior positions including that of Managing Director of APL from 2009 – 2012.
Mr Shantanu Khosla	• Mr Shantanu Khosla joined Crompton Greaves Limited in July 2015. Prior to joining Crompton Greaves Limited, he served as the MD & CEO of Procter & Gamble India from July 2002 to June 2015. • Mr. Shantanu Khosla is a Bachelor of Technology in Mechanical Engineering from Indian Institute of Technology, Mumbai. Mr. Shantanu Khosla has also completed his Masters in Business Administration from Indian Institute of Management, Calcutta.
Mr. Hemant Madhusudan Nerurkar	• Mr. Nerurkar has vast experience of over 35 years in Tata Steel in various positions. He joined Tata Steel in 1972 and rose to the level of Managing Director in-charge of India and South East Asia Operations. He is Chairman of Board of Directors in TRL Krosaki Refractories Limited (formerly Tata Refractories Limited - a JV company of Tata Steel and Krosaki Harima Corporation, Japan) and NCC Ltd (formerly Nagarjuna Construction Company Limited) and Independent Director of several other listed entities. • Mr. Nerurkar is a Bachelor of Technology in metallurgical engineering from the College of Engineering, Pune University. He has attended several management courses in India and overseas, including CEDEP in France.
Ms. Sonia Niranjan Das	• Ms. Sonia Niranjan Das is qualified Company Secretary with over 15 years' of experience in the profession in different industries in Secretarial, Law and Compliance including in listed companies and she also holds a degree in law. At present she is working with Avantha and leading Secretarial and Law function.

Details of Equity Shares held by our Directors

Except as stated below, there are no other Directors who hold Equity Shares in our Company as on

S No.	Name of director	Number of shares
1	Ms. Sonia Das	510
	Total	**510**

Borrowing Powers of the Board

Our Articles, subject to the provisions of the Act, authorise our Board, at its discretion, to generally raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to members resolution dated November 23 2015, our Board has been authorised to borrow money from bank, financial institution or any other lending institutions or persons or such other corporates /entities as Board may deem fit, notwithstanding that the money to be borrowed, together with the money already borrowed by our Company will exceed aggregate of its paid up share capital and free reserves, apart from temporary loans obtained from our Company's bankers in the ordinary course of business, up to a limit not exceeding in the aggregate INR 1,500 Crores (Indian Rupees One Thousand Five Hundred Crores Only).

Details of Service Contracts

Service Contract with Managing Director

Mr. Shantanu Khosla was appointed as the Managing Director of our Company with effect from January 1, 2016.

The terms and conditions of the Agreement are as follows:

i)	Annual Salary	Rs. 31,000,000
ii)	Bonus	Annual bonus of upto 100% of the annual compensation

Corporate Governance

The provisions with respect to corporate governance will be applicable upon listing of the shares on the stock exchanges. Our Company administers corporate governance through the Board and the Committees of the Board. In compliance with the requirement under Regulation 17 of the Listing Regulations, our Company has constituted the following Board Level Committees

Audit Committee

Composition:

Sr no	Name	Designation in the Committee	Nature of Directorship
1	Mr. D Sundaram	Chairman	Independent Director
2	Mr. P M Murty	Member	Independent Director
3	Mr. Shantanu Khosla	Member	Managing Director

Terms of reference:

The following are terms of reference of Audit Committee

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and Monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Carrying out any other function contained in the Listing Agreement/ Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

Stakeholders Relationship and Share Transfer Committee

Composition:

Sr no	Name	Designation in the Committee	Nature of Directorship

1	Mr. Hemant Nerurkar	Chairman	Independent Director
2	Mr. D Sundaram	Member	Independent Director
3	Mr. Shantanu Khosla	Member	Managing Director

<u>Terms of reference:</u>

- Consider and resolve the grievances of security holders of the Company including Investors' complaints;
- Approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal etc;
- Redress the complaints regarding non-receipt of declared dividends, balance sheets of the Company, etc;
- Ensure effective implementation of whistle blower mechanism offered to all the stake holders to report any concerns about illegal or unethical practices;
- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

The purpose of constituting this committee is to uphold the basic rights of the shareholders, including right to transfer and registration of shares, obtaining relevant information about our Company on a timely and regular basis, participating and voting in shareholders meetings, electing members of the board and sharing in the residual profits of our Company. Further the Stakeholders Relationship and Share Transfer Committee is empowered to act on behalf of the Board of Directors, in the matters connected with allotment of shares, issuance of duplicate share certificates, split and consolidation of shares into marketable lots etc.

Nomination, Remuneration and Compensation Committee

<u>Composition:</u>

Sr no	Name	Designation in the Committee	Nature of Directorship
1	Mr. P M Murty	Chairman	Independent Director
2	Mr. D Sundaram	Member	Independent Director
3	Mr. Hemant Nerurkar	Member	Independent Director

<u>Terms of reference:</u>

- Determine the criteria for appointment including qualifications, positive attributes and independence of a Director;
- Identify candidates who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal;
- Recommend to the Board a policy in relation to the remuneration for the Directors, Key Managerial Personnel and other employees;
- Carry out evaluation of performance of each Director and performance of the Board as a whole;
- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

Corporate Social Responsibility Committee

<u>Composition:</u>

Sr no	Name	Designation in the Committee	Nature of Directorship

1	Mr. Shantanu Khosla	Chairman	Managing Director
2	Mr. P M Murthy	Member	Independent Director
3	Mr. Hemant Nerurkar	Member	Independent Director

Terms of reference:

The following are terms of reference of Corporate Social Responsibility ("**CSR**") Committee

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Act;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company under the CSR Policy;
- To monitor the CSR policy of the Company from time to time;
- Adhere to the applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modifications, amendments or re-enactments thereto for the time being in force);
- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

Listing Committee

Composition:

Sr no	Name	Designation in the Committee	Nature of Directorship
1	Mr. Shantanu Khosla	Chairman	Managing Director
2	Mr. D Sundaram	Member	Independent Director

Terms of reference:

The following are terms of reference of Listing Committee

- To take such steps as the committee may deem fit, for the purpose of the proposed listing of the securities of the Company and matters connected thereto;
- To allot shares of the Company to the shareholders of Crompton Greaves Limited in accordance with the scheme of arrangement under Section 391 to 394 read with Section 78 and Sections 100 to 103 of the Companies Act, 1956 between Crompton Greaves Limited and the Company and their respective shareholders and creditors and as sanctioned by the Hon'ble High Court of judicature at Bombay vide its order dated November 20, 2015 and matters incidental thereto;
- To approve the formats of the share certificates and allotment intimation letters to be sent to the shareholders post the allotment and for matters incidental thereto; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

Change in Board of Directors since incorporation

Name of Director	Date of Appointment	Date of Cessation	Reason
D Sundaram	September 18, 2015	Incumbent	N.A.
P M Murty	September 18, 2015	Incumbent	N.A.
Shantanu Khosla	September 21, 2015	Incumbent	N.A.
Hemant Nerurkar	January 25, 2016	Incumbent	N.A.
Sonia Niranjan Das	January 25, 2016	Incumbent	N.A.
Madhav Acharya	February 25, 2015	January 4, 2016	Resignation
Atul Gulatee	February 25, 2015	February 5, 2016	Resignation

Name of Director	Date of Appointment	Date of Cessation	Reason
Sushant Arora	February 25, 2015	September 21, 2015	Resignation

Key Managerial Personnel

Name	Designation	Date of appointment
Shantanu Khosla	Managing Director	January 1, 2016
Mathew Job	Chief Executive Officer	January 1, 2016
Sandeep Batra	Chief Financial Officer	January 1, 2016
	Company Secretary and Compliance Officer	February 12, 2016

Brief Profiles of the Key Managerial Personnel

For the profile of Mr. Shantanu Khosla, please see "Management – Brief Profiles of Directors".

Mr Mathew Job

Mr. Mathew Job joined Crompton Greaves Limited in September 2015. Prior to joining CGL Mr. Mathew Job was with Philips Electronics India Ltd from June 1994 to October 2009, where he held several key positions. From November 2009 till January 2012, Mr Mathew Job was working with Grohe India Pvt Ltd as Vice President and Managing Director. He then moved on to Racold (Ariston) Thermo Ltd as Managing Director where he worked till September 2015. Mr. Mathew Job has studied Bachelor in Technology (Electrical & Electronics). He is an alumnus of the Indian Institute of Management, Calcutta.

Mr Sandeep Batra

Mr. Sandeep Batra joined Crompton Greaves Limited in September 2015. Prior to joining CGL he was with ICI Limited from January 1988 to January 2009, where he held various important responsibilities and eventually assumed the role of the Chief Financial Officer. He then joined Pidilite Industries Limited as their Chief Financial Officer in January 2009. Mr. Sandeep Batra is an alumnus from the prestigious St. Xavier's College, Calcutta, a Chartered Accountant and Company Secretary, by profession. Mr. Sandeep Batra is also the Company Secretary and Compliance Officer of our Company.

Shareholding of KMPs

None of our KMPs hold any Equity Shares in the Company.

Confirmations

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board.

Our Directors may be regarded as interested in the Equity Shares held by them or equity shares in our Subsidiaries. All of our Directors may also be deemed to be interested to the extent of any dividends payable to them and other distributions in respect of the Equity Shares. Further, our Directors have no interest in any property acquired within the preceding two years or proposed to be acquired by our Company. No loans have been availed by our Directors or the Key Management Personnel from our Company.

PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

Our Promoters and Promoter Group together hold 215,451,070 equity shares, equivalent to 34.38% of our paid-up equity share capital. The promoters of our Company are:

1. Avantha Holdings Limited;
2. Varun Prakashan Private Limited; and
3. Avantha Realty Limited.

Avantha Holdings Limited

Avantha Holdings Limited, incorporated on May 29, 1998 under the provisions of the Companies Act, is engaged in the business of materials management, agency business and holding investments.

Varun Prakashan Private Limited

Varun Prakashan Private Limited, incorporated on February 13, 1989 under the provisions of the Companies Act, is engaged in the business of making investments in real estates.

Avantha Realty Limited

Avantha Realty Limited, incorporated on May 05, 1981 under the provisions of the Companies Act, is engaged in the business of making investments in real estates.

The natural person in control of the promoters of our Company is Mr. Gautam Thapar.

A brief profile of Mr. Gautam Thapar is as under:

Mr. Gautam Thapar is Founder and Chairman of the Avantha Group which includes Crompton Greaves Limited (power transmission and distribution equipment and services), Ballarpur Industries Limited (paper and pulp), The Global Green Company Limited (food processing), Biltech Building Elements Limited (infrastructure), Avantha Power & Infrastructure Limited (energy), Avantha Business Solutions Limited (IT and ITES), JG Glass (glass containers), Avantha Ergo Life Insurance Company Limited (Life Insurance) and Solaris Chemicals (Chemicals).

After studying chemical engineering in the U.S.A., Mr. Gautam Thapar returned to India and started his career as a factory assistant. He rose steadily and steered the organisation through a strategic and visionary turnaround, involving resilience and restructuring. Mr. Gautam Thapar became Group Chairman in 2006. In 2008, he received the Ernst & Young Entrepreneur of the Year Award for Manufacturing.

Mr. Gautam Thapar is widely recognized for his thought leadership, and he was also appointed as a member of the former National Security Advisory Board. Mr. Gautam Thapar takes his social responsibilities seriously, this is manifested in his involvement across three sectors: education, leadership development and sports. He is President of Thapar University, Former Chairman of the Board of Governors - National Institute of Industrial Engineering, chairman of the CII-Avantha Center for Competitiveness for SMEs and past president of All India Management Association. He was awarded AIMA Honorary Life Fellowship in 2013. A former Chairman of The Ananta Aspen Centre, he is President of the Professional Golf Tour of India. In 2013, King's College, London, UK, conferred an Honorary Fellowship in recognition of his 'exceptional achievements in the fields of industry and philanthropy".. He is also a member of the nomination and remuneration committee, corporate social responsibility committee and chairman of the stakeholders relationship committee of CGL.

PROMOTER GROUP

Unless the context requires otherwise, the entities forming part of our promoter group in accordance with SEBI ICDR Regulations.

GROUP COMPANIES

The following table enumerates our group companies, brief description of the business and nature and extent of interest of the Promoters:

Sr. No	Name of the Company	Subsidiary/ Associate of Promoters	Country of incorporation	Nature of business activity
1.	Crompton Greaves Consumer Products Ltd	Subsidiary	India	Manufacturing of electrical machinery and apparatus N.E.C.
2.	CG-PPI Adhesive Products Ltd	Subsidiary	India	Manufacture of Special Purpose Self Adhesive Tapes and Specialty Labels
3.	CG Power Solutions Limited	Subsidiary	India	Generation, distribution, purchase and trading of electricity and other electrical products, components & equipments
4.	CG Automation Systems UK Ltd	Subsidiary	United Kingdom	Supply of a range of information, communication and automation products for the electricity transmission and distribution network.
5.	CG Drives & Automation Germany GmbH	Subsidiary	Germany	Develops solutions for controlling machines and processes driven by electric motors, combining state of the art technology with robust design and user-friendliness.
6.	CG Drives & Automation Netherlands BV	Subsidiary	Netherlands	Development, production and marketing of inverter products, including electrical motor drives and sales of such products
7.	CG Drives & Automation Sweden AB	Subsidiary	Sweden	Develops solutions for controlling machines and processes driven by electric motors, combining state of the art technology with robust design and user-friendliness
8.	CG Electric Systems Hungary ZRT	Subsidiary	Hungary	Production of electric motor, generator, switchgear and current regulator & manufacture of metal structures
9.	CG Holdings Belgium NV	Subsidiary	Belgium	Turnkey integrated T&D solutions, installs, maintains, refurbishes and repairs transformers, tap-changers, AIS, GIS and substations worldwide
10.	CG Holdings Hungary Kft	Subsidiary	Hungary	Administrative and other management consultancy
11.	CG Industrial Holdings Sweden AB	Subsidiary	Sweden	Holding Company of CG Drives and Automation and KK EI-FI Japan
12.	CG International BV	Subsidiary	Netherlands	Investment Company
13.	CG Middle East FZE	Subsidiary	United Arab Emirates	Trading in electrical and electronics, appliances, spares parts, power generation, transmission and distribution equipment, industrial plant equipment and spare parts
14.	CG Power County LLC	Subsidiary	United States of	Dormant Company

Sr. No	Name of the Company	Subsidiary/ Associate of Promoters	Country of incorporation	Nature of business activity
			America	
15.	CG Power Solutions UK Ltd	Subsidiary	United Kingdom	Provision of electrical engineering, construction, project management and services solutions to the HV electrical transmission and distribution industry
16.	CG Power USA Inc	Subsidiary	United States of America	Electrical power generation and transmission
17.	CG Power Systems Belgium NV	Subsidiary	Belgium	Design and manufacturing of high voltage power transformers, custom-made medium power transformers, large power transformers, auto transformers up to 400 MVA/525 kV, phase-shifting transformers upto 500 MVA/525 kV, as well as special purpose and mobile transformers. Manufacture of special distribution transformers for industrial applications and offers a wide range of standard liquid-filled distribution transformers for the distribution of electricity to consumers.
18.	CG Power Systems Brazil Ltda	Subsidiary	Brazil	Manufacture of electrical equipment and preparation and execution of engineering projects and construction of sub-stations for electric system
19.	CG Power Systems Canada Inc	Subsidiary	Canada	Manufacture of medium and large power transformers, high voltage direct current converter transformer technology
20.	CG Power Systems Ireland Ltd	Subsidiary	Ireland	Distribution Transformers
21.	CG Sales Networks France SA	Subsidiary	France	CG Sales Networks France SA is our sales office at France
22.	CG Service Systems France SAS	Subsidiary	France	Offers services relating to on-site maintenance/repair of power transformers & on-load tap changers, oil analysis, oil treatment and retrofilling.
23.	CG International Holdings Singapore PTE LTD	Subsidiary	Singapore	General trading and sales
24.	Crompton Greaves Sales Network Malaysia Sdn. Bhd.	Subsidiary	Malaysia	Service, maintain and supply of electrical and electronic products and systems
25.	Microsol Ltd	Subsidiary	Ireland	Dormant Company
26.	PT CG Power Systems Indonesia	Subsidiary	Indonesia	Manufacturing, marketing and maintenance of power transformers

Sr. No	Name of the Company	Subsidiary/ Associate of Promoters	Country of incorporation	Nature of business activity
27.	ZIV I+D Smart Energy Networks	Subsidiary	Spain	Design, development and innovation projects of protection, control, metering and communications for electric and industrial areas
28.	ZIV Aplicaciones y Tecnologia	Subsidiary	Spain	Protection, control, metering & communications equipment
29.	ZIV Communication S A U	Subsidiary	Spain	Design, manufacture and sale of telecommunications equipment on high-voltage lines for the transmission of speech and data, teleprotection equipment
30.	ZIV Do Brazil Ltda	Subsidiary	Brazil	Engineering and technical services in connection with Power lines
31.	ZIV Grid Automation S L U	Subsidiary	Spain	Production and sales of electronic protection, control, metering and communications equipment for the electric industries.
32.	ZIV Metering Solutions , S L U	Subsidiary	Spain	Production and sale of electronic equipment, systems and solutions for the MV & LV distribution grid
33.	PT Crompton Prima Switchgear Indonesia	Subsidiary	Indonesia	Engaged in control equipment industry and electricity distribution
34.	CG Power Solutions Saudi Arabia Ltd	Subsidiary	Saudi Arabia	Offers management and construction services for high and medium voltage substation and transmission distribution projects, engineering designs, procurement, installation, maintenance and operation of equipment for power projects and substations and providing technical support
35.	Saudi Power Transformers Company Ltd	Associate	Saudi Arabia	Manufacture of power transformers
36.	Pauwels Middle East Trading & Contracting Pvt Co LLC	Associate	United Arab Emirates	Trading in electrical and allied equipment
37.	KK El-Fi Japan	Associate	Japan	Dormant Company

Entities over which Mr Gautam Thapar exercises significant influence:

Sr. No.	Name of the Company	Nature of interest of Mr. Gautam Thapar	Nature of business activity
1.	Arizona Printers & Packers Private Limited	35.28% held by Avantha Holdings Limited and 42.92% held by subsidiaries of Avantha Realty Limited	For past many years the company is not carrying out any business activity.
2.	Avantha Energy Services Limited	100% subsidiary of Avantha Power & Infrastructure Ltd.	Incorporated in the year 2014 for business of sourcing, purchasing, procuring, selling, importing, exporting etc. of coal, lignite, sub-bituminous coal and bituminous coal and other ancillary activities. However, Avantha Energy Services Limited is not carrying on any business activity as on date.
3.	Avantha Ergo Life Insurance Company Limited	Subsidiary of Avantha Holdings Limited	Applied for IRDA License for carrying on life insurance business.
4.	Avantha Foundation	100% held by Mr. Gautam Thapar alongwith nominees	Charitable Entity.
5.	Avantha Holdings Limited	87.54% held by Mr. Gautam Thapar alongwith Nominees. 12.42% held by Avantha Realty Limited	Materials management, agency business, manufacture of paper sacks and Holding long term strategic investments in group companies.
6.	Avantha International Asset B.V.	100% Subsidiary of Avantha International Holdings B.V.	Group Financing activities
7.	Avantha International Holdings B.V.	100% held by Mrs. Stephanie Thapar (Spouse of Mr Gautam Thapar)	Holding Activities
8.	Avantha Power & Infrastructure Limited	Subsidiary of Avantha Holdings Limited	Holding Company of Avantha Energy Services Ltd., Jhabua Power Ltd., Jhabua Power Investments Ltd., Korba West Power Company Ltd., TKS Developers Ltd. and Malanpur Captive Power Ltd.
9.	Avantha Projects Limited	99.88% held by Mr. Gautam Thapar	Yet to commence business
10.	Avantha Realty Limited	100% held by Mr. Gautam Thapar alongwith nominees	Investments in real estates.
11.	Avantha Technologies Limited	100% Subsidiary of Avantha Holdings Limited	Business process solution provider for global clients in diverse vertical and horizontal streams such as finance and accounts, health care, financial services, human resource and knowledge process

Sr. No.	Name of the Company	Nature of interest of Mr. Gautam Thapar	Nature of business activity
			outsourcing etc
12.	Ballarpur Industries Limited (BILT)	Promoter / associate of Avantha Holdings Limited	manufacturer of pulp, paper and paper products
13.	BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V. Name change effective 23.07.2014)	Step down subsidiary of BILT	Group holding company
14.	Ballarpur International Holdings B.V.	Subsidiary of BILT	Group holding company
15.	Ballarpur Paper Holdings B.V.	Step down subsidiary of BILT	Group holding company
16.	Ballarpur Speciality Paper Holdings B.V. (BSPH)	Subsidiary of BILT	Group holding company
17.	BILT Graphic Paper Products Limited	Step down subsidiary of BILT	Manufacturer of pulp, paper and paper products
18.	BILT Industrial Packaging Company Limited	Subsidiary of Avantha Holdings Limited	Manufacturer of packaging paper
19.	BILT Tree Tech Limited	Subsidiary of BILT	Farm forestry, wood trading etc
20.	Biltech Building Elements Limited	Subsidiary of Avantha Holdings Limited	Manufacturer of lightweight Autoclaved Aerated Concrete (AAC) blocks.
21.	Corella Investments Limited	100% subsidiary of MTP New Ocean Mauritius Limited	Under liquidation.
22.	Crompton Greaves Limited	Mr. Gautam Thapar is the promoter of its three promoter companies viz. Avantha Holdings Ltd, Avantha Realty Ltd and Varun Prakashan Pvt. Ltd.	Management and application of electrical energy, power transmission and distribution, Equipment & Services.
23.	Dunakiliti Kanzervuzem Kft, Hungary	Step down subsidiary of Global Green Company Limited	Manufacturing, supplying, exporting, distributing of processed vegetables, fresh fruits, preserved foods and other related activities.
24.	Global Green Company Limited	Subsidiary of Avantha Holdings Limited	Manufacturing, supplying, exporting, distributing of processed vegetables, fresh fruits, preserved foods and other related activities.
25.	Global Green International N.V., Belgium	Subsidiary of Global Green Company Limited	Marketing, sales, and distribution of processed vegetables, fresh fruits, preserved foods and other related activities
26.	Global Green USA Limited, USA	Subsidiary of Global Green Company Limited	Marketing, Sales and distribution of processed vegetables, fresh fruits, preserved foods and other related activities

Sr. No.	Name of the Company	Nature of interest of Mr. Gautam Thapar	Nature of business activity
27.	Global Green International (UK) Ltd., UK	Step down subsidiary of Global Green Company Limited	Marketing, Sales and distribution of processed vegetables, fresh fruits, preserved foods and other related activities
28.	Greenhouse Agrar Kft, Hungary	Step down subsidiary of Global Green Company Limited	Marketing, Sales and distribution of processed vegetables, fresh fruits, preserved foods and other related activities
29.	Gyanodaya Prakashan (P) Limited	98% Avantha Realty Limited 2% Gautam Thapar	Making investments in real estates.
30.	Imerys NewQuest (India) Private Limited	26% held by Avantha Holdings Limited	Manufacturer of Ground Calcium Carbonate
31.	Intergarden (India) Private Limited	Subsidiary of Global Green Company Limited	Inactive Subsidiary
32.	JG Containers (Malaysia) Sdn. Bhd., Malaysia ("JG")	Subsidiary of Avantha Holdings Limited	Glass Bottles manufacturing. based in Malaysia
33.	Jhabua Power Investments Limited	Subsidiary of Avantha Power and Infrastructure Limited	Holding company of Jhabua Power Ltd
34.	Jhabua Power Limited	Subsidiary Jhabua Power Investments Limited	Power Company
35.	K. P. Cements Manufacturing Pvt Ltd.	Subsidiary of Biltech Building Elements Limited	Manufacturer of cements and allied products
36.	Korba West Power Company Limited	Subsidiary of TKS Developers Limited	Power Company
37.	Krebs & Cie (India) Limited	50% held by Avantha Realty Limited	The Company has discontinued its business, however, it receives rental income.
38.	Leading Line Merchant Traders (P) Limited	98% held by Avantha Realty Limited 2% held by Mr Gautam Thapar	Investments in real estates
39.	Lustre International Limited	100% subsidiary of MTP New Ocean Mauritius Limited	Under liquidation
40.	Malanpur Captive Power Limited	Subsidiary of Avantha Power and Infrastructure Limited	Power Company (not carrying on any business activity since February 2015)
41.	Mirabelle Trading Pte. Limited, Singapore	100% subsidiary of JG Containers (Malaysia) Sdn. Bhd., Malaysia	Trading in pulp, paper, chemicals and commodities
42.	MTP NEW Ocean (Mauritius) Limited	Subsidiary of TAF Asset 2 BV	Investment Holding Company.
43.	NewQuest Insurance Broking Services Limited	100% subsidiary of Avantha Holdings Limited	Insurance broking

Sr. No.	Name of the Company	Nature of interest of Mr. Gautam Thapar	Nature of business activity
44.	NewQuest Services Private Limited	98.30% Avantha Realty Limited 1.7% Mr Gautam Thapar	No business
45.	NQC Global (Mauritius) Limited, Mauritius	100% subsidiary of Avantha Holdings Limited	Investment Holding Company
46.	NQC International (Mauritius) Limited, Mauritius	100% subsidiary of Avantha Holdings Limited	Investment Holding Company
47.	Orient Engineering & Commercial Limited	59.87% held by Mr Gautam Thapar 40.13% held by Avantha Realty Limited	Was engaged in trading of engineering equipments. At present no business
48.	Oyster Buildwell (P) Limited	98% held by Avantha Realty Limited 2% held by Mr Gautam Thapar	Investments in real estates
49.	Premier Tissues (India) Limited	Subsidiary of BILT	manufacturer of tissue paper and paper products
50.	Prestige Wines and Spirits (P) Ltd.	33.66% held by Mr Gautam Thapar 16.34% held by Avantha Realty Limited 50% held by Salient Financial Solutions Ltd.	Wholesale trade of alcoholic wines & beverages
51.	Puszta Konserv Kft, Hungary	Step down subsidiary of Global Green Company Limited	Manufacturing, supplying, exporting, distributing of processed vegetables, fresh fruits, preserved foods and other related activities.
52.	Sabah Forest Industries Sdn. Bhd.	Step down subsidiary of BILT	manufacturer of pulp, paper and paper products
53.	Sairam Infra Projects Pvt. Ltd.	98% held by Avantha Realty Limited 2% held by Mr. Gautam Thapar	Investments in real estates
54.	Avantha Business Solutions Limited	Subsidiary of Avantha Holdings Limited and 7.22% held by Avantha Realty Limited	Business process solution provider for global clients in diverse vertical and horizontal streams such as finance and accounts, health care, financial services, human resource and knowledge process outsourcing etc.
55.	Avantha Business Solutions Holdings , Inc. (ABS)	Subsidiary of Avantha Business Solution Limited	Holding Company for Avantha Solutions Inc,
56.	Salient Financial Solutions Limited	100% Subsidiary of Solaris Industrial Chemicals Limited	
57.	Saraswati Travels (P) Limited	100% subsidiary of	Investments in real estates

Sr. No.	Name of the Company	Nature of interest of Mr. Gautam Thapar	Nature of business activity
		Avantha Realty Limited	
58.	Seer Buildwell (P) Limited	98% held by Avantha Realty Limited 2% held by Mr Gautam Thapar	Investments in real estates
59.	SMI NewQuest India Private Limited	26% held by Avantha Holdings Limited	Manufacturer of precipitated calcium carbonate and other chemicals required by, inter-alia, paper mills
60.	Sohna Stud Farms Pvt Ltd.	50% held by Avantha Holdings Limited	Maintaining Stud Farms
61.	Solaris Chemtech Industries Limited	Subsidiary of Avantha Holdings Limited and 13.06% held by Avnatha Realty Limited	Manufacturing of chemicals namely bromine & bromides.
62.	Solaris Industrial Chemicals Limited	100% subsidiary of Avantha Holdings Limited alongwith nominees	Trading of fabrics.
63.	TAF Asset 2 B.V.	100% Subsidiary of Avantha International Holdings B.V.	Holding and group financing activities
64.	TKS Developers Limited	100% held by Avantha Power and Infrastructure Limited	Holding company of Korba West Power Company Limited
65.	UHL Power Company Limited	Subsidiary of Avantha Holdings Limited	No business activity
66.	Ultima Hygiene Products (P) Limited	100% held by Avantha Realty Limited	Investments in real estates
67.	Vani Agencies P. Ltd.	100% held by Avantha Realty Limited	Investments in real estates
68.	Vanity Propbuild (P) Limited	98% held by Avantha Realty Limited 2% held by Mr Gautam Thapar	Investments in real estates
69.	Varun Prakashan (P) Limited	98% held by Avantha Reality Limited 2% held by Mr Gautam Thapar	Investments in real estates

Top five Group Companies are as under:

Crompton Greaves Limited

Crompton Greaves Limited, incorporated on April 28, 1937 under the provisions of the Indian Companies Act, 1913, is engaged in the business of manufacturing, marketing, distributing and selling of products used in (a) power industry; and (b) industrial systems.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	125.35	125.35	128.30
Reserves (excluding revaluation reserve)	3,873.50	3,217.10	2,914.73
Turnover with Other Income	8,016.32	7,703.11	7,233.98
Profit after tax	731.14	521.09	445.84
Earning per share	11.67	8.23	6.95
Net asset value	4,009.63	3,356.07	3,056.85

CG Power Systems Belgium N.V.

CG Power Systems Belgium N.V., incorporated on 10th August, 1972 under the laws of Belgium, is engaged in the business of designing and manufacturing of high voltage power transformers, custom-made medium power transformers, large power transformers, auto transformers up to 400 MVA/525 kV, phase-shifting transformers upto 500 MVA/525 kV, as well as special purpose and mobile transformers. CG Power Systems Belgium N.V also manufactures special distribution transformers for industrial applications and offers a wide range of standard liquid-filled distribution transformers for the distribution of electricity to consumers.

Financial Performance - Standalone

Rs; in lakhs, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	1,175.44	1,440.16	584.45
Reserves (excluding revaluation reserve)	(465.65)	(416.00)	(251.29)
Turnover with Other Income	997.37	1,251.30	1,289.91
Profit after tax	(151.16)	(118.55)	(328.05)
Earning per share	(11,968.98)	(17,657.97)	(54,071.27)
Net asset value	709.79	1,024.16	333.16

CG Power USA Inc

CG Power USA Inc, incorporated on 17th June, 1997 under the laws of United States of America, is engaged in the business of electrical power generation and transmission.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	19.37	120.52	-
Reserves (excluding revaluation reserve)	185.32	83.13	-
Turnover with Other Income	1,174.64	1,117.41	-
Profit after tax	(7.78)	31.06	-
Earning per share	(7,77,949.50)	31,06,000.00	-
Net asset value	204.70	203.65	-

CG Holdings Belgium N.V.

CG Holdings Belgium N.V., incorporated on 16th November, 1976 under the laws of Belgium, is engaged in the business of turnkey integrated transmission and distribution solutions, installs, maintains, refurbishes and repairs transformers, tap-changers, AIS, GIS and substations worldwide.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	786.49	963.62	814.07
Reserves (excluding revaluation reserve)	928.07	1,221.64	1,087.42
Turnover with Other Income	694.82	840.35	776.51
Profit after tax	31.69	49.62	(19.60)
Earning per share	7,251.20	11,353.39	(4,483.52)
Net asset value	1,714.57	2,185.26	1,901.49

PT. CG Power Systems Indonesia

PT. CG Power Systems Indonesia, incorporated on 20th November, 1990 under the laws of Indonesia, is engaged in the business of manufacturing, marketing and maintenance of power transformers.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	79.32	76.04	68.90
Reserves (excluding revaluation reserve)	495.40	417.22	320.90
Turnover with Other Income	810.63	738.37	574.16
Profit after tax	57.55	64.04	50.51
Earning per share	45,346.91	50,456.98	39,800.52
Net asset value	574.73	493.26	389.80

Group Companies with negative networth are as under:

CG Power Systems Canada Inc.

CG Power Systems Canada Inc, incorporated under the laws of Canada, is engaged in the business of manufacturing medium and large power transformers, high voltage direct current converter transformer technology.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	134.62	149.53	146.95
Reserves (excluding revaluation reserve)	(268.31)	(247.80)	(172.04)
Turnover with Other Income	380.21	384.39	271.89
Profit after tax	(25.83)	(72.74)	(88.74)
Earning per share	(172.20)	(484.93)	(591.59)
Net asset value	(94.53)	(54.77)	17.67

CG Electric Systems Hungary Zrt.

CG Electric Systems Hungary Zrt, incorporated on 31st October, 2001 under the laws of Hungary, is engaged in the business of production of electric motor, generator, switchgear and current regulator & manufacture of metal structures.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	30.21	37.02	31.27
Reserves (excluding revaluation reserve)	(170.54)	102.52	154.39
Turnover with Other Income	367.58	791.84	605.29
Profit after tax	(254.21)	(80.28)	64.21
Earning per share	(5,64,91,160.08)	(1,78,40,000.00)	(1,42,68,458.58)
Net asset value	(140.33)	139.54	185.67

CG Power Solutions UK Limited

CG Power Solutions UK Limited, incorporated on 17th August, 1999 under the laws of United Kingdom, is engaged in the business of provisioning of electrical engineering, construction, project management and services solutions to the HV electrical transmission and distribution industry.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	0.00	0.00	0.00
Reserves (excluding revaluation reserve)	(31.30)	46.06	74.80
Turnover with Other Income	168.39	266.85	318.30
Profit after tax	(74.04)	(44.52)	(18.96)
Earning per share	(80.47)	(48.39)	(20.61)
Net asset value	(31.30)	46.06	74.81

CG Power Systems Brazil LTDA

CG Power Systems Brazil LTDA, incorporated on 26th October, 2010 under the laws of Brazil, is engaged in the business of manufacturing of electrical equipment and preparation and execution of engineering projects and construction of sub-stations for electric system.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	-	-	-
Reserves (excluding revaluation reserve)	(97.39)	(72.70)	(36.22)
Turnover with Other Income	45.30	89.92	15.46
Profit after tax	(44.26)	(37.09)	(25.31)

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Earning per share	-	-	-
Net asset value	(97.39)	(72.70)	(36.22)

ZIV Do Brazil LTDA

ZIV Do Brazil LTDA, incorporated on 1st July, 1998 under the laws of Brazil, is engaged in the business of engineering and technical services in connection with Power lines.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	4.69	4.71	4.79
Reserves (excluding revaluation reserve)	(7.37)	(9.52)	(5.75)
Turnover with Other Income	11.34	11.91	17.61
Profit after tax	(0.43)	(3.88)	(2.54)
Earning per share	(177.50)	(2,186.04)	(1,430.36)
Net asset value	(2.68)	(4.81)	(0.97)

CG Power Solutions Limited

CG Power Solutions Limited, incorporated on March 14, 2012 under the Companies Act, 1956, is engaged in the business of generation, distribution, purchase and trading of electricity and other electrical products, components & equipments.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	0.05	0.05	0.05
Reserves (excluding revaluation reserve)	(30.16)	(17.38)	(7.24)
Turnover with Other Income	8.34	0.48	0.00
Profit after tax	(12.79)	(10.14)	(7.22)
Earning per share	(2,557.13)	(2,027.77)	(1,443.94)
Net asset value	(30.11)	(17.33)	(7.19)

CG Power County LLC

CG Power County LLC, incorporated under the laws of the United States of America, is a dormant company.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	-	-	-
Reserves (excluding revaluation reserve)	(38.78)	(37.13)	(33.63)

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Turnover with Other Income	-	-	-
Profit after tax	(0.04)	(0.02)	(3.78)
Earning per share	NA	NA	NA
Net asset value	(38.78)	(37.13)	(33.63)

Crompton Greaves Consumer Products Limited

Crompton Greaves Consumer Products Limited, incorporated on September 19, 2014 under the Companies Act, is engaged in the business of manufacturing, marketing, distributing and selling of consumer products.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	3.18	-	-
Reserves (excluding revaluation reserve)	(2.03)	-	-
Turnover with Other Income	-	-	-
Profit after tax	(2.03)	-	-
Earning per share	(0.12)	-	-
Net asset value	1.15	-	-

Saudi Power Transformers Co Ltd

Saudi Power Transformers Co Ltd, incorporated on 21st December, 2010 under the laws of Saudi Arabia, is engaged in the business of manufacturing of power transformers.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	24.65	23.64	21.47
Reserves (excluding revaluation reserve)	(36.06)	(19.99)	(2.81)
Turnover with Other Income	2.14	6.18	-
Profit after tax	(15.19)	(16.89)	(2.11)
Earning per share	(102.64)	(114.17)	(14.25)
Net asset value	(23.28)	3.65	18.65

Pauwels Middle East Trading & Contracting Pvt Co LLC SO

Pauwels Middle East Trading & Contracting Pvt Co LLC SO, incorporated on 9th June, 1977 under the laws of United Arab Emirates, is engaged in the business of trading in electrical and allied equipments.

Financial Performance - Standalone

Rs; in crores, except for earning per share data

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Equity Capital	0.42	0.40	0.36

Parameter	As of March 31, 2015	As of March 31, 2014	As of March 31, 2013
Reserves (excluding revaluation reserve)	(0.54)	(0.59)	1.00
Turnover with Other Income	-	0.01	0.00
Profit after tax	0.08	(1.69)	(0.19)
Earning per share	3,178.30	(69,181.76)	(7,899.25)
Net asset value	(0.25)	(0.19)	1.36

RELATED PARTY TRANSACTIONS

For details of related party transactions, see Financial Statements.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors approval, in their discretion and will depend on number of factors, including but not limited to our earnings, capital requirements and overall financial position. Our Company, since its incorporation, has not declared or paid any dividend.

SECTION V FINANCIAL INFORMATION
FINANCIAL STATEMENTS

There have not been any reservations, qualifications and adverse remarks in our financial statements since incorporation.

There has been no change in the accounting policies of our Company.

Crompton Greaves Consumer Electricals Limited

For nine months ended
31st December, 2015

Auditor's Report to the Board of Directors of
Crompton Greaves Consumer Electricals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Crompton Greaves Consumer Electricals Limited** (the 'Company'), which comprise the Balance Sheet as at 31st December, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the period 1st April, 2015 to 31st December, 2015 and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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Edwin Augustine · Raghunath P. Acharya · Firdosh D. Buchia · Thirtharaj A. Khot · Pavan K. Aggarwal
Also at Pune. Associate Offices : Bangalore, Chennai, Goa & New Delhi

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st December, 2015 and its profit and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

Sd/-
MILIND P. PHADKE
Partner
Membership No. 033013

Mumbai, April 28, 2016

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

BALANCE SHEET AS AT 31ST DECEMBER, 2015

Particulars	Note No.	As at 31-12-2015 ₹ in Crores	As at 31-12-2015 ₹ in Crores	As at 31-03-2015 ₹ in Crores	As at 31-03-2015 ₹ in Crores
EQUITY AND LIABILITIES					
(1) Shareholders' Funds:					
(a) Share capital	2	0.05		0.05	
(b) Share suspense account	2	125.35		-	
(c) Reserves and surplus	3	36.71		(1.87)	
			162.11		(1.82)
(2) Non-current Liabilities:					
(a) Long-term borrowings	4	538.84		-	
(b) Other long-term liabilities	5	0.47		-	
(c) Deferred tax liabilities (net)	6	0.09		-	
(d) Long-term provisions	7	14.78		-	
			554.18		-
(3) Current Liabilities:					
(a) Trade payables	8	638.00		0.00	
(b) Other current liabilities	9	197.82		2.86	
(c) Short-term provisions	10	23.54		-	
			859.36		2.86
TOTAL			1,575.65		1.04
ASSETS					
(1) Non-current Assets:					
(a) Fixed assets					
(i) Tangible assets	11	77.81		-	
(ii) Intangible assets	11	782.57		-	
(iii) Capital work-in-progress		0.00		-	
(iv) Intangible assets under development		-		-	
(b) Deferred tax assets	6	-		0.99	
(c) Long-term loans and advances	12	13.44		-	
			873.82		0.99
(2) Current Assets:					
(a) Inventories	13	186.96		-	
(b) Trade receivables	14	393.74		-	
(c) Cash and bank balances	15	48.72		0.05	
(d) Short-term loans and advances	16	70.64		-	
(e) Other current assets	17	1.77		-	
			701.83		0.05
TOTAL			1,575.65		1.04
CONTINGENT LIABILITIES	30				
SIGNIFICANT ACCOUNTING POLICIES	1				

The accompanying notes form an intergral part of financial statements

As per our report attached
SHARP & TANNAN
CHARTERED ACCOUNTANTS
Firm's Registration No. 109982W
by the hand of

Sd/-
Milind P. Phadke
PARTNER
Membership No. 033013
Mumbai, 28th April, 2016

Sd/-
Sandeep Batra
CFO &
Company Secretary

Mumbai, 28th April, 2016

Sd/-
Shantanu Khosla
Director

Sd/-
D Sundaram
Director

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST DECEMBER, 2015

Particulars	Note No.	9 Months ended 31-12-2015		2014-15	
		₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Sales and services		833.27		-	
Less: Excise duty		23.22		-	
Revenue from operations	18		810.05		-
Other income	19		2.21		-
Total Revenue			812.26		-
Expenses:					
Cost of raw materials and components consumed and construction materials	20	197.32		-	
Purchases of stock-in-trade	21	397.01		-	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(20.05)		-	
Employee benefits expense	23	45.24		-	
Finance costs	24	17.90		-	
Depreciation and amortisation expense	25	2.97		-	
Other expenses	26	108.20		2.86	
Total Expenses			748.59		2.86
Profit before exceptional item and tax			63.67		(2.86)
Exceptional item	30		(4.66)		-
Profit before tax			59.01		(2.86)
Tax expense:					
Current tax		19.97		-	
Deferred tax	6	0.46		(0.99)	
			20.43		(0.99)
Profit for the period/ year			38.58		(1.87)
Earnings per share (basic and diluted) (₹) (Face value of equity share of ₹ 2 each)	29		1.85		(74.85)
SIGNIFICANT ACCOUNTING POLICIES	1				

The accompanying notes form an intergral part of financial statements

Sd/-
Shantanu Khosla
Director

As per our report attached
SHARP & TANNAN
CHARTERED ACCOUNTANTS
Firm's Registration No. 109982W
by the hand of

Sd/-
Sandeep Batra
CFO &
Company Secretary

Sd/-
Milind P. Phadke
PARTNER
Membership No. 033013
Mumbai, 28th April, 2016

Mumbai, 28th April, 2016

Sd/-
D Sundaram
Director

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED 31ST DECEMBER, 2015

	Particulars	9 Months ended 31-12-2015	2014-15
		₹	₹
[A]	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before taxes	59.01	(2.86)
	Adjustments for:		
	Depreciation and amortisation expense	2.97	-
	Interest expenses	17.90	-
	Interest income	(2.09)	-
	Unrealised exchange (gain) / loss (net)	(1.05)	-
		17.73	-
	Operating profit before working capital changes	76.74	(2.86)
	Adjustments for:		
	(Increase) / Decrease in trade and other receivables	12.33	-
	(Increase) / Decrease in inventories	(27.21)	-
	Increase / (Decrease) in trade and other payables	62.64	2.86
	Increase / (Decrease) in provisions	3.87	-
		51.63	2.86
	Cash (used in) / from operations	128.37	(0.00)
	Direct taxes paid (net of refunds)	(38.02)	-
	Net cash (used in) / from operating activities [A]	90.35	(0.00)
[B]	CASH FLOWS FROM INVESTING ACTIVITIES		
	Add: Inflows from investing activities		
	Interest received	2.09	-
		2.09	-
	***Less*: Outflows from investing activities**		
	Purchase of fixed assets	(0.08)	-
		(0.08)	-
	Net Cash (used in) / from investing activities [B]	2.01	-
[C]	CASH FLOWS FROM FINANCING ACTIVITIES		
	***Add*: Inflows from financing activities**		
	Issue of share Capital	-	0.05
	***Less*: Outflows from financing activities**		
	Repayment of long-term borrowings	(31.62)	-
	Interest paid	(12.17)	-
	Cash (used in) / from financing activities [C]	(43.79)	0.05
	NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES (A+B+C)	48.57	0.05
	(A) Cash and bank balances at beginning of the year	0.05	-
	(B) Cash and bank balances pursuant to the "Scheme" (refer Note 2)	0.11	-
	(C) Cash and bank balances at end of the year	48.72	0.05
	NET INCREASE / (DECREASE) IN CASH AND BANK BALANCES	48.57	0.05

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

Notes:

1 The cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 Cash Flow Statements, as specified in the Companies (Accounting Standards) Rules, 2006.

2 Additions to fixed assets include movements of capital work-in-progress during the period.

3 Figures for the previous year have been regrouped wherever necessary.

As per our report attached
SHARP & TANNAN
CHARTERED ACCOUNTANTS
Firm's Registration No. 109982W
by the hand of

Sd/-
Milind P. Phadke
PARTNER
Membership No. 033013
Mumbai, 28th April, 2016

Sd/-
Sandeep Batra
CFO &
Company Secretary

Mumbai, 28th April, 2016

Sd/-
Shantanu Khosla
Director

Sd/-
D Sundaram
Director

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation and presentation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory bodies viz. SEBI guidelines override the same requiring a different treatment. Certain escalation and other claims are accounted for in terms of contracts with the customers / admitted by the appropriate authorities.

2. Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities and assets. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include, the useful life of tangible and intangible fixed assets, allowances for doubtful debts/advances, future obligations in respect of retirement benefit plans etc. Actual results may differ from the estimates and assumptions and in such case, the difference is recognised in the period in which the results are known.

3. Fixed Assets:

(a) Fixed assets are stated at original cost, net of tax / duty credit availed, if any, less accumulated depreciation and amortisation. Subsequent upgradations / enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.

(b) Administrative and other general overheads that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of fixed assets.

(c) Pre-operative expenses, including interest on borrowings upto the date of commercial operations, are treated as part of project cost and capitalised.

(d) Internally manufactured fixed assets are capitalised at factory cost, including excise duty, where applicable.

(e) Capital work-in-progress includes cost of fixed assets under installation / under development as at the balance sheet date.

(f) Capital expenditure on tangible assets for research and development is classified under fixed assets and is depreciated on the same basis as other fixed assets.

(g) Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case retirement of assets and gains or losses arising from disposal of fixed assets are recognised in the statement of profit and loss in the year of occurrence.

4. **Impairment of assets:**

As at each balance sheet date, the carrying amounts of assets including goodwill arising on acquisition are tested for impairment so as to determine:
(a) the provision for impairment loss, if any; and
(b) the reversal of impairment loss recognised in previous periods, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:
(a) In the case of an individual asset, at the higher of the net selling price and the value in use; and

(b) In the case of cash a generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

5. **Intangible assets and amortisation:**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are amortised as follows:

(a) Intangible assets:

(1) Computer software:	Over a period of five years;
(2) Technical know-how:	Over a period of five years (from the date of its availability for use);

(b) Research and development cost:

(1) Research cost:

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

(2) Development cost:

Development expenditure on new product is capitalised as intangible asset, if all of the following can be demonstrated.

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(ii) the Company has intention to complete the development of intangible asset and use or sell it;

(iii) the Company has ability to use or sell the intangible asset;

(iv) the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(vi) the Company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the intangible assets, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

6. Inventories :

(a) Raw materials, packing materials, stores and spares	: At lower of cost, on weighted average basis and net realisable value
(b) Work -in-progress – Manufacturing	: At lower of cost of materials, plus appropriate production overheads and net realisable value.
(c) Finished goods – Manufacturing	: At lower of cost of materials plus appropriate production overheads, including excise duty paid / payable on such goods and net realisable value.
(d) Finished goods – Trading	:At lower of cost, on weighted average basis and net realisable value

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving materials, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

7. Cash and cash equivalents:

(a) Cash comprises cash on hand and demand deposits with banks.
(b) Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

8. Foreign currency transactions and foreign operations:

(a) The reporting currency is Indian Rupee.

(b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are recorded using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

9. Derivative contracts:

(a) Derivative contracts entered into, to hedge foreign currency / price risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value as on the balance sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the statement of profit and loss or balance sheet, as the case may be, after applying the test of hedge effectiveness. The gains or losses are recognised as hedge reserve in the balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the statement of profit and loss.

(b) The premium or discount on forward contracts is amortised as expense or income over the period of the contract.

(c) Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the statement of profit and loss in the same period in which the hedged item is accounted.

10. Long-term loans

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the income statement

11. Revenue recognition:

(a) Sale of goods:
Revenue from sale of goods is recognised, when all the significant risks and rewards of ownership are transferred to the buyer, as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from sale of the goods. It also includes excise duty and price variations based on the contractual agreements and excludes value added tax / sales tax.

(b) Sale of services:
Service income is recognised as per the terms of the contracts with the customers on proportionate completion method.

(c) Revenue from contracts:
Revenue from contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated cost to complete. Foreseeable loss, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost till such time the outcome of the contract cannot be ascertained reliably and at releasable value thereafter. Claims are accounted as income acceptance by customer.

(d) Interest income:
Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis.

12. **Employee benefits :**

(a) **Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

(b) **Post-employment benefits:**

Defined contribution plans

Company's contributions paid / payable during the year to officer's superannuation fund, employee state insurance scheme and labour welfare fund are recognised during the period.

Defined benefit plans

For defined benefit schemes in the form of gratuity fund, provident fund and post retirement medical benefits, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discounting rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximately to the terms of related obligations.

The Company makes contribution towards provident fund in substance a defined contribution retirement plan. The provident fund is administered by the trustees of Crompton Greaves Limited till 31st December 2015. The Rules of the Company's Provident Fund administered by a trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Government under Para 60 of the Employees' Provident Fund Scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Company making interest shortfall as a defined benefit plan. Having regard to the assets of the Fund and return on investments, the Company does not expect any deficiency in the foreseeable future and hence, liability is restricted towards the monthly contributions only.

Actuarial gains / losses are recognised in full in the statement of profit and loss, for the period in which they occur.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligations recognised in the balance sheet represents that present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of the scheme of assets.

(c) Long-term employee benefits :

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

(d) Termination benefits:

Termination benefits are recognised as an expense in the period in which they are incurred.

13. Depreciation:

(a) Owned assets:

Depreciation on fixed assets is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. In case of fixed assets which are added / disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

In case of following category of fixed assets, the depreciation has been provided based on the technical evaluation of the remaining useful life which is different from the one specified in Schedule II to the Companies Act, 2013.

i) Plant and machinery – Maximum 21 years
ii) Furniture and fixtures – Maximum 15 years
iii) Vehicle – Maximum 8 years.

(b) Leased assets:

(1) Leasehold lands are amortised over the period of lease.

(2) Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period is beyond the life of the building.

(3) In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

14. Borrowing costs:

(a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

(b) All other borrowing costs are recognised as expense in the period in which they are incurred.

15. Segment accounting:

(a) **Segment accounting policies:**

Segment accounting policies are in line with the accounting policies of the Company. The company identifies primary business segment based on the different risks and returns, the organisation structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected. In addition, the following specific accounting policies have been followed for segment reporting:

(1) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

(2) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

(3) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

(4) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

(5) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

(b) **Inter-segment transfer pricing:**

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

16. Earnings per share :

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

17. Taxes on income:

(a) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961 and based on the expected outcome of assessments / appeals.

(b) Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

(c) Deferred tax assets relating to unabsorbed depreciation / business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(d) Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

18. Provisions, Contingent liabilities, Contingent assets and Commitments:

(a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:

(1) the Company has a present obligation as a result of a past event;

(2) a probable outflow of resources is expected to settle the obligation; and

(3) the amount of the obligation can be reliably estimated.

(b) Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if the obligation is settled.

(c) Contingent liability is disclosed in the case of:

(1) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

(2) a present obligation arising from past events, when no reliable estimate is possible;

(3) a possible obligation arising from past events, unless the probability of outflow of resources is remote.

(d) Contingent assets are neither recognised nor disclosed.

(e) Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

(f) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

19. Extraordinary and exceptional items:

Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the company are classified as extraordinary items. Specific disclosures of such events / transactions are made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expenses, is also treated as extraordinary item and disclosed as such. Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

2. SHARE CAPITAL

	As at 31-12-2015 ₹ in Crores	As at 31-03-2015 ₹ in Crores
Authorised 65,00,00,000 Equity Shares of ₹ 2 each (Previous year 65,00,00,000 Equity Shares of ₹ 2 each)	130.00	130.00
Issued 250,000 Equity Shares of ₹ 2 each (Previous year 250,000 Equity Shares of ₹ 2 each)	0.05	0.05
Subscribed and paid-up 250,000 Equity Shares of ₹ 2 each (Previous year 250,000 Equity Shares of ₹ 2 each)	0.05	0.05
	0.05	0.05

Note:

a) **Terms / rights attached to equity shares:**
The Company has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

b) There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

b) Details of shareholders holding more than 5 % shares in the Company:
Crompton Greaves Limited and its nominees hold 100% of the shareholding in the Company

d) The above mentioned share capital will be cancelled upon issue of share capital as per the scheme of arrangement. (Refer note below)

Share Suspense Account

	As at 31-12-2015 ₹ in Crores	As at 31-03-2015 ₹ in Crores
Share suspense account (62,67,46,142 Equity Shares of ₹ 2 each)	125.35	-

Pursuant to the Scheme of Arrangement (the 'Scheme') between the Company and Crompton Greaves Limited (CGL) and their respective shareholders and creditors, Consumer Products business of CGL, along with its related assets and liabilities has been transferred to the Company upon the sanction of the Scheme by the Honourable High Court of Bombay vide Order dated 20th November, 2015. The certified copy of the Order sanctioning the Scheme has been filed with the Registrar of the Companies, Maharashtra on 1st January, 2016. Accordingly, the effect of the Scheme has been given from 1st October, 2015, the Appointed Date.

In terms of the sanctioned scheme, the Company will issue and allot to the shareholders of the CGL one (1) fully paid up equity share of Rs. 2/- each for every one (1) equity share held in CGL, on the record date to be fixed by CGL upon completion of requisite formalities and the said shares will be listed on the stock exchanges. Accordingly, 62,67,46,142 shares of Rs. 2 each (share capital amounting to Rs. 125.35 Crores) have been accounted in share suspense account and have been considered for the purpose of calculation of earnings per share. Once these shares are issued to the shareholders, share capital issued as on 31st December, 2015 will stand cancelled.

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

3. RESERVES AND SURPLUS

	As at 31-12-2015		As at 31-03-2015	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Balance in Statement of profit and loss				
As per last balance sheet	(1.87)		-	
Add: Profit for the period	38.58		(1.87)	
Profit available for appropriation	36.71		(1.87)	
Less: Other appropriations	-		-	
Profit available for distribution:	36.71		(1.87)	
		36.71		(1.87)
		36.71		(1.87)

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

4. LONG-TERM BORROWINGS

	As at 31-12-2015 ₹ in Crores	As at 31-03-2015 ₹ in Crores
Secured loans		
Term loans		
From banks	538.84	-
	538.84	-

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

5. OTHER LONG-TERM LIABILITIES

	As at 31-12-2015 ₹ In Crores	As at 31-03-2015 ₹ In Crores
Other payables:		
Deposits payable	**0.47**	-
	0.47	-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

6. DEFERRED TAX

	As at 31-12-2015		As at 31-03-2015	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Difference between book and tax depreciation				
As at reporting date	-	0.72	-	-
Add: pursuant to the "Scheme" *	-	5.51	-	-
Expenses allowable for tax purposes when paid / on payment of TDS				
As at reporting date	0.43	-	-	-
Add: pursuant to the "Scheme" *	4.80	-	-	-
Carry forwarded business losses	0.61	-	0.99	-
Other items giving rise to timing differences				
As at reporting date	0.21	-	-	-
Add: pursuant to the "Scheme" *	0.09	-	-	-
	6.14	6.23	0.99	-
Net deferred tax assets/ liability		0.09	0.99	
Deferred tax liability/ (asset) charged to Statement of profit and loss.		0.46	(0.99)	

(* Net deferred tax liability amounting to Rs. 0.62 crores was transferred "persuant to the Scheme")

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

7. LONG-TERM PROVISIONS

	As at 31-12-2015 ₹ in Crores	As at 31-03-2015 ₹ in Crores
Employee benefits	14.78	-
	14.78	-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

8. TRADE PAYABLES

	As at 31-12-2015 ₹ in Crores	As at 31-03-2015 ₹ in Crores
Acceptances	202.99	-
Due to micro and small enterprises	18.70	-
Due to other than micro and small enterprises	416.31	0.00
	638.00	0.00

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

9. OTHER CURRENT LIABILITIES

	As at 31-12-2015		As at 31-03-2015	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Current maturities:				
Long-term borrowings:				
From Bank		127.24		-
Interest accrued but not due on borrowings		5.73		-
Advances from customers		13.45		-
Other payables:				
Statutory dues	33.09		-	
Employee dues	3.12		-	
Security deposits	15.16		-	
Others	0.03		2.86	
		51.40		2.86
		197.82		2.86

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

10. SHORT-TERM PROVISIONS

	As at 31-12-2015 ₹ in Crores	As at 31-03-2015 ₹ in Crores
Employee benefits	3.92	-
Others provisions	19.62	-
	23.54	-

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

NOTE: 11

₹ crores

FIXED ASSETS

ASSETS	Gross block (Cost / Valuation)					Depreciation /Amortisation					Net block	
	As at 01-04-2015	Additions pursuant to the "Scheme"	Additions	Deductions	As at 31-12-2015	Upto 31-03-2015	Pursuant to the "Scheme"	For the period	Deductions	Upto 31-12-2015	As at 31-12-2015	As at 31-03-2015
(i) Tangible assets												
Owned assets:												
Freehold land	-	3.62	-	-	3.62	-	-	-	-	-	3.62	-
Leasehold land	-	1.96	-	-	1.96	-	0.39	0.01	-	0.40	1.56	-
Buildings	-	43.81	-	-	43.81	-	14.04	0.38	-	14.42	29.39	-
Plant and equipment	-	124.38	0.08	-	124.46	-	84.95	1.77	-	86.72	37.74	-
Furniture and fixtures	-	10.00	0.01	-	10.01	-	7.24	0.13	-	7.37	2.64	-
Office equipment	-	9.35	0.04	0.01	9.38	-	7.14	0.29	0.01	7.42	1.96	-
Vehicles	-	1.83	0.08	-	1.91	-	0.96	0.05	-	1.01	0.90	-
Sub-total (i)	-	194.95	0.21	0.01	195.15	-	114.72	2.63	0.01	117.34	77.81	-
(ii) Intangible Assets												
Goodwill	-	779.41	-	-	779.41	-	-	-	-	-	779.41	-
Computer software	-	1.04	-	-	1.04	-	0.74	0.02	-	0.76	0.28	-
Technical know-how	-	4.33	-	-	4.33	-	1.96	0.24	-	2.20	2.13	-
Research and development	-	1.52	-	-	1.52	-	0.69	0.08	-	0.77	0.75	-
Sub-total (ii)	-	786.30	-	-	786.30	-	3.39	0.34	-	3.73	782.57	-
Total (i+ii)	-	981.25	0.21	0.01	981.45	-	118.11	2.97	0.01	121.07	860.38	-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

12. LONG-TERM LOANS AND ADVANCES

	As at 31-12-2015 ₹ in Crores	As at 31-03-2015 ₹ in Crores
Unsecured, considered good, unless otherwise stated		
Capital advances	1.20	-
Deposits	5.98	-
Others	6.26	-
	13.44	-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

13. INVENTORIES

	As at 31-12-2015		As at 31-03-2015	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Raw materials	27.81		-	
Add: Goods-in-transit	0.01		-	
		27.82		-
Work-in-progress - manufacturing		9.68		-
Finished goods - manufacturing	45.56		-	
Add: Excise duty on finished goods	7.15		-	
		52.71		-
Stock-in-trade		94.05		-
Stores, spares and packing materials and loose tools		2.70		-
		186.96		-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

14. TRADE RECEIVABLES

	As at 31-12-2015		As at 31-03-2015	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Unsecured				
Debts overdue for six months:				
Considered good	45.84		-	
Considered doubtful	3.17		-	
	49.01		-	
Less: Allowance for doubtful debts	3.17		-	
		45.84		-
Other debts:				
Considered good		347.90		-
		393.74		-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

15. CASH AND BANK BALANCES

	As at 31-12-2015		As at 31-03-2015	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Cash and cash equivalents				
Balances with banks:				
On current accounts	48.44		0.05	
On deposit accounts	-		-	
(with less then 12 months maturity)	48.44		0.05	
Cash on hand	0.05	48.49	-	0.05
Other Balances				
On deposit accounts				
(with more then 12 months maturity)	0.23		-	
		0.23		-
		48.72		0.05

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

16. SHORT-TERM LOANS AND ADVANCES

	As at 31-12-2015		As at 31-03-2015	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Unsecured, considered good, unless otherwise stated				
Security deposits:				
Considered good	9.59		-	
		9.59		-
Advances recoverable in cash or in kind or for value to be received:				
Considered good	49.10		-	
Considered doubtful	0.19		-	
	49.29		-	
Less: Allowance for bad and doubtful advances	0.19		-	
		49.10		-
Balances with excise, customs, service tax and value added tax, etc.		11.95		-
		70.64		-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

17. OTHER CURRENT ASSETS

	As at 31-12-2015 ₹ in Crores	As at 31-03-2015 ₹ in Crores
Other receivables	**1.77**	-
	1.77	-

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

18. REVENUE FROM OPERATIONS*

	9 Months ended 31-12-2015		2014-15	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Sale of products	832.58		-	
Sale of services	0.69		-	
		833.27		-
Less: Excise duty		23.22		-
		810.05		-

(represents for the period from 1st October, 2015 to 31st December 2015, 2015)*

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

19. OTHER INCOME

	9 Months ended 31-12-2015		2014-15	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Interest income		2.09		-
Gain on sale of investments (net)		0.04		-
Other non-operating income (net of expenses):				
Income from lease of premises/ business service centers		0.00		-
Miscellaneous income		0.08		-
		2.21		-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

20. COST OF RAW MATERIALS AND COMPONENTS CONSUMED AND CONSTRUCTION MATERIALS

	9 Months ended 31-12-2015		2014-15	
	₹ In Crores	₹ in Crores	₹ in Crores	₹ in Crores
Opening Stock	-		-	
Add: pursuant to the "Scheme"	20.80		-	
Add: Purchases	195.36		-	
	216.16		-	
Less: Closing stock	27.82		-	
Less: Scrap sales	1.51		-	
		186.83		-
Add: Sub-contracting charges		10.49		-
		197.32		-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

21. PURCHASES OF STOCK-IN-TRADE

	9 Months ended 31-12-2015	2014-15
	₹ in Crores	₹ in Crores
Purchases of stock-in-trade	397.01	-
	397.01	-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	9 Months ended 31-12-2015		2014-15	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
Changes in inventories of finished goods and work-in-progress:				
Closing stock:				
Finished goods	52.71		-	
Work-in-progress	9.68		-	
	62.39		-	
Opening stock (pursuant to the "Scheme"):				
Finished goods	41.64		-	
Work-in-progress	9.77		-	
	51.41		-	
		(10.98)		-
Changes in inventories of stock-in-trade:				
Closing stock:				
Stock-in-trade	94.05		-	
Opening stock (pursuant to the "Scheme"):				
Stock-in-trade	84.98		-	
		(9.07)		-
		(20.05)		-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

23. EMPLOYEE BENEFITS EXPENSE

	9 Months ended 31-12-2015	2014-15
	₹ in Crores	₹ in Crores
Salaries, wages and bonus	39.73	-
Contribution to provident and other funds	2.91	-
Post retirement medical benefits	0.85	-
Staff welfare expenses	1.75	-
	45.24	-

25. DEPRECIATION AND AMORTISATION EXPENSE

	9 Months ended 31-12-2015	2014-15
	₹ in Crores	₹ in Crores
Depreciation and amortisation expense	2.97	-
	2.97	-

24. FINANCE COSTS

	9 Months ended 31-12-2015	2014-15
	₹ in Crores	₹ in Crores
Interest on loans	5.20	-
Loss on foreign currency transactions and translation	12.70	
	17.90	-

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

26. OTHER EXPENSES

	9 Months ended 31-12-2015	2014-15
	₹ in Crores	₹ in Crores
Consumption of stores and spares	5.38	-
Power and fuel	2.91	-
Rent	5.42	-
Repair to machinery	0.60	-
Insurance	0.42	-
Rates and taxes	11.94	-
Freight and forwarding	21.48	-
Packing material	7.84	-
After sales service including warranty	7.31	-
Sales promotion	12.38	-
Cash discount	12.53	-
Legal and professional expenses	7.80	2.05
Miscellaneous expenses	12.19	0.81
	108.20	2.86

27. Disclosures as required by Accounting Standard (AS) 17 Segment Reporting:

I Primary Segments (Business Segments)

₹ crore

Particulars	Lighting Products	Electrical Consumer Durables	Total 2015-16 **
Revenue			
External sales (net of excise duty)	271.71	538.34	810.05
Inter segment sales	-	-	-
Total	271.71	538.34	810.05
Segment results	30.55	68.78	99.32
Less: Finance costs			15.81
Less: Other unallocable expenditure Net of unallocable Income			19.85
Less: Exceptional items			4.66
Profit before tax			59.01
Tax expenses			20.43
Profit after tax			38.58
Capital Employed:			
Segment assets	333.49	1,242.16	1,575.65
Segment liabilities	256.65	490.72	747.37
Net Assets	76.84	751.44	828.28

* Unallocable assets comprise assets and liabilities which cannot be allocated to the segments. Tax credit assets / liabilities are not considered in capital employed.

** Comparative amounts for the year 2014-15 are not available

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

28 Disclosures as required by Accounting Standard (AS) 18 Related Party Disclosures:

i) There is no Related Party over which the Company exercises its control

ii) List of related parties with whom transactions were carried out during the period and description of relationship :

Holding Company:
Crompton Greaves Limited

Other Related Parties:
Ballarpur Industries Limited

iii) The following transactions were carried out with the related parties in the ordinary course of business:

₹ crores

Sr. No.	Nature of transaction / relationship	For 9 Months ended 31-12-15	2014-15
1	Purchase of goods and services		
	Crompton Greaves Limited - Purchase of materials	9.36	-
	Crompton Greaves Limited - Professional fees	3.69	-
	Crompton Greaves Limited - Rent	1.38	-
	Total	14.43	-
2	Sales of goods and services		
	Crompton Greaves Limited	0.11	-
	Total	0.11	-
3	Subscription to equity shares		
	Crompton Greaves Limited	-	0.05
	Total	-	0.05

iv) Amount due to / from related parties

		As at 31-12-2015	As at 31-03-2015
1	Accounts payable		
	Holding Company		
	Crompton Greaves Limited	9.36	-
	Total	9.36	-
2	Accounts receivable		
	Holding Company		
	Crompton Greaves Limited	0.11	-
	Other Related Parties		-
	Ballarpur Industries Limited	0.03	-
	Total	0.14	-
3	Other receivable		
	Holding Company		
	Crompton Greaves Limited	16.42	-
	Total	16.42	-

Note : No amounts have been written off or written back during the year.

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

29. Disclosures as required by Accounting Standard (AS) 20 Earnings Per Share:

Particulars	2015-16	2014-15
Face value of equity share	**2.00**	2.00
Weighted average no of equity shares outstanding	**20,90,82,047**	2,50,000
Profit for the year	**38.58**	(1.87)
Weighted average earnings per share (basic and diluted)	**1.85**	(74.85)

30. Contingent Liabilities

₹ in Crores

A	Contingent Liabilities: (to the extent not provided for)	
(a)	Claims against the Company not acknowledged as debts	0.79
(b)	Sales tax / VAT liability that may arise in respect of matters in appeal	5.94
(c)	Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	0.07

31. Exceptional Items

Exceptional items for the period ended 31st December, 2015 include the following:

(a) Expenses in relation to the "Scheme" ₹ 2.02 crores.

(b) Deposit charged to expneses to ₹ 2.64 crores.

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

NOTES ACCOMPANYING TO THE FINANCIAL STATEMENTS

32. Scheme of Arrangement

Pursuant to the Scheme of Arrangement (the 'Scheme') between the Company and Crompton Greaves Limited (CGL) and their respective shareholders and creditors, the Consumer Products business of CGL, along with its related assets and liabilities has been transferred to the Company upon the sanction of the Scheme by the Honourable High Court of Bombay vide Order dated 20th November, 2015. The certified copy of the Order sanctioning the Scheme has been filed with the Registrar of the Companies, Maharashtra, on 1st January, 2016. Accordingly, the effect of the Scheme has been given from 1st October, 2015, the Appointed Date.

In terms of the Scheme, effectively, from 1st October, 2015:

a) the assets and liabilities of the Consumer Products Business have been transferred to the Company at the same book value appearing in the books of CGL on the close of business on 30th September 2015.
b) Share Capital Suspense account has been credited with the aggregate face value of the new equity shares to be issued to the shareholders of CGL; and
c) the deficit of assets and liabilities is accounted as goodwill.

The transaction as per the Scheme of arrangement is in the nature of purchase as defined by Accounting Standard (AS 14) Accounting for Amalgamations specified in the Companies (Accounting Standard) Rules 2006. Entries have been passed in the books of account of the Company to give effect to the Scheme, as follows:

With effect from the appointed date;

a) All assets and liabilities of the Consumer Products Business have been transferred to the Company at the same book value appearing in the books of CGL;
b) 62,67,46,142 equity shares of Rs 2 each at par will be issued to the equity shareholders of CGL in the ratio of 1 Equity Share of the Company for every 1 equity shares of CGL. As at 31st December, 2015, such equity share capital is been accounted as share suspense account;
c) Shares held by CGL in CGCEL will be cancelled; and
d) the difference of Rs 779.41 crores resulting from the above is debited to the goodwill account.

33. Amounts shown as 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).

34. Figures for the previous period have been regrouped whenever necessary.

Signatures to Notes 1 to 34

Sd/-
Shantanu Khosla
Director

SHARP & TANNAN
CHARTERED ACCOUNTANTS
Firm's Registration No. 109982W
by the hand of

Sd/-
Sandeep Batra
CFO &
Company Secretary

Sd/-
Milind P. Phadke
PARTNER
Membership No. 033013
Mumbai, 28th April, 2016

Sd/-
D Sundaram
Director

Mumbai, 28th April, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our financial statements for the period ended December 31, 2015, including the notes thereto, which appear elsewhere in this Information Memorandum. You should also read the section titled "**Risk Factors**" on page 7 of this Information Memorandum, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to the financial statements of our Company.*

*These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and the Companies Act, 2013. The financial statements presented hereto relate to (i) the period from February 25, 2015 to March 31, 2015; and (ii) the period ended December 31, 2015, therefore, all references to a particular period relate to the period ended December 31 2015. See also the section titled "**Certain Conventions, Use of Market Data**" on page 5 of this Information Memorandum.*

*This discussion contains forward-looking statement and reflects our current plans and expectations, actual results may differ materially from those anticipated in these forward-looking statements. By their nature certain market risk disclosures are only estimates and could be materially different from those that have been estimated. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the sections titles "**Risk Factors**", "**Forward Looking Statements**" and "**Business Overview** "on pages 7, 6 and 55 respectively.*

Overview

We are one of India's leading consumer electrical companies focusing on quality, innovation and smart design across a range of different product categories. Our businesses can be broadly classified into four product categories - fans, lighting products, home appliances and pumps.

Our products include:

- ceiling fans, table fans, pedestal fans, wall mounted fans,
- lamps and luminaires for different applications based on a range of technologies like LED, CFL, FTL, HID,
- residential pumps, agricultural pumps, industrial and special application pumps and
- water heaters, coolers and other small home appliances.

Our Company was incorporated as a public limited company on February 25, 2015 under the Companies Act, 2013. The Board of Directors of CGL and CGCEL had approved the Scheme of Arrangement between CGL and CGCEL and their respective shareholders and creditors ('Scheme') on March 3, 2015. Pursuant to the Scheme, the consumer product business of CGL was proposed to be demerged into our Company pursuant to the provisions of Sections 391 to 394 read with Section 78 (corresponding section 52 of the Companies Act, 2013), 100-103 and other applicable provisions of the Companies Act, 1956. The Hon'ble High Court of Judicature at Bombay approved the Scheme via order dated November 20, 2015. The effective date of the Scheme is January 1, 2016.

Our Strengths

One of our key strengths is our established brand name. Over the years, we have developed our products and services to satisfy the changing needs and demands of our customers. With continuous improvement in product quality augmented with innovative new products, our brand has gained the trust of the consumer at large. Established channel network is our second major strength. We have more than 3,000 direct channel partners spread across India. This network of distributors and dealers has enabled our Company to strengthen the position of our brand, enhance our sales and marketing capabilities, and reach our customers in an efficient manner. Third major strength is range of products and superior technology. We offer products ranging from fans, lighting solutions comprising of lamps, luminaires, home and kitchen appliances and pumps which cater to domestic, agricultural, commercial & industrial consumers. Our in-depth technical knowledge allows us to always stay ahead of the curve and bring new products into the market at the appropriate time. Strong after sales service is another strength. We have more than 500 authorised service centres in India which ensure high level of customer satisfaction. Our asset light model ensures that we deliver best returns for our investors. Our experienced senior management team has played a key role in our growth and will continue to help us achieve our future growth plans.

Strategy

Our key focus areas as we look forward to grow the business are going to be:

- Investing in and enhancing the Crompton brand.
- Identify, build and succeed with consumer meaningful innovation in our core categories.
- Build and invest in market reach and also improve capabilities in new and emerging channels like modern trade and eCommerce.
- Leveraging systems and best in class processes to drive operational results and efficiencies, and
- Building organizational capabilities across the length, depth and breadth of our organization.

Certain factors affecting our results of operations

Macro-economic factors

Based on 2011-12 prices, India's real GDP increased 6.5% between 2012-13 (the base year of new series) and 2014-15. The Indian economy got a boost from higher consumption following softening inflation. (Source: CRISIL Report)

CRISIL Research expects the Indian economy to grow 7.4% with consumption growth of 7% in 2015-16. Low commodity prices and inflation are expected to improve the real purchasing power and softer interest rates are likely to stimulate demand. Crude oil prices averaged ~$52/ barrel in calendar year 2015 from $98/barrel in 2014. Crisil Research expects oil prices to remain low in the medium term providing benefit of low fuel cost across various industries. These factors will provide the much-needed trigger for growth as capacity utilisation in manufacturing sector is still low. (Source: CRISIL Report)

The Indian economy is expected to grow 8.1% in 2016-17, if supported by a normal monsoon. Growth in agriculture is forecast to be higher at 4% in FY 17 from an estimated growth of 1.5% in FY 16. For non-agricultural segment (which includes industry and services), growth is forecasted to be at 7% in FY 17 from an estimated growth of 6.5% in FY 16. Among emerging markets, India is likely to remain in a sweet spot. (Source: CRISIL Report)

Assuming normal monsoon, recovery in the rural economy should boost consumption. The lagged impact of rate cuts by the Reserve Bank of India (RBI) will start to filter through in the first half of the next fiscal. Crude oil prices are expected to remain low and have been assumed at an average of $51.5 per barrel in the next fiscal. In addition, we expect Seventh Pay Commission payouts, low inflation and easy monetary conditions to support demand. (Source: CRISIL Report)

Prices of raw materials

Copper, steel and aluminium are the primary raw material for fans and pumps manufactured by us and the fans, pumps and other appliances marketed by us. We are exposed to volatility in the price of steel, copper, and aluminium. The prices of the aforesaid commodities are highly volatile and cyclical in nature. Numerous factors, largely beyond our control, influence their respective prices. These factors include general economic conditions, worldwide production capacity, capacity-utilization rates, downturns in purchase by traditional bulk end users of these commodities or their customers, a slowdown in basic manufacturing industries, import duties and other trade restrictions and currency exchange rates. If the price of steel, copper and aluminium increase in the future, there can be no assurance that we will be able to pass on such increases to our customers. Increased prices of these commodities may also cause potential customers to defer purchase of our products, which would have an adverse effect on our operations, financial condition and profitability.

Our ability to respond to technological advances

Our success will depend on our ability to anticipate technological advances, new standards and changing consumer preferences and develop new products to meet consumer needs. There is a significant shift towards energy efficient products driven by the Government drive to reduce energy costs. In several categories, products which are more energy efficient, are being promoted and preferred.

We believe the market for lighting products is currently experiencing a significant technology shift to LED lighting systems. Cost of production of LED is reducing. There is a considerable shift from conventional lighting to LED based lighting. Our future success in the lighting segment depends upon our ability to keep up with the continuing evolution of LED technology to capture this growing LED market opportunity. The development and introduction of new LED products may result in new product introduction expenses.

Ability of third party manufacturers to perform their obligations

In addition to in-house manufacturing, we also outsource manufacturing of fans, pumps, appliances and lighting products to approved third party manufacturers on a principal to principal basis as per specifications provided by us.

Our outsourcing arrangements with our third party manufacturers are not exclusive. Since, we do not control the operations of these third party manufacturers, we may not be able to monitor the performance of these third parties as directly and efficiently as we monitor our own manufacturing process. Although, we carry out quality control checks of the products manufactured under these outsourcing contracts on a sample basis, we are exposed to the risks that third-party manufacturers may fail to perform their contractual obligations.

If the operations of our contract manufacturers were interrupted or if they were otherwise unable to meet our delivery requirements due to capacity limitations, regulatory or other constraints, we may be limited in our ability to fulfill customer orders.

Changes in regulatory environment

Our operations are subject to environmental, health and safety and other regulatory and/or statutory requirements. Non-compliance with these requirements, which among other things, limit or prohibit emissions or spills of toxic substances produced in connection with our operations, could expose us to civil penalties, criminal sanctions and revocation of key business licences. Stringent statutory and/or regulatory requirements in connection with environment, health and safety in India is likely to result in increased capital expenditures and costs for environmental compliance. Further we may be required to suspend and/or stop our manufacturing activities, in order to ensure that suitable modifications are carried out for ensuring compliance with such statutory and/or regulatory requirements.

Significant Accounting Policies

1. **Basis of preparation and presentation of financial statements:**

   The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes / announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory bodies viz. SEBI guidelines override the same requiring a different treatment. Certain escalation and other claims are accounted for in terms of contracts with the customers / admitted by the appropriate authorities.

2. **Use of estimates:**

   The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities and assets. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include, the useful life of tangible and intangible fixed assets, allowances for doubtful debts/advances, future obligations in respect of retirement benefit plans etc. Actual results may differ from the estimates and assumptions and in such case, the difference is recognised in the period in which the results are known.

3. Fixed Assets:

(a) Fixed assets are stated at original cost, net of tax / duty credit availed, if any, less accumulated depreciation and amortisation. Subsequent upgradations / enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.

(b) Administrative and other general overheads that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of fixed assets.

(c) Pre-operative expenses, including interest on borrowings upto the date of commercial operations, are treated as part of project cost and capitalised.

(d) Internally manufactured fixed assets are capitalised at factory cost, including excise duty, where applicable.

(e) Capital work-in-progress includes cost of fixed assets under installation / under development as at the balance sheet date.

(f) Capital expenditure on tangible assets for research and development is classified under fixed assets and is depreciated on the same basis as other fixed assets.

(g) Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case retirement of assets and gains or losses arising from disposal of fixed assets are recognised in the statement of profit and loss in the year of occurrence.

4. Impairment of assets:

As at each balance sheet date, the carrying amounts of assets including goodwill arising on acquisition are tested for impairment so as to determine:

(a) the provision for impairment loss, if any; and
(b) the reversal of impairment loss recognised in previous periods, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

(a) In the case of an individual asset, at the higher of the net selling price and the value in use; and
(b) In the case of cash a generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use (Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

5. Intangible assets and amortisation:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are amortised as follows:

(a) Intangible assets:
(1) Computer software: Over a period of five years;

(2) Technical know-how: Over a period of five years (from the date of its availability for use);

(b) Research and development cost:

(1) Research cost:
Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

(2) Development cost:
Development expenditure on new product is capitalised as intangible asset, if all of the following can be demonstrated.

(i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(ii) the Company has intention to complete the development of intangible asset and use or sell it;
(iii) the Company has ability to use or sell the intangible asset;
(iv) the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;
(v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
(vi) the Company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the intangible assets, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

6. Inventories :

(a) Raw materials, packing materials, stores and spares	: At lower of cost, on weighted average basis and net realisable value
(b) Work -in-progress – Manufacturing	: At lower of cost of materials, plus appropriate production overheads and net realisable value.
(c) Finished goods – Manufacturing	: At lower of cost of materials plus appropriate production overheads, including excise duty paid / payable on such goods and net realisable value.
(d) Finished goods – Trading	: At lower of cost, on weighted average basis and net realisable value

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving materials, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

7. Cash and cash equivalents:

(a) Cash comprises cash on hand and demand deposits with banks.
(b) Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

8. Foreign currency transactions and foreign operations:

(a) The reporting currency is Indian Rupee.

(b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are recorded using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

9. Derivative contracts:

(a) Derivative contracts entered into, to hedge foreign currency / price risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value as on the balance sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the statement of profit and loss or balance sheet, as the case may be, after applying the test of hedge effectiveness. The gains or losses are recognised as hedge reserve in the balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the statement of profit and loss.

(b) The premium or discount on forward contracts is amortised as expense or income over the period of the contract.

(c) Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the statement of profit and loss in the same period in which the hedged item is accounted.

10. Long-term loans

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the income statement

11. Revenue recognition:

(a) Sale of goods:
Revenue from sale of goods is recognised, when all the significant risks and rewards of ownership are transferred to the buyer, as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from sale of the goods. It also includes excise duty and price variations based on the contractual agreements and excludes value added tax / sales tax.

(b) Sale of services:
Service income is recognised as per the terms of the contracts with the customers on proportionate completion method.

(c) Revenue from contracts:
Revenue from contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated cost to complete. Foreseeable loss, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost till such time the outcome of the contract cannot be ascertained reliably and at releasable value thereafter. Claims are accounted as income acceptance by customer.

(d) Interest income:

Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis.

12. Employee benefits :

(a) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

(b) Post-employment benefits:

Defined contribution plans

Company's contributions paid / payable during the year to officer's superannuation fund, employee state insurance scheme and labour welfare fund are recognised during the period.

Defined benefit plans

For defined benefit schemes in the form of gratuity fund, provident fund and post retirement medical benefits, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discounting rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximately to the terms of related obligations.

The Company makes contribution towards provident fund in substance a defined contribution retirement plan. The provident fund was administered by the trustees of Crompton Greaves Limited till 31st December 2015. The Rules of the Company's Provident Fund administered by a trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Government under Para 60 of the Employees' Provident Fund Scheme, 1972 for the reason that the return on investment is less for any other reason, then the deficiency shall be made good by the Company making interest shortfall as a defined benefit plan. Having regard to the assets of the Fund and return on investments, the Company does not expect any deficiency in the foreseeable future and hence, liability is restricted towards the monthly contributions only.

Actuarial gains / losses are recognised in full in the statement of profit and loss, for the period in which they occur.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligations recognised in the balance sheet represents that present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of the scheme of assets.

(c) Long-term employee benefits :

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

(d) Termination benefits:

Termination benefits are recognised as an expense in the period in which they are incurred.

13. Depreciation:

(a) Owned assets:

Depreciation on fixed assets is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. In case of fixed assets which are added / disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

In case of following category of fixed assets, the depreciation has been provided based on the technical evaluation of the remaining useful life which is different from the one specified in Schedule II to the Companies Act, 2013.

i) Plant and machinery – Maximum 21 years
ii) Furniture and fixtures – Maximum 15 years
iii) Vehicle – Maximum 8 years.

(b) Leased assets:

(1) Leasehold lands are amortised over the period of lease.
(2) Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period is beyond the life of the building.
(3) In other cases, buildings constructed on leasehold lands are amortised over the primary lease period of the lands.

14. Borrowing costs:

(a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
(b) All other borrowing costs are recognised as expense in the period in which they are incurred.

15. Segment accounting:

(a) **Segment accounting policies:**

Segment accounting policies are in line with the accounting policies of the Company. The Company identifies primary business segment based on the different risks and returns, the organisation structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected. In addition, the following specific accounting policies have been followed for segment reporting:
(1) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.
(2) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
(3) Income which relates to the Company as a whole and not allocable to segments is included in unallocable

income.

(4) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

(5) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

(b) **Inter-segment transfer pricing:**

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

16. Earnings per share :

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

17. Taxes on income:

(a) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.

(b) Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.

(c) Deferred tax assets relating to unabsorbed depreciation / business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(d) Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

18. Provisions, Contingent liabilities, Contingent assets and Commitments:

(a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:

(1) the Company has a present obligation as a result of a past event;

(2) a probable outflow of resources is expected to settle the obligation; and

(3) the amount of the obligation can be reliably estimated.

(b) Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if the obligation is settled.

(c) Contingent liability is disclosed in the case of:

(1) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;

(2) a present obligation arising from past events, when no reliable estimate is possible;

(3) a possible obligation arising from past events, unless the probability of outflow of resources is remote.

(d) Contingent assets are neither recognised nor disclosed.

(e) Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

(f) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

19. Extraordinary and exceptional items:

Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the Company are classified as extraordinary items. Specific disclosures of such events / transactions are made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expenses, is also treated as extraordinary item and disclosed as such. Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

Summary of Changes to Significant Accounting Policies

There has been no change in classification of any accounting measures including operating expenses, income, operating income, depreciation, etc.

Related Party Transactions

For more information see "***Related Party Transactions***" refer Financial Statements.

Balance Sheet

The following table sets forth the principal components of our assets and liabilities as at December 31, 2015 and March 31, 2015:

(in ₹ Crores)

Particulars	As at December 31, 2015		As at March 31, 2015	
EQUITY AND LIABILITIES				
Shareholders' Funds:				
(a) Share capital	0.05		0.05	
(b) Share suspense account	125.35		-	
(c) Reserves and surplus	36.71		(1.87)	
		162.11		(1.82)
Non Current Liabilities:				
(a) Long term borrowings	538.84		-	
(b) Other long term liabilities	0.47		-	
(c) Deferred tax liabilities (net)	0.09		-	
(d) Long-term provisions	14.78		-	
		554.18		-
Current Liabilities:				
(a) Trade payables	638.00		.004	
(b) Other current liabilities	197.82		2.86	
(c) Short term provisions	23.54		-	
		859.36		2.86
TOTAL		**1,575.65**		**1.04**
ASSETS				
Non-current Assets:				
(a) Tangible assets	77.81		-	
(b) Intangible assets	782.57		-	
(c) Capital Work in Progress	0.002		-	
(d) Deferred tax assets (net)	-		0.99	
(e) Long term Loans and Advances	13.44		-	

Particulars	As at December 31, 2015		As at March 31, 2015	
		873.82		0.99
Current Assets:				
(a) Inventories	186.96		-	
(b) Trade receivables	393.74		-	
(c) Cash and bank balances	48.72		0.05	
(d) Short-term loans and advances	70.64		-	
(e) Other current assets	1.77		-	
		701.83		0.05
TOTAL		**1,575.65**		**1.04**

Note: Consumer Products Business of Crompton Greaves Limited was transferred and vested with our Company with the appointed date of October 1, 2015. Consequently, assets and liabilities as on December 31, 2015 include the assets and liabilities of the Consumer Products Business vested in our Company pursuant to the Scheme.

Non-current Assets

A) Tangible Assets

Tangible assets as at December 31, 2015 amounted to Rs. 77.81 crores. These included tangible assets transferred to our Company pursuant to the Scheme amounting to Rs 80.23 crores, gross addition of Rs 0.21 crores for purchase of office equipment, plant and machinery and vehicles and depreciation of Rs. 2.63 crores.

B) Intangible Assets:

Intangible assets as at December 31, 2015 amounted to Rs. 782.57 crores. This primarily included goodwill created pursuant to the Scheme amounting to Rs 779.41 crores. Intangible assets transferred to our Company pursuant to the Scheme amounted to Rs 3.50 crores on which amortization of Rs. 0.34 crores was provided for three months period ended December 31, 2015.

C) Long-term loans and advances

Long term loans and advances amounted to Rs. 13.44 crores as at December 31, 2015, comprising of capital advances of Rs. 1.20 crores, security deposit of Rs. 5.98 crores and other advances of Rs. 6.26 crores.

Current Assets

A) Inventories:

As at December 31, 2015, inventories amounted to Rs 186.96 crores which comprised raw material inventory of Rs. 27.82 crores, work in progress inventory of Rs. 9.68 crores, inventory of manufactured fininshed goods amounting to Rs. 52.71 crores, inventory of traded finished goods amounting to Rs. 94.05 crores and stores, spares and packing materials of Rs. 2.70 crores.

B) Trade Receivables:

As at December 31, 2015, trade receivables amounted to Rs 393.74 crores which included debts overdue for more than six months (after provisioning) amounting to Rs. 45.84 crores.

C) Cash and Bank Balances

As on December 31, 2015, total cash and bank balance amounted to Rs 48.72 crores.

D) Short Term Loans and Advances and Other Current Assets

As on December 31, 2015, the short term loans and advances amounted to Rs. 70.64 crores, which comprised security deposit of Rs. 9.59 crores, advance tax amounting to 24.00 crores, balance with tax authorities amounting to Rs. 11.95 crores and other advances of Rs. 25.1 crores.

Shareholders' Funds

Total shareholders' funds as at December 31, 2015 stood at Rs. 162.11 crores including share capital of Rs. 0.05 crores, share suspense account of Rs. 125.25 crores and reserves and surplus of Rs. 36.71 crores. Share suspense account represents shares to be allotted to shareholders of Crompton Greaves Limited pursuant to the Scheme.

Non Current Liability

A) Long-term borrowings:

Long term borrowings were Rs 538.84 crores as at December 31, 2015 represented the amount transferred to the Company pursuant to the Scheme. Loan was secured by way of first charge on the fixed assets and brand of the Company.

B) Long-term provisions:

Long term provisions represent provision for employee benefits amounting to Rs. 14.78 crores.

Current Liabilities

A) Trade Payables:

Trade Payables were Rs 638.00 crores as at December 31, 2015. Trade payables included acceptances of Rs. 202.99 crores, due to micro and small enterprises amounting to Rs. 18.70 crores and due to other than micro and small enterprises amounting to Rs. 416.31 crores.

B) Other Current Liability:

Other Current liabilities were Rs 197.82 crores as at December 31, 2015. Other current liabilities included installment of loan (transferred pursuant to the Scheme) repayable within one year amounting to Rs. 127.24 crores, interest accrued on borrowings amounting to Rs. 5.73 crores, advance from customers of Rs. 13.45 crores, statutory dues of Rs. 33.09 crores, security deposits of Rs. 15.16 crores and other payables of Rs. 3.15 crores.

C) Short Term Provisions:

Short Term provisions were Rs. 23.54 crores as at December 31, 2015.

Statement of Profit and Loss Account

The following table sets forth our statement of profit and loss as on December 31, 2015 and for the Financial Year 2014-15:

(in ₹ Crores)

Particulars	Nine months ended December 31, 2015		Financial Year 2014-15	
Sales and services	833.27	-		-
Less: Excise duty	23.22		-	

Particulars	Nine months ended December 31, 2015		Financial Year 2014-15	
Revenue from operations		810.05		
Other income		2.21		-
Total Revenue		812.26		-
Expenses:				
Cost of raw materials and components consumed and construction materials	197.32		-	
Purchases of stock-in-trade	397.01		-	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-20.05		-	
Employee benefits expense	45.24		-	
Finance costs	17.90		-	
Depreciation and Amortization	2.97		-	
Other expenses	108.20		2.86	
Total Expenses		748.59		2.86
Profit before exceptional item and tax		63.67		2.86
Exceptional item		(4.66)	-	
Profit before tax		59.01	-	
Tax expense:				
Current tax	19.97		-	
Deferred tax	0.46		0.99	
		20.43		0.99
Profit for the period		38.58		(1.87)
Earnings per share (basic and diluted) (₹) (Face value of equity share of ₹ 2 each)		1.85*		(74.85)

**For computing weighted average number of shares to compute EPS, we have considered that shares to shareholders of CG were issued on October 1, 2015.*

Note: Consumer Products Business of Crompton Greaves Limited was transferred to and vested with the Company with the appointed date of October 1, 2015. Consequently, above results include results of Consumer Products Business of Crompton Greaves Limited for the period October 1, 2015 to December 31, 2015.

Revenue from Operations:

Revenue from operations for three month period included revenue from lighting products of Rs. 271.71 crores and revenue from Electrical Consumer Durables of Rs. 538.34 crores.

Other Income

Other income primarily includes interest income of Rs. 2.09 crores.

Material Consumption

Material consumption cost for three month period, amounted to Rs. 574.27 crores. For three month period raw material consumption was at 197.32 crores, purchase of traded goods was at 376.95 crores and change inventory amounted to Rs. 20.05 crores. Material consumption cost was about 70.9% of revenue from operations.

Employee Benefit Expenses

Employee benefit expenses include salary and wages cost of Rs. 39.73 crores, retiral benefits of Rs. 3.76 crores and staff welfare expenses of Rs. 1.75 crores. Employee benefit expenses were about 5.6% of revenue from operations.

Finance Costs

Finance costs included interest on loans amounting to Rs. 5.20 crores and loss on foreign currency transactions and translation of Rs. 12.70 crores. Above costs were incurred on long term borrowings transferred to the Company pursuant to the scheme of demerger.

Depreciation Expenses

Depreciation expenses include depreciation on tangible assets of Rs. 2.63 crores and amortization of intangible assets of Rs. 0.34 crores.

Operating Expenses

Operating expenses for the period ended December 31, 2015, include expenses on account of rent of Rs. 5.42 crores, freight and forwarding charges of Rs. 21.48 crores, rates and taxes of Rs. 11.94 crores, consumption of stores and spares of Rs. 5.38 crores, packing cost of Rs. 7.84 crores, after sales service cost of Rs. 7.31 crores, sales promotion of Rs. 12.38 crores, cash discount of Rs. 12.53 crores, legal and professional fees of Rs. 7.80 crores, power and fuel charges of Rs. 2.91 crores, and other miscellaneous expenses of Rs. 13.21 crores. Operating expenses were about 13.4% of revenue from operations.

Exceptional Costs

Exceptional costs included demerger expenses of Rs. 2.02 crores and deposits written off amounting to Rs. 2.64 crores.

Net Profit

Net profit for nine months ended December 31, 2015 was Rs. 38.58 crores.

Margin

EBITDA margin of the Company was 10.4%, EBIT margin was 10% and PAT margin was 4.8%.

Cash Flows

The following table sets forth our cash flows from operating, investing and financing activities as on December 31, 2015 and for the Financial Year 2014-15:

Particulars		Nine months ended December 31, 2015	Financial Year 2014-15
		₹ Crores	**₹ Crores**
[A]	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before taxes	59.01	(2.86)
	Adjustments for:		
	Depreciation and amortisation expense	2.97	-
	Interest expenses	17.90	-
	Interest Income	(2.09)	-
	Unrealised exchange (gain) / loss (net)	(1.05)	-
		17.73	-
	Operating profit before working capital changes	**76.74**	**(2.86)**
	Adjustments for:		
	(Increase) / Decrease in trade and other receivables	12.33	-
	(Increase) / Decrease in inventories	(27.21)	-

	Particulars	Nine months ended December 31, 2015	Financial Year 2014-15
		₹ Crores	**₹ Crores**
	Increase/ (Decrease) in trade and other payables	62.64	2.86
	Increase / (Decrease) in provisions	3.87	-
		51.63	**2.86**
	Cash generated from (+)/Used in (-) operations	128.37	-
	Direct Taxes paid (net of refunds)	(38.02)	**-**
	Net Cash (used in)/ from operating activities	**90.35**	**-**
[B]	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Interest Received	2.09	**-**
	Purchase of Fixed Assets	(0.08)	**-**
	Net Cash (used in)/ from investing activities	**2.01**	**-**
[C]	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Add: Inflows from financing activities		
	Issue of equity shares	**-**	0.05
	Less: Outflows from financing activities		
	Repayment of long-term borrowings	(31.62)	-
	Interest paid	(12.17)	-
	Net Cash (used in)/ from financing activities	(43.79)	**0.05**
	NET INCREASE/ (DECREASE) IN CASH AND BANK BALANCES (A+B+C)	**48.57**	**0.05**
	Cash and bank balance at the beginning of the period	0.05	-
	Cash and bank balances on merger	0.11	-
	Cash and bank balance at the end of the period	48.72	0.05

Operating Activities

Cash generated from operations after payment of taxes and after adjusting for working capital changes was Rs. 90.35 crores. As a result, Company had Rs 48.72 crores of surplus funds available as cash and cash equivalents.

Investing Activities

For the nine months ended December 31, 2015, net cash generated from investing activities was Rs. 2.01 crores which included interest income of Rs. 2.09 crores as reduced by cash used for purchase of fixed assets (including the movement in CWIP) amounting to Rs. 0.08crores.

Financing Activities

Cash generated from operations was used to repay debt amounting to Rs. 31.62 crores and interest amounting to Rs. 12.17 crores.

SECTION VI - LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

In terms of Part A, para (2), sub-para (X), clause (A) sub-clause (1) of the ICDR Regulations, our Company is required to disclose in the Information Memorandum, (i) all criminal proceedings, (ii) all actions by statutory or regulatory authorities, (iii) all outstanding tax litigations involving direct and indirect taxes; and (iv) all material litigation, in each case involving our Company, our directors, our promoters and our group companies.

For the purpose of material litigation in (iv) above, our Board has considered all outstanding litigation against our Company. Our Board noted that the segment results of consumer products business as per the annual consolidated financial statements of CGL for financial year 2014-15 was Rs. 401.35 crores. Our Board therefore believes that Rs. 4 crores (being less one per cent of the segment result of Consumer Product business ("**CP Business**") as per the annual consolidated financial statements of CGL for financial year 2014-15) is the appropriate threshold for determining material litigation. Further, litigations whose outcome could have a material impact on the business, operations, prospects or reputation of our Company; are also considered as 'material litigation' for our Company.

Accordingly, the following are the material litigations related to our Company:

Criminal cases filed by our Company

1. Our Company has filed a First Information Report (FIR) for a Compliant registered by the Police, where a raid was conducted for spurious tube light and choke patties, against Mr. Manish Jayantilal Ghangar. The matter is currently pending before the Magistrate Court at Vikroli.

2. There are 40 proceedings filed by our Company under Section 138 of the Negotiable Instruments Act, 1881 relating to dishonor of cheques received from our vendors and other related Parties. These matters are pending at different stages of adjudication before various courts spread pan-India. The aggregate claim amounts filed by our Company is approximately INR 6.53 crores.

Civil Cases filed by our Company

1. Our Company has filed a civil suit against Hindustan Trading Corporation ("HTL") before several Courts in India for using our mark "CROMPTON". It is alleged that HTL has obtained registration of the mark by malicious and fraudulent means. These matters are pending at various stages of litigation at various courts in India including the Supreme Court.

Regulatory actions / cases involving our Promoters

1. The UP Pollution Control Board (UPPCB) has filed a complaint under Section 43 of the Water (Prevention and Control of Pollution) Act, 1974 before the Special Magistrate (Pollution) Lucknow against Avantha Realty Limited, Karam Chand Thapar and brothers, Mr. Brij Mohan Thapar Director of Avantha Realty Limited and others, for alleged violation of pollution control laws. The matter is pending.

2. Mr. Neville Tuli has filed an appeal at the High Court of Delhi to set aside the award of Arbitral Tribunal, relating to loan taken by Osian's-Connoisseurs of Art (P) Ltd from Solaris Holdings Limited. Osian's-Connoisseurs of Art (P) Ltd had taken loan from Solaris Holdings Limited amounting to Rs. 5 crores. Pursuant to order of High Court, Solaris Holdings Limited merged with Avantha Holdings Limited. Avantha Holdings Limited had initiated arbitration proceedings against Osian's-Connoisseurs of Art (P) Ltd for non-payment of loan + 19% interest thereon. The award was passed by the Arbitral Tribunal in favour of Avantha Holdings Limited. Mr. Neville Tuli has challenged the Arbitral Award in the High Court of Delhi to set aside the award, on the ground of bias of the arbitrator. Mr. Neville Tuli claimed that as he was not party to the loan agreement, as it was between Osian's-Connoisseurs of Art (P) Ltd and Solaris Holdings Limited, he is not liable to pay. The matter is pending.

3. APR Sacks Limited merged with Avantha Holdings Limited, has filed a consumer complaint before the National Consumer Dispute Redressal Commission, Delhi, claiming the compensation amount of Rs. 7.64 crores against the Commissioner of Customs, Universal Logistics and Cholamandalam General Insurance. APR Sacks Ltd. had stored its goods in the custom bounded warehouse managed by Universal Logistics, which was covered by Cholamandalam General Insurance, when a fire accident destroying goods of APR Sacks Ltd.' occurred. A demand notice was issued by APR Sacks Ltd. upon the Commissioner of Customs, Universal Logistics and Cholamandalam General Insurance for recovery of compensation but the addressees failed to pay the demand amount. The matter is pending.

4. Mr. S. Khandelwal, Mr. Gautam Thapar and Mr. B. Hariharan Directors of Avantha Holdings Limited, have filed an appeal at the FEMA Tribunal against order of the Special Director of Enforcement, Mumbai, relating to contravention of section 6(3)(a) of FEMA, 1999 read with Regulations 6(2)(ii) and 7 of FEMA (TIFS) Regulations, 2004. Avantha Holdings Limited had incorporated two wholly owned subsidiaries in Mauritius for its business activities. The first subsidiary, M/s. NQC International availed loans from ICICI Bank, Canada to finance its investment in India based and US based companies. The second subsidiary company also availed a loan from ICICI Bank, U.K, to finance its investment in India based companies. The Special Director of Enforcement, Mumbai thereafter initiated proceedings against Avantha Holdings Limited and its Directors for contravention of 'round tripping' under the FEMA Regulations and passed order imposing a penalty of Rs. 1 Crore each on Mr. S. Khandelwal, Mr. GautamThapar and Mr. B. Hariharan in their capacity as the Directors of Avantha Holdings Limited. The matter is pending.

Cases involving our Directors

1. JHS Svendgaard, an erstwhile contract manufacturer, filed a criminal complaint claiming P&G Subsidiaries had wrongly terminated the manufacturing agreement. The complaint was filed against P&G officials and independent directors, including Mr Shantanu Khosla, Managing Director of our Company. The Hon'ble High Court of Himachal Pradesh had quashed the FIR initiated by JHS Svensgaard. JHS Svensgaard and State of Himachal Pradesh have challenged this order in the Hon'ble Supreme Court. The matter is pending.

2. Notice of proceedings has been issued against Mr Shantanu Khosla, Managing Director of our Company and others in their capacity as Directors of Procter & Gamble by Legal Metrology Officers of Kerala, Goa and Madhya Pradesh. In all these cases, petitions for quashing of the legal proceedings against Directors have been filed in the relevant High Courts. Proceedings by the Legal Metrology Officers have been stayed and the petitions for quashing of proceedings are pending before the Hon'ble High Courts.

3. Mr. PC Sharma has filed a complaint before the National Green Tribunal against Procter & Gamble and others, involving Mr. Shantanu Khosla, for alleged violation of environmental norms. Procter & Gamble has filed their reply. The matter is pending.

4. Mr. Malik Mushtaq, a consumer, has filed a complaint before the Chief Metropolitan Magistrate against Procter & Gamble and others, involving Mr. Shantanu Khosla, for alleged non-performance of claimed benefits by their product 'Pampers' and thereby cheating customers. Procter & Gamble has filed an appearance challenging the maintainability of the allegation. The matter is pending.

5. A consumer of Hindustan Unilever Limited ("HUL"), had filed a criminal complaint against HUL's product surf. The complaint was filed against HUL and its Directors, including Mr. D Sundaram as the Director of HUL. HUL filed a petition with the Hon'ble High Court of judicature at Allahabad on behalf of the territory sales officer who was also a party to the criminal case before the Magistrate's Court. The High Court had passed an order stating that this is a civil matter being given a criminal colour and sent the matter to the lower court. The lower court summoned the Directors of HUL and HUL filed a petition on behalf of all former Directors with Additional Chief Judicial Magistrate, Bareilly. The matter is currently stayed.

Tax Litigations

Direct tax proceedings

Sr. No	Type of Direct tax case	No. of cases	Amount in dispute (INR in crores)
1	Income Tax	2	17.67

Indirect tax

Sr. No	Type of Indirect tax case	No. of cases	Amount in dispute (INR in crores)
1	Excise	1	1.37
2	Service Tax	3	0.07
3	Sales Tax	102	20.33
	Total	**106**	**21.77**

Policy on material creditors of our Company

In terms of Part A, para (2), sub-para (X), clause (A) sub-clause (2) of the ICDR Regulations, our Company is required to disclose in the Information Memorandum, the details of the outstanding dues to creditors, based on the policy on materiality of our Board, disclosure for such creditors. Additionally, our Company is required to provide complete details about outstanding dues to creditors as mentioned above, on the webpage of our Company www.crompton.co.in with a web link thereto in the Information Memorandum.

Our Board noted that the outstanding dues to creditors of the CP Business of CGL as per September 30, 2015 was Rs. 571.28 Crores. Our Board also considered the list of creditors (trade payables) of the CP Business as per September 30, 2015. Our Board therefore believe that Rs. 28.6 Crores (outstanding dues to creditors being less than five per cent. of the total outstanding dues pertaining to the CP Business as on September 30,2015) is the appropriate threshold for determining the “material creditors”. As of December 31, 2015, there are no outstanding creditors above Rs. 28.6 Crores.

GOVERNMENT APPROVALS

Pursuant to the Scheme of Arrangement, all the permits, licenses, registrations, authorities, allotments, approvals, contracts, engagements, arrangements, title, interest, benefits, rights and benefits under insurance policies, intellectual property including trademarks, patents, copyrights, privileges, goodwill, import quotas, import licenses, industrial designs, labels, label designs and all other rights including lease rights, tenancy rights, authorizations, licenses, quota rights, all special economic zone benefits, excise duty exemptions, income-tax benefits and exemptions, approvals and recognitions for scientific research issued by the prescribed authority, powers and facilities of every kind, nature and description whatsoever of the consumer business undertaking of the Demerged Company shall stand transferred to and vested in or shall be deemed to be transferred to and vested in the Resulting Company as if the same were originally given or issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company.

REGULATORY AND STATUTORY DISCLOSURES

Authority for listing

The Hon'ble High Court of Judicature at Bombay, vide its order dated November 20, 2015 has approved the Scheme of Arrangement between Crompton Greaves Limited and Crompton Greaves Consumer Electricals Limited and their respective shareholders and creditors.

Pursuant to the Scheme, the Consumer Products Business Undertaking of the Demerged Company is transferred to and vested with the Resulting Company with the appointed date of October 1, 2015 in accordance with Sections 391 to 394 and Sections 100 to 103 of the Companies Act, 1956. The Scheme was made effective from January 1, 2016. In accordance with the said Scheme, the equity shares of Crompton Greaves Consumer Electricals Limited issued pursuant to the Scheme shall be listed and admitted to trading on BSE and NSE. Such admission and listing is not automatic and will be subject to fulfillment by our Company of the listing criteria of BSE and NSE for such issues also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by our Company seeking listing.

Eligibility criterion:

There being no initial public offering or rights issue, the eligibility criteria of SEBI (Issue of Capital and Disclosure Requirements) Regulation 2009 do not become applicable. However, SEBI vide its letter no. CFD/DIL-1/BNS/SD/2621/2016 dated May 2, 2016, granted relaxation of clause (b) to sub-rule (2) of Rule 19 thereof by making an application to SEBI under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013. Our Company has submitted the Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their websites www.bseindia.com and www.nseindia.com. Our Company has made the said Information Memorandum available on its website www.crompton.co.in. Our Company has published an advertisement in the newspapers containing its details as per the SEBI Circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 with the details required as in terms of para 6 of part B of the said Circular. The advertisement draws specific reference to the availability of the Information Memorandum on its website.

Prohibition by Securities and Exchange Board of India

Our Company, its directors, its promoters, other companies promoted by the promoters and companies with which our Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Identification as willful defaulter by Reserve Bank of India

Our Company, its promoters, other companies promoted by the promoters, the relative (as per Companies Act) of promoters have not been identified as willful defaulters by the Reserve Bank of India.

Disclaimer Clause of the BSE

As required, a copy of this Information Memorandum has been submitted to BSE. BSE has vide its letter reference no. DCS/AMAL/CS/24(f)/023/2015-16 dated April 22, 2015, approved the Scheme of Arrangement under clause 24(f) of the Listing Agreement and by virtue of the said approval BSE's name is included in this Information Memorandum as one of the stock exchanges on which this Company's securities are proposed to be listed. The BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- take any responsibility for the financial or other soundness of this Company; and
- it should not for any reason be deemed or construed to mean that this Information Memorandum has been

cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of this Information Memorandum has been submitted to NSE. NSE has vide its letter reference no. NSE/LIST/23329 dated April 22, 2015, approved the Scheme of Arrangement under clause 24(f) of the Listing Agreement and by virtue of the said approval NSE's name is included in this Information Memorandum as one of the stock exchanges on which this Company's securities are proposed to be listed. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Information Memorandum has been cleared or approved by NSE; nor does NSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; nor does it warrant that our Company's securities will be listed or continue to be listed on the NSE ; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of our Company. Every person who desires to apply for or otherwise acquire any securities of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in or in connection with such subscription or acquisition, whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

General Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in terms of para 6 of part B of SEBI Circular SEBI/CFD/DIL/5/2013 dated February 4, 2013 or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Applications have been made to BSE and NSE for an official quotation of the Equity Shares of our Company. Our Company has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares. Our Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the stock exchanges mentioned above within a period as approved by SEBI.

Listing Approval from BSE and NSE

Our Company obtained listing approval from BSE and NSE.

Securities and Exchange Board of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957

Our Company was granted an exemption from the application of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 by the Securities and Exchange Board of India vide the letter no. CFD/DIL-1/BNS/SD/2621/2016 dated May 2, 2016.

Filing

Copy of this Information Memorandum has been filed with BSE and NSE.

Demat Credit

Our Company has executed a Tripartite Agreement with the Depositories i.e. NSDL and CDSL for admitting its securities in demat form. Our Company has been allotted INE299U01018ISIN Number.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained any expert opinions.

Dispatch of Share Certificates

In accordance with the Scheme, new shares have been issued and allotted to the eligible shareholders of Crompton Greaves Limited on the Record Date i.e. March 16, 2016. Our Company has dispatched the physical share certificates to shareholders holding shares of Crompton Greaves Limited in physical form and credited the new shares to depository participant accounts of the shareholders on March 23, 2016.

Previous Rights and Public Issues

Since incorporation, our Company has not issued shares to the public.

Commission and Brokerage on Previous Issues

Our Company has not issued any shares to the public since its inception and no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares.

Promise vis-à-vis performance

This is for the first time our Company is getting listed on the stock exchange.

Outstanding Debentures or Bonds and Redeemable Preference Shares and other Instruments issued by our Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company

Stock Market Data for Equity Shares of our Company

The shares of our Company are not listed on any stock exchanges. Through this Information Memorandum, our Company is seeking approval for listing of its shares.

Disposal of Investor Grievances

Our Company has the following platforms for addressing investors' grievances:

- Email id : crompton.investorrelations@cgglobal.com
- SCORES

Shareholders can express their grievances by sending mails to above mail id or raise complaints in SCORES (Common Portal introduced by SEBI)

Compliance Officer and Company Secretary

Mr. Sandeep Batra
Equinox Business Park,
1st Floor, Tower no. 3
LBS Marg, Kurla (West)
Mumbai 400070
Phone: +91 22 6167 8499
Fax: +91 22 6167 8383
Email:sandeep.batra@cgglobal.com

SECTION VII – OTHER INFORMATION
MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Share capital and variation of rights

2	The Authorised Capital of the Company shall be as per the Capital Clause of the Memorandum of Association of the Company with the power to increase or reduce such capital of the Company from time to time in accordance with the regulations of the Company and the legislative provisions for the time being in force in this behalf and with the power also to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.	Capital
3	Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.	Shares under control of Board
4	Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.	Directors may allot shares otherwise than cash
5	The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: i. Equity share capital: a. with voting rights; and / or b. with differential rights as to dividend, voting or otherwise in accordance with the Rules; and ii. Preference share capital	Kind of share capital
6	i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided: a. one certificate for all his shares without payment of any charges; or b. several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.	Issue of certificate
	Ii Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.	Certificate to bear seal
	iii. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.	One certificate for

shares held jointly

7 i. If any share certificate be worn out defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the Board deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees, not exceeding Rs. 50 per certificate as may be fixed by the Board in accordance with the Act and rules made thereunder, the Securities Contract (Regulation) Act, 1956 or any other Act or rules applicable thereof in this behalf.[1]

Issue of new share certificate in place of one defaced, lost or destroy

ii. The provisions of the foregoing Articles relating to issue of certificates shall *mutatis mutandis* apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.

8 i. The company may exercise the powers of paying commissions conferred by the Act, to any person in connection of the securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and Rules made there under.

Power to pay commission in connection with securities issued

ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act and Rules made there under.

Rate of commission in accordance with the Rules

iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

Mode of payment of commission

9 i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed under the Act.

Variation of the members right

ii. To every such separate meeting, the provisions of the Articles relating to general meetings shall *mutatis mutandis* apply.

Provisions as to general meetings to apply *mutatis mutandis* to each meeting

10 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Issue of further shares not to affect rights of existing members

[1] Clause 7 (i) substituted vide Special Resolution passed at Extraordinary General Meeting dated December 07, 2015.

11 Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

Power to issue redeemable preference shares

12 i. The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to:

Further issue of share capital

a. persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or

b. employees under any scheme of employees' stock option; or

c. any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.

ii. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.

Mode of further issue of shares

13 Subject to the provisions of the Act and other applicable provisions of law, the Company may issue sweat equity shares in accordance with such rules and guidelines issued by the Securities and Exchange Board of India and/or other competent authorities for the time being and further subject to such conditions as may be prescribed in that behalf.

Sweat equity shares

14 Any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any special privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the general meeting.

Terms of issue of debentures

LIEN

15 i. The Company shall have a first and paramount lien-

Company's lien on shares

a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company

Lien to extend to dividends, etc.

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause

Waiver of lien in case of registration

ii. The company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.

iii. Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

16 The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: — As to enforcing lien by sale

Provided that no sale shall be made:

a. unless a sum in respect of which the lien exists is presently payable; or

b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency or otherwise.

17 i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. — Validity of sale

ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer. — Purchaser to be registered holder

iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. — Purchaser not affected

18 The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share. — Validity of Company's receipt

19 i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. — Application of proceeds of Sale

ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. — Payment of residual money

20 In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim. — Outsider's lien not to effect Company's lien

21 The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities including debentures of the Company. — Provisions as to lien to apply *mutatis mutandis* to debentures, etc.

Certificates

22 (i)Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the Memorandum or after allotment or within one month of the receipt of application for the registration of transfer, transmission, subdivision, consolidation or renewal or within such other period as the conditions of issue shall be provided,- Permission for sub-division/ consolidation of share certificates.

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of such fees not exceeding rupees fifty for each certificate after the first, as the Board may deem fit.

(ii)Every certificate shall be under the Seal and shall specify the number of shares to which it relates, distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the directors may prescribe and approve.

(iii)In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders[2].

23 Notwithstanding anything contained in Articles 22, 24 and 26 certificate, if required, for a dematerialised share, debenture and other security shall be issued in the name of the Depository and all the provisions contained in Articles 15 to 18 in respect of the rights of a member/debenture holder of the Company shall *mutatis mutandis* apply to the Depository as if it were a member / debenture holder / security holder excepting that and notwithstanding that the Depository shall have been registered as the holder of a dematerialised share, debenture and other security, the person who is the beneficial owner of such shares, debentures and other securities shall be entitled to all the rights (other than those set out in Articles 15 to 18) available to the registered holders of the shares, debentures and other securities in the Company as set out in the other provisions of these Articles. Issue of certificates, if required, in the case of dematerialised shares/debentures/ other securities and rights of beneficial owner of such shares/ debentures/ other securities

Dematerialisation of Securities

24 Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities and to offer any shares, debentures or other securities proposed to be issued by it for subscription in a dematerialised form and on the same being done, the Company shall further be entitled to maintain a Register of Members/ Debenture holders/ other Security holders with the details of members/ debenture holders/ other security holders holding shares, debentures or other securities both in materialised and dematerialised form in any media as permitted by the Act. Company entitled to dematerialise its shares, debentures and other securities

25 Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its records the name of Option to hold shares in electronic or physical form

[2] *Clause 22 substituted vide Special Resolution passed at ExtraOrdinary General Meeting dated December 07, 2015.*

the allottee as the Beneficial Owner of the Security

26	In the case of transfer of shares, debentures or other securities where the Company has not issued any certificates and where such shares, debentures or other securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply. Provided that in respect of the shares and securities held by the depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act shall apply so far as applicable.	Shares, debentures and other securities held in electronic form
27	Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in electronic form so far as they apply to shares in physical form subject however to the provisions of the Depositories Act. Provided that, nothing contained in Article 38 shall apply to the transfer of shares, debentures or other marketable securities effected by the transferor and the transferee, both of whom are entered as beneficial owners in the record of the Depository	Provisions to apply to shares in electronic form

Calls on shares

28	i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:	Board may make calls
	ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.	Notice of call
	iii.The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.	Board may extend time for payment
	iv. A call may be revoked or postponed at the discretion of the Board.	Revocation or postponement of call
29	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.	Call to take effect from date of resolution
29 (a)	The option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.[3]	Right to call of shares
30	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of joint holders of shares
31	i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate as may be fixed by the Board.	When interest on call payable

[3] *Clause 29(a) inserted vide Special Resolution passed at ExtraOrdinary General Meeting dated December 07, 2015.*

ii. The Board shall be at liberty to waive payment of any such interest wholly or in part. — Board may waive interest

32 i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. — Sums deemed to be calls

ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. — Effect of non-payment of sums

33 The Board: — Payment in anticipation of calls may carry interest

i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

ii. upon all or any of the monies so advanced, may (until the same would but for such advance, become presently payable) pay interest at such rate determined by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

34 If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, then every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder. — Installments on shares to be duly paid

Explanation: Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.

35 All calls shall be made on a uniform basis on all shares falling under the same class. — Calls on shares of same class to be on uniform basis

36 Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. — Partial payment not to preclude forfeiture

37 The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company. — Provisions as to calls to apply *mutatis mutandis* to debentures etc.

Transfer of shares

38 i. The instrument of transfer of any share in the company which is in physical form shall be executed by or on behalf of both the transferor and transferee. — Instrument of transfer to be executed by transferor and

ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof — transferee

iii. There shall be a common transfer form for all[4]

39 The Company shall not register a transfer of shares in, or debentures of the Company held in physical form unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificates relating to the shares or debentures, or if no such certificate is in existence, along with the letter of allotment of the shares or debentures: — Transfer not to be registered except on production of instrument of transfer

Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost or where the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit:

Provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder or debenture holder any person to whom the right to any shares in, or debentures of, the Company has been transmitted by operation of law.

39. (a) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.[5] — No fee on transfer or transmission

40 Subject to the provisions of these articles. the Act and rules made thereunder or any law for time being in force, the Board may refuse whether in pursuance of any power of the Company under these articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company, if any. — Refusal to register transfer

The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly within any other person or person(s) indebted to the Company on any account whatsoever except where the Company has a lien on shares.[6]

41 A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representatives shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer. — Transfer by legal Representative

Where the application is made by the transferor and relates to partly paid shares,

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[4]*Clause 38(iii) inserted vide Special Resolution passed at ExtraOrdinary General Meeting dated December 07, 2015.*
[5]*Clause 39(a) inserted vide Special Resolution passed at ExtraOrdinary General Meeting dated December 07, 2015.*
[6]*Clause 40substituted vide Special Resolution passed at ExtraOrdinary General Meeting dated December 07, 2015.*

the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.

42 Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered, unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the date of receipt of the notice.

For the purpose of above clause notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer, and shall be deemed to have been duly delivered upon the expiry of 7 days from the date of dispatch.

43 In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless

Board may decline to recognize instrument of transfer

i. the instrument of transfer is in the form as prescribed in rules made under the Act,

ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

iii. the instrument of transfer is in respect of only one class of shares

44 The Company may, after giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the Registered Office of the Company is situate, close the register of members or the register of debenture holders for any period or periods not exceeding in the whole forty-five days in each year, but not exceeding thirty days at any one time.

Power to close Register of Members or Debenture holders

45 The provisions of these Articles relating to transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Provisions as to transfer of shares to apply *mutatis mutandis* to debentures, etc.

Transmission of shares

46 i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

Title to shares on death of a member.

ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Estate of deceased member liable

47 i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

Transmission Clause

a. to be registered himself as holder of the share; or

b. to make such transfer of the share as the deceased or insolvent member could have made.

ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. Board's right unaffected

48 The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer. Indemnity to the Company

49 i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. Right to election of holder of share

ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. Manner of testifying election

iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. Limitations applicable to notice

50 A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company: Claimant to be entitled to same advantage

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

51 The provisions of these Articles relating to transmission by operation of law shall *mutatis mutandis* apply to any other securities including debentures of the Company. Provisions as to transmission to apply *mutatis mutandis* to debentures, etc.

Forfeiture of shares

52 If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued. If call or installment not paid notice must be given

53 The notice aforesaid shall: Form of notice

i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

ii. State that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

54	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	In default of payment of shares to be forfeiture
55	When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.	Entry of forfeiture in register of members
56	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	Effect of forfeiture
57	i. A forfeited share may be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit.	Forfeited shares may be sold, etc.
	ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Cancellation of forfeiture
58	i.A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.	Member still liable to pay money owing at time of forfeiture
	ii. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part.	Member still liable to pay money owing at time of forfeiture and interest
	iii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.	Cesser of liability
59	i.A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;	Certificate of forfeiture
	ii. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;	Title of purchaser and transferee of forfeited shares
	iii. The transferee shall thereupon be registered as the holder of the share; and	Transferee to be registered as holder
	iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.	Transferee not affected

60 Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person. Validity of the sales

61 Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto Cancellation of share certificate in respect of forfeited shares.

62 The Board may, subject to the provisions of the Act, accept a surrender of the share certificate for any forfeited share from or by any member desirous of surrendering them on such terms as they think fit. Surrender of share certificates

63 The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified. Sums deemed to be calls

64 The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company. Provisions as to forfeiture of shares to apply *mutatis Mutandis* to debentures, etc

Alteration of capital

65 The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

Subject to the provisions of the Act, the company may, by ordinary resolution: Power to alter share capital

i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;

iv. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

66 Where shares are converted into stock-

i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Shares may be converted into stock

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Right of Stockholders

iii. such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

67 The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:

Reduction of capital

i. its share capital; and/or
ii. any capital redemption reserve account; and/or
iii. any share premium account; and/or
iv. any other reserve in the nature of share capital

Joint Holders

68 Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles: Joint-holders

i. The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share. Liability of joint Holders

ii. On the death of any one or more of such joint holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Death of one or more joint holders

iii. Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share. Receipt of one sufficient

iv. Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint holders. Delivery of certificate and giving of notice to first named holder

a. Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by any attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Vote of joint-holders

b. Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders. Executors or administrator as joint holders

vi. The provisions of these Articles relating to joint holders of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company registered in joint names. Provisions as to joint holders as to shares to apply *mutatis mutandis* to debentures, etc.

Capitalisation of profits

69 i. The company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve- Capitalisation

a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards: Sum how applied

a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
b. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
e. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

70 i. Whenever such a resolution as aforesaid shall have been passed, the Board shall: Powers of the Board for Capitalisation

a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

b. generally do all acts and things required to give effect thereto.

ii. The Board shall have power: Board's power to issue fractional certificate/coupon etc.

a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

iii. Any agreement made under such authority shall be effective and binding on such members.. Agreement binding on members

Buy-back of shares

71 Notwithstanding anything contained in these Articles but subject to the provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities. Buy-back of shares

General meetings

72 All general meetings other than annual general meeting shall be called extraordinary Extraordinary general

	general meeting.	Meeting
73	i. The Board may, whenever it thinks fit, call an extraordinary general meeting. ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.	Powers of Board to call extraordinary general meeting

Proceedings at general meetings

74	i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.	Presence of Quorum
	ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act.	Quorum for general meeting
75	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.	Chairperson of the meetings
76	No business shall be discussed or transacted at any general meeting whilst the chair is vacant, except election of Chairperson.	Business confined to election of Chairperson whilst chair vacant
77	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	Directors to elect a Chairperson
78	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically choose one of their members to be Chairperson of the meeting.	Members to elect chairperson
79	The Chairman of any meeting shall be the sole judge for regulating the proceedings of such meeting, for matters which are not specified in the Act or Rules thereunder or any other applicable law.	Power of Chairman
80	On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Casting vote of Chairperson at general meeting
81	i. The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.	Minutes of proceedings of meetings and resolutions passed by postal ballot
	ii. There shall not be included in the minutes any matter which, in the opinion of the Chairperson of the meeting: a. is, or could reasonably be regarded, as defamatory of any person; or b. is irrelevant or immaterial to the proceedings; or	Certain matters not to be included in the minutes books

c. is detrimental to the interests of the Company.

iii. The Chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.

Discretion of the chairperson in relation to Minutes.

iv. The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.

Minutes to be evidence

82 i.The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:

Inspection of minute books of general meeting

a. be kept at the registered office of the Company; and

c. be open to inspection of any member without charge, during 11.00 a.m. to 1.00 p.m. on all working days other than Saturdays.

ii.Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (i) above:

Members may obtain copy of the minutes

Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.

83 The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.

Powers to arrange security at meetings

Adjournment of meeting

84 i.The Chairperson may, *suo motu*, adjourn the meeting from time to time and from place to place.

Chairperson may adjourn the Meeting

ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Business at adjourned Meeting

iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

Notice of adjourned meeting

iv. Save as aforesaid, and as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

85	Subject to any rights or restrictions for the time being attached to any class or classes of shares,- i. on a show of hands, every member present in person shall have one vote; and ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.	Entitlement to vote on show of hands and on poll
86	Where a poll is to be taken, the Chairman of the meeting shall appoint such numbers of Scrutineers at poll persons, as he deems necessary to scrutinise the poll process and votes given on the poll and to report thereon to him.	Scrutineers at poll
87	The Chairman shall have power, at any time before the result of the poll is declared to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.	
88	A member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.	Voting through electronic means
89	i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members	Vote of joint-holders Seniority of names
90	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	How members *non compos mentis* and minor may vote
91	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	Votes in respect of shares of deceased or insolvent members etc.
92	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.	Business may proceed pending poll
93	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid or in regard to which the Company has exercised any right of lien.	Restriction on voting rights
94	A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article.	Restriction on exercise of voting rights in other cases to be void

95 Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.

Equal rights of members

Proxy

96 Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

Member may vote in person or otherwise

97 The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

Proxies when to be deposited

98 An instrument appointing a proxy shall be in the form as prescribed in the rules made under the Act.

Form of proxy

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Proxies to be valid not withstanding death of the principal

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Winding up

147 Subject to the applicable provisions of the Act and rules made thereunder-

i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of our Company on any working day (i.e. Monday to Friday and not being a bank holiday in Maharashtra) between 10AM and 2PM for a period of seven days from the date of filing of this Information Memorandum with the Stock Exchanges.

Documents for Inspection:

- Memorandum and Articles of Association of the Company, as amended till date.
- Certification of incorporation of our company dated February 25, 2015.
- Audited Financial Statements and Report of our company for the period ended December 31, 2015.
- Chartered Accountant certified Statement of Tax Benefit dated February 4, 2016.
- Order dated November 20, 2015of the Bombay High Court approving the Scheme of Arrangement for Demerger
- Letter under Clause 24(f) of Listing Agreement vide reference no. DCS/AMAL/CS/24(f)/023/2015-16 dated April 22, 2015 of BSE; and that of NSE vide reference no. NSE/LIST/23329 dated April 22, 2015approving the Scheme of Arrangement.
- SEBI's letter no. CFD/DIL-1/BNS/SD/2621/2016 dated May 2, 2016 granting relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI Circular no. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 for the purpose of listing of the shares of Crompton Greaves Limited
- BSE letter no. DCS/AMAL/AC/IP/363/2015-16 dated April 8, 2015 granting in-principle approval for listing.
- NSE letter no. NSE/LIST/68825 dated April 8, 2015 granting in-principle approval for listing.
- Tripartite Agreement with NSDL, Registrar and Transfer Agent and our company.
- Tripartite Agreement with CDSL, Registrar and Transfer Agent and our company.

DECLARATION

All Statements made in this Information Memorandum are true and correct.

For and on behalf of the Board of Directors of Crompton Greaves Consumer Electricals Limited

Name: Mr Shantanu Khosla
Designation: Managing Director
Place: Mumbai
Date: May 06, 2016