

Crompton Greaves Consumer Electricals Limited**Registered & Corporate Office:** Tower 3, 1st Floor,

East Wing, Equinox Business Park, LBS Marg,

Kurla (West), Mumbai 400 070. India

Tel: +91 22 6167 8499 F: +91 22 6167 8383

W: www.crompton.co.in. CIN : L31900MH2015PLC262254

February 22, 2022

To,

To, BSE Limited ("BSE"), Sir Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400001	To, National Stock Exchange of India Limited ("NSE"), "Exchange Plaza", 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
BSE Scrip Code: 539876	NSE Symbol: CROMPTON
ISIN: INE299U01018	ISIN: INE299U01018
Our Reference 148/2021-22	Our Reference: 148/2021-22

Dear Sir/ Madam,

Ref: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

Sub: Outcome of Board Meeting held on February 22, 2022

Pursuant to Regulation 30 of the SEBI Listing Regulations, we wish to inform that on February 22, 2022, the Board of Directors of Crompton Greaves Consumer Electricals Limited ("**Crompton/ the "Company"**") considered and approved, and the Company has executed (A) a share purchase agreement ("**SPA**") with V.M. Lakshminarayanan, V.M. Balasubramaniam, V.M. Seshadri, V.M. Gangadharam, V.M. Kumaresan, LLM Appliances Private Limited, VM Chettiar and Sons India LLP (collectively "**Sellers**"), being members of the promoter group of Butterfly Gandhimathi Appliances Limited ("**Butterfly**"), and Butterfly, (i) in relation to acquisition of up to 55% of the issued and paid-up equity share capital of Butterfly, at a price of INR 1,403.00 per equity share aggregating up to INR 1,379.68 cr, subject to the terms and conditions set out in the SPA, details of which are contained in Annexure 1, and (ii) in relation to assignment of trademarks for: (a) certain prior trademarks, and (b) certain trademarks in allied and cognate classes, ("**Trademarks**"), vis-a-vis the trademarks held by Butterfly from: (x) LLM Appliances Private Limited, for a consideration of INR 17.00 cr; (y) Sivagurunathan Industries (through its partners VMG Viswanathan, VML Senthilnathan) for a consideration of INR 4.64 cr, and (z) Swaminathan Enterprises Private Limited, for a consideration of INR 8.74 cr; aggregating to INR 30.38 cr; and (B) other transaction documents. LLM Appliances Private Limited, partners of Sivagurunathan Industries, and Swaminathan Enterprises Private Limited are part of the promoter/ promoter group of Butterfly or are related to them.

The Company will also make an open offer to acquire up to 26% of the voting share capital of Butterfly at a price of INR 1,433.90 per equity share ("**Offer Price**") aggregating up to INR 666.57 cr from the public shareholders of Butterfly in accordance with the Securities and Exchange Board of India (Substantial Acquisition

of Shares and Takeovers) Regulations, 2011, as amended ("**SEBI (SAST) Regulations**") Since the acquisition of the Trademarks is part of the SPA and is relevant to protect the trademarks of Butterfly, in terms of the SEBI (SAST) Regulations, INR 30.90 per equity



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share has been added to the price determined under Regulation 8(2) of the SEBI (SAST) Regulations for the purpose of arriving at the Offer Price of INR 1,433.90 per equity share.

The information required pursuant to Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September 2015 is enclosed herewith as Annexure 1.

A copy of the press release issued by the Company is also enclosed.

You are requested to take the same on your records.

Thanking you,

Yours truly,

For **Crompton Greaves Consumer Electricals Limited**



Pragya Kaul

Company Secretary and Compliance Officer



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ANNEXURE 1

Disclosure of information pursuant to Regulation 30 of the SEBI Listing Regulations read with SEBI circular No. CIR/CFD/CMD/4/2015 dated 9 September 2015.

S. No.	Particulars	Description
1.	Name of target entity, details in brief such as size, turnover etc.	Butterfly Gandhimathi Appliances Limited (" Butterfly ") (i) Butterfly is listed on BSE Ltd and National Stock Exchange of India Limited. (ii) Butterfly had revenues of INR 869. 64 cr for the year ended March 31, 2021. (iii) For the nine months ended December 31, 2021, Butterfly had revenues of INR 805.99 cr.
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length"	No, the acquisition does not fall under the category of related party transaction(s). The promoter / promoter group / group companies of Crompton do not have any interest in Butterfly.
3.	Industry to which the entity being acquired belongs	Kitchen and Small Domestic Appliances
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The prime objective of Crompton for undertaking the acquisition and subsequent open offer is to have substantial holding of equity shares and voting rights, accompanied by acquisition of control of Butterfly. Backed by a ready manufacturing and R&D infrastructure, along with Crompton's key capabilities and pan-India reach, Butterfly creates a strong opportunity for innovation and expansion in core and adjacent categories and is expected to unlock synergies for both companies. The acquisition of Trademarks is to enable the protection of the exclusivity, legacy, and goodwill of the intellectual property of Butterfly as well as consolidation and expansion in complementary segments. This acquisition is a transformational step towards Crompton's long-term strategic goal of becoming a leading pan-India player in small domestic appliances.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	Not applicable



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S. No.	Particulars	Description
6.	Indicative time period for completion of the acquisition	Acquisition is subject to completion of customary closing conditions. Crompton will complete the acquisition in compliance with the provisions of SEBI (SAST) Regulations.
7.	Nature of consideration - whether cash consideration or share swap and details of the same	Cash – (a) aggregate amount up to INR 1,379.68 cr for the acquisition of up to 98,33,754 equity shares of Butterfly, subject to adjustments contemplated in the SPA, and (b) aggregate amount of INR 30.38 cr for the acquisition of Trademarks
8.	Cost of acquisition or the price at which the shares are acquired under the SPA	INR 1,403.00 per equity share under the SPA, subject to adjustments contemplated in the SPA.
9.	Percentage of shareholding / control acquired and / or number of shares acquired	<p>Up to 55% of the issued and paid-up equity share capital of Butterfly ("Sale Shares") under the SPA. One of the sellers has the flexibility to sell up to 1% of the issued and paid-up equity share capital of Butterfly on-market, up to the date of the proposed acquisition of shares under the SPA, and any such sale of equity shares shall reduce the stake to be acquired under the SPA.</p> <p>The transactions contemplated under the SPA may be consummated either on-market or by way of off-market transfers. In case, the transaction is consummated on the floor of the stock-exchange, and any or all of the sellers continue to hold any Sale Shares after undertaking the transactions envisaged under the SPA ("Slippage Shares"), then such sellers are required to sell the Slippage Shares within a specified time. However, if the sellers are unable to sell the Slippage Shares, subject to applicable law, Crompton shall purchase, after completion of the open offer, up to such number of unsold Slippage Shares from the sellers which are equivalent to the difference between the total shares to be acquired in the open offer and the shares validly accepted in the open offer, at the same price at which equity shares are proposed to be acquired under the SPA.</p> <p>Up to 26% of the voting share capital of Butterfly to be acquired under the open offer (subject to the acceptance in the open offer)</p> <p>Crompton will acquire sole control over Butterfly in terms of SEBI (SAST) Regulations, and in accordance with the SPA.</p> <p>The acquisition of the Trademarks is expected to be concluded simultaneous with the acquisition of the shares under the SPA.</p>



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S. No.	Particulars	Description								
10.	Brief background about the entity acquired in terms of products / line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>Butterfly is a publicly listed company which was incorporated on February 24, 1986, under the provisions of the Companies Act 1956, having its registered office at 143, Pudupakkam Village, Vandalur Kelambakkam Road, Kelambakkam, Chengalpattu, Tamil Nadu - 603103.</p> <p>Butterfly is engaged in the business of manufacturing, marketing, distributing, and supplying household appliances (manufactured in-house or through vendors) including:</p> <p>(a) Electric appliances like Mixer-Grinder, Table Top Wet Grinder, Electric Kettle, Electric Rice Cooker, Induction Cook-Top, Chimneys, Tower Fans, Juicer Mixer Grinder, Iron Box, Single Tub Washer, Air-cooler, Water Heater (Geyser); and</p> <p>(b) Non-Electrical Appliances and Utensils like LPG Stoves, Pressure Cookers, Stainless Steel Vacuum Flasks, Stainless Steel Water Bottles, Non-Stick Cookware, Hand Blender, Manual Chopper.</p> <table> <tr> <th>Period</th> <th>Revenue from Operations (INR cr.)</th> </tr> <tr> <td>FY 2018-19</td> <td>651.98</td> </tr> <tr> <td>FY 2019-20</td> <td>678.70</td> </tr> <tr> <td>FY 2020-21</td> <td>869.64</td> </tr> </table>	Period	Revenue from Operations (INR cr.)	FY 2018-19	651.98	FY 2019-20	678.70	FY 2020-21	869.64
Period	Revenue from Operations (INR cr.)									
FY 2018-19	651.98									
FY 2019-20	678.70									
FY 2020-21	869.64									



Crompton Greaves Consumer Electricals Ltd. announces the acquisition of controlling stake in Butterfly Gandhimathi Appliances Ltd.

- ▶ Crompton Greaves Consumer Electricals Ltd. (“**Crompton**”) has signed definitive agreements on February 22, 2022 with certain members of the promoter group of Butterfly Gandhimathi Appliances Ltd. (“**Butterfly**”) to acquire (a) upto 55% stake at INR 1,403.00 per equity share, aggregating upto INR 1,379.68 cr, and (b) certain Butterfly trademarks in allied and cognate classes from promoter group entities (“**Trademarks**”) for a consideration of INR 30.38 cr. Crompton will launch the mandatory open offer to the public shareholders of Butterfly, for acquiring upto 26% stake in Butterfly at a price of INR 1,433.90 per equity share, aggregating upto INR 666.57 cr; for an aggregate total consideration of upto INR 2,076.63 cr.
- ▶ Butterfly’s leading kitchen and small domestic appliances portfolio includes Mixer Grinders, Table Top Wet Grinders, Pressure Cookers, Stainless Steel Vacuum Flasks, LPG Stoves and Non-Stick Cookware. Butterfly is amongst the top 3 pan-India kitchen and small domestic appliances players. In South India, Butterfly is #1 in Table Top Wet Grinders and LPG Stoves, #2 in Mixer Grinders and #3 in Pressure Cookers.
- ▶ In FY 21, Butterfly reported revenues of INR 870 cr (~21% CAGR over the period FY17-21), with EBITDA of INR 80 cr. In 9M FY22, Butterfly reported revenues of INR 806 cr (yoy growth of ~22%) and EBITDA of INR 75 cr.
- ▶ The transaction will accelerate Crompton’s long-term strategic goal of becoming a leading player in the small domestic appliances segment.
- ▶ Butterfly’s complementary product portfolio coupled with scale and channel synergies will drive robust revenue growth and profitability.

Mumbai – Feb 22, 2022: Crompton, a leading electrical consumer durables company in India, announces that it has signed definitive agreements on February 22, 2022 to: (a) acquire upto 55% stake in Butterfly, a company engaged in the manufacturing, marketing and distribution of kitchen and small domestic appliances (“**SDA**”), at a price of INR 1,403.00 per equity share, and (b) Trademarks for a consideration of INR 30.38 cr. Crompton will also launch the mandatory open offer to the public shareholders of Butterfly for the acquisition of up to 26% stake at a price of INR 1,433.90 per equity share. The transaction will be subject to completion of customary closing conditions. The transaction is expected to be financed through a mix of internal accruals and debt.

This acquisition is a transformational step towards Crompton’s long-term strategic goal of becoming a leading pan-India player in small domestic appliances. As one of the few integrated manufacturers in this space, Butterfly offers immediate scale in kitchen appliances with its diverse portfolio, increasing the share of SDA in Crompton’s offering. This diverse portfolio spans a complementary set of segments, including mixer grinders, stoves and cooktops, table top wet grinders, pressure cookers, etc. Acquiring the Trademarks enables the protection of the exclusivity, legacy, and goodwill of the intellectual property of Butterfly as well as consolidation and expansion in complementary segments. Backed by a ready manufacturing and R&D infrastructure, along with Crompton’s key capabilities and pan-India reach, Butterfly creates a strong opportunity for innovation and expansion in core and adjacent categories and is expected to unlock synergies for both companies.

Shantanu Khosla, Managing Director - Crompton, said, “Crompton has, in its long-term strategic plan, laid out the roadmap to “Extend the Core Product Portfolio”. A key step in this roadmap is to strengthen the small domestic appliances category. Butterfly, a brand with a vintage of over 5 decades, has grown to become a strong brand in South India, with deeply ingrained core values and positive culture amongst its employees. We appreciate the trust the promoter family behind Butterfly is placing in us to take the company to greater heights. Butterfly is an attractive fit with Crompton’s long-term strategy, vision and strategic pillars. This acquisition provides concrete support to our long-term vision of become a leading pan-India kitchen appliances player. Butterfly’s proven channel and brand strategy will form the base for a stronger SDA business led by mixer grinders. This sets up a platform for a full kitchen play, which will enable a stronger connect with every home. We are excited by the opportunity ahead and wish to serve our valued customers through a larger distribution network and wider range of competitive and innovative products.”

VM Lakshminarayanan, Chairman – Butterfly, said, “As a 50-year-old family and home grown business, we are proud of the growth story our brand has been a part of. Butterfly is a strong brand in South India, and this step will provide an opportunity for the Butterfly brand to achieve pan-India reach. Crompton is a synergistic fit and together, there is great potential for powerful complementarity going forward. We have great respect for Crompton and are happy that this brand which has been so close to us is being entrusted to good hands at the right stage of its future growth journey. We are certain that Butterfly will reach new heights and successes with its instilled values and culture.”

Kotak Investment Banking acted as Financial Advisor and Manager to the Open Offer for Crompton, and Khaitan & Co acted as Legal Advisor for Crompton.

About Crompton:

With a brand legacy of 80+ years, Crompton Greaves Consumer Electricals Ltd. is India’s market leader in the category of fans and residential pumps. Over the years, the organization has continuously strived to produce a range of innovative products that cater to the modern consumer including superior quality and high-performance water heaters, anti-dust fans, antibacterial LED bulbs and a range of other categories like air coolers, food processors like mixer grinders, electric kettles and garment care like irons. The company has further invested in brand and innovation to not only better understand and meet consumer needs, but to also help drive energy efficiency. The consumer business also has a well-established and organized distribution network driven by a strong dealer base across the country offering a wide service network and robust after sales service to its customers. Connect with us on www.crompton.co.in