

## Crompton Greaves Limited

Registered Office:  
CG House, 6th Floor, Dr Annie Besant Road, Worli, Mumbai 400 030, India  
T: +91 22 2423 7777 F: +91 22 2423 7733 W: www.cgglobal.com  
Corporate Identity Number: L99999MH1937PLC002641



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## Annexure A

### **Crompton Greaves Board approves the Scheme for vertical demerger of Consumer Products Business into a separate listed company**

**March 03, 2015:** The Board of Directors ("Board") of Crompton Greaves Limited ("CG") has, at its meeting held today, approved a new Scheme of Arrangement ("Scheme") for the vertical demerger of Consumer Products Business unit of CG into its wholly owned subsidiary, Crompton Greaves Consumer Electricals Limited ("CGCEL") with effect from October 1, 2015.

Earlier, on February 19, 2015, the Board, based on comments received from the SEBI, the Stock Exchanges and investors' feedback, had decided, in principle, to implement a 100% demerger of the Consumer Products business, such that the shareholding pattern of the Resulting Consumer Company shall mirror the shareholding pattern of CG. The Scheme based on this principle was today considered and approved by the Board.

#### **Key Highlights**

1. The Consumer Products Business undertaking shall be de-merged into CG's wholly owned subsidiary, CGCEL.
2. Under the Scheme, CG will transfer its Consumer Products Business undertaking including related businesses, undertakings, properties, investments, intangibles, contracts (including employee contracts) and liabilities into CGCEL.
3. CGCEL will issue and allot to the shareholders of CG as on the record date one (1) fully paid up equity share of Rs. 2 each for every one (1) equity share held in CG.
4. Upon demerger, shareholding of CG in CGCEL will get cancelled and the shareholding pattern of CGCEL will mirror the shareholding pattern of CG.
5. CGCEL will apply for listing its shares on the BSE and NSE.
6. The proposed Scheme of Arrangement will be subject to the approvals of the High Court of Judicature at Mumbai. The restructuring will further be subject to various statutory approvals, including those from the shareholders, lenders and creditors of CG and CGCEL.
7. Appointed date of the scheme will be 1st October 2015.

Upon the Scheme becoming effective, and subject to the requisite regulatory approvals including those from Stock Exchanges and SEBI, shares of CGCEL are proposed to be listed on the NSE and BSE. CGCEL will issue one (1) new equity share to CG shareholders for every one (1) share they hold in CG.

Commenting on the demerger, Mr. Laurent Demortier, CEO and Managing Director, Crompton Greaves Ltd. said: "The demerger will achieve the stated Group objective of creation of two industry leading independent entities and unlocking shareholder value. This is in continuation of our efforts of providing complete independence and flexibility to both entities and help in pursuing aggressive growth going



AVANTHA  
GROUP COMPANY

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### **Advisors to Restructuring**

- Axis Capital Limited and Credit Suisse Securities (India) Private Limited are acting as financial advisors to CG. Khaitan & Co are acting as legal advisors and T.P. Ostwal & Co. are acting as tax advisors to CG
- Price Waterhouse & Co. LLP has issued the report on the Share Exchange Ratio adopted under the Scheme
- Axis Capital Limited provided fairness opinion on Share Entitlement Ratio to the Board of CG



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