

# Crompton Greaves Limited

Registered Office:

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Corporate Identity Number(CIN): L99999MH1937PLC002641



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## SYNOPSIS

### BACKGROUND OF THE SCHEME

The scheme of arrangement in the nature of demerger, approved by the Hon'ble High Court, Bombay ("the Scheme") provides for:

- (a) the demerger and hiving off of the Consumer Product Business Undertaking of Crompton Greaves Limited ("CG") on a going concern basis and its transfer to and vesting into Crompton Greaves Consumer Electricals Limited ("CGCEL");
- (b) the continuation of the interests of the CG in the remaining undertaking as provided in the Scheme; and
- (c) the issuance and allotment of shares by the CGCEL to the shareholders of CG as per the entitlement determined on the record date in accordance with the provisions of the Scheme.

### RATIONALE OF THE SCHEME

**The rationale for the Scheme is as follows:**

- (a) CG had been, by itself and through its subsidiaries, engaged in three distinct lines of business namely:
  - (i) Power Business;
  - (ii) Industrial Systems Business; and
  - (iii) Consumer Products Business.
- (b) The nature and risk involved in each Power Business and Industrial Systems Business is distinct, necessitating different management approaches and focus. Thus, the separation of the Consumer Products Business, by way of the Scheme, including its business, undertaking and investments from CG would lead to significant benefits for the business including:
  - (i) enhanced strategic flexibility to build a vibrant industrial platform;
  - (ii) enable a dedicated management focus and to accelerate growth of the Consumer business unlocking significant value for the shareholders of CG; and
  - (iii) access to varied sources of funds for the rapid growth of both businesses.
- (c) With a view to achieve the aforesaid growth potential, Consumer Products Business of CG has been re-organised and segregated by way of the Scheme .



AVANTHA  
GROUP COMPANY



## TYPE OF CORPORATE ACTION

The Scheme of Arrangement provides for the demerger of the Consumer Products Business of Crompton Greaves Limited (Demerged Company), into Crompton Greaves Consumer Electricals Limited (Resulting 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.

## CONSIDERATION

Shareholder holding 1(one) equity share of Crompton Greaves Limited on the Record Date will receive 1(one) equity share of Crompton Greaves Consumer Electricals Limited.

## RECORD DATE

At the meeting of the Board of Directors of the Crompton Greaves Limited held on 25<sup>th</sup> February, 2016, **Wednesday, March 16<sup>th</sup>, 2016** has been fixed as the '**Record Date**' for the purpose of reckoning names of the equity shareholders of the Crompton Greaves Limited entitled to receive shares of Crompton Greaves Consumer Electrical Limited pursuant to the Scheme.

**For CROMPTON GREAVES LIMITED**

**Manoj Koul**  
Company Secretary &  
Compliance Officer