

**Auditor's report of financial information
for group audit purposes**

Group : Crompton Greaves Limited
Year end : **March 31, 2018**
Name of component : **CG SERVICE SYSTEMS FRANCE**
Currency : Euros

To: Management

As requested in the instructions dated February 15, 2018, we have audited, for the purpose of consolidation of the company Crompton Greaves Limited, the accompanying financial information regarding CG SERVICE SYSTEMS FRANCE ("CGSS") as of March 31, 2018 and for the twelve months period then ended.

This financial information was established under the responsibility of the management, and not being intended to be sent to the shareholders, haven't been approved by the board of Directors.

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with the professional standards applied in France. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and the basis of preparation of the financial information. The procedures selected depend on our 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, we consider internal control relevant to the company preparation and presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the component's internal control.

An audit also includes the evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

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

In our opinion, the accompanying financial statements of CGSS as of March 31, 2018 and for the period then ended have been prepared, in all material respects, in accordance with French accounting principles.

Without qualifying our opinion, we draw your attention that the company has cash flow difficulties which generate some delayed payments to suppliers or others debtors. Without the financial support of the mother company or other Group company, CG Service Systems France could be in a state of insolvency.

This report is intended solely for the information and use of the management in conjunction with the audit of the group financial statements of CROMPTON GREAVES LIMITED and should not be used by anyone for any other purpose.

Paris, May 3, 2018

INTERNATIONAL AUDIT COMPANY

Daniel de Beaurepaire

A handwritten signature in black ink, appearing to read 'Daniel de Beaurepaire', with a long horizontal line extending to the right.

SAS CG SERVICE SYSTEMS FRANCE

Parc d'activités des Hautes Falaises
Avenue Jean York

76400 ST LEONARD

BILAN ET COMPTE DE RÉSULTAT

Présenté en Euros

Période du 01/04/2017 au 31/03/2018

édité le 23/04/2018

SAS CG SERVICE SYSTEMS FRANCE
BALANCE SHEET - ASSETS

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Période du 01/04/2017 au 31/03/2018

Présenté en Euros

Edité le 23/04/2018

ASSETS	Current year 31/03/2018 (12 months)				Past year 31/03/2017 (12 months)	
	Brut	Depr. & prov.	Net	%	Net	%
Uncalled capital (0)						
Fixed assets						
Preliminary expenses						
Research and development expenses						
Concessions, patents and similar rights						
Goodwill						
Other intangible fixed assets	8 870,42	7 239,01	1 631,41	0,07	3 029,64	0,17
Advances and prepayments on intangible fixed assets						
Land						
Buildings						
Industrial fixtures, fittings, plant machinery and equipment	723 550,64	664 182,12	59 368,52	2,68	58 168,55	3,17
Other tangible fixed assets	259 782,79	239 040,04	20 742,75	0,94	28 966,46	1,58
Fixed assets in progress						
Advances and prepayments						
Long-term investments by "equivalence method"						
Other interest ownership						
Receivables related to interest ownership						
Capitalized securities						
Loans	127 688,26		127 688,26	5,77	127 688,26	6,97
Other fixed assets	25 200,00		25 200,00	1,14	26 300,98	1,44
TOTAL (I)	1 145 092,11	910 461,17	234 630,94	10,60	244 153,89	13,32
Current assets						
Raw materials and supplies	175 551,99	44 023,56	131 528,43	5,94	195 503,30	10,67
Work in progress of goods	141 198,11		141 198,11	6,38	275 788,75	15,05
Work in progress of services						
Semi-finished and finished goods						
Goods held for resale						
Advances and down-payments to suppliers						
Trade and related accounts	1 325 512,22	14 030,20	1 311 482,02	59,25	853 777,54	46,59
Other receivables						
. Debtors suppliers	19 198,84		19 198,84	0,87	16 770,15	0,92
. Staff	14 416,76		14 416,76	0,65	22 416,76	1,22
. Payroll taxes	8 146,27		8 146,27	0,37	87,00	0,00
. State, profit tax	58 020,00		58 020,00	2,62	53 962,00	2,94
. State, turnover tax	107 105,73		107 105,73	4,84	70 531,32	3,85
. Other	65 911,82		65 911,82	2,98	59 558,10	3,25
Called but unpaid capital						
Investment securities						
Cash Instruments						
Cash	120 139,00		120 139,00	5,43	37 484,03	2,05
Prepaid expenses	1 855,75		1 855,75	0,08	2 667,62	0,15
TOTAL (II)	2 037 056,49	58 053,76	1 979 002,73	89,40	1 588 546,66	86,68
Charges to be spread over several periods (III)						
Premium for redemption of bonds (IV)						
Unrealized exchange losses (V)						
TOTAL ASSETS (0 à V)	3 182 148,60	968 514,93	2 213 633,67	100,00	1 832 700,55	100,00

SAS CG SERVICE SYSTEMS FRANCE
BALANCE SHEET - EQUITY AND LIABILITIES

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Période du 01/04/2017 au 31/03/2018

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EQUITY AND LIABILITIES	Current year 31/03/2018 (12 months)	Past year 31/03/2017 (12 months)
Shareholders' equity		
Share capital (paid-up capital :)	30 000,00	800 000,00
Premiums arising from shares issues, from merger	1,36	43,65
Revaluation		
Legal reserve	20 000,00	20 000,00
Statutory reserve	0,90	1,09
Regulated reserves		
Other reserves		
Retained (profits / losses) brought forward merger	-227 357,42	-354 471,08
	-10,26	-19,33
Net income or loss of the tax year	-10 611,79	-642 886,34
	-0,47	-35,07
Subsidies of investment		
Regulated provisions		
TOTAL (I)	-187 969,21	-177 357,42
	-8,48	-9,67
Proceeds from the issuance of "participating titles"		
Conditional advances		
TOTAL (II)		
Provisions for liabilities and charges		
Reserves for contingencies		22 000,00
Provisions for charges		1,20
TOTAL (III)		22 000,00
		1,20
Loans and debts		
Convertible debenture loans		
Other debenture loans		
Bank borrowing and bank overdrafts		
. Bank borrowing		
. Bank overdrafts		
Other financial borrowing and debts		
. Miscellaneous	200 000,00	200 000,00
. Partners	9,03	10,91
Advances and down-payments for work in progress	133 135,60	116 056,47
Trade notes and related accounts payable	1 730 516,99	1 367 479,01
	6,01	6,33
	78,18	74,62
Tax payable and social liabilities		
. Staff	129 457,66	134 765,37
. Payroll taxes	122 379,01	124 443,33
. State, profit tax	5,85	7,35
. State, turnover tax	5,53	6,79
. State, guaranteed bonds	85 094,22	44 294,19
. Other taxes	3,84	2,42
Liabilities on fixed assets and related accounts		
Other debts	1 019,40	1 019,40
	0,05	0,06
Prepaid income		
TOTAL (IV)	2 401 602,88	1 988 057,97
	108,49	108,48
Unrealized exchange gains	(V)	
TOTAL LIABILITIES (I à V)	2 213 633,67	1 832 700,55
	100,00	100,00

INCOME STATEMENT

Période du 01/04/2017 au 31/03/2018

Présenté en Euros

Edité le 23/04/2018

INCOME STATEMENT		Current year 31/03/2018 (12 months)	Past year 31/03/2017 (12 months)	Variation absolute (12 / 12)	%			
	France	Export	Total	%	Total	%	Variation	%
Sales of goods								
Sales of manufactured goods								
Sales of manufactured services	4 233 290,55		4 233 290,55	100,00	4 089 435,85	100,00	143 855	3,52
Net turnover	4 233 290,55		4 233 290,55	100,00	4 089 435,85	100,00	143 855	3,52
Stored production			-283 130,14	-6,68	-239 469,52	-5,85	-43 661	-18,22
Capitalized production								
Operating subsidies			10 247,12	0,24	4 840,98	0,12	5 407	111,71
Recaptures on depreciations and reserves, expense transfer			60 099,17	1,42	12 788,90	0,31	47 311	369,96
Other operating income								
Total operating income			4 020 506,70	94,97	3 867 596,21	94,58	152 910	3,95
Purchase of goods (including customs duties)								
Variation on inventory (goods)								
Purchase of raw materials and other supplies (including customs duties)			343 320,44	8,11	345 415,15	8,45	-2 095	-0,60
Variation in inventory (raw materials and supplies)			63 172,80	1,49	55 097,61	1,35	8 075	14,66
Other purchases and external expenses			1 855 422,39	43,83	2 125 638,43	51,98	-270 216	-12,70
Taxes and assimilated payments			49 492,07	1,17	59 096,03	1,45	-9 604	-16,24
Salaries and wages expenses			1 238 232,35	29,25	1 290 995,47	31,57	-52 763	-4,08
Social security expenses			421 314,84	9,95	471 977,95	11,54	-50 663	-10,72
Operating allowances on fixed assets : depreciation allowances			27 848,83	0,66	29 862,84	0,73	-2 014	-6,73
Operating allowances on fixed assets : reserve allowances								
Operating allowances on current assets : reserve allowances			38 901,24	0,92	44 622,49	1,09	-5 721	-12,81
Operating allowances for contingencies : reserve allowances					22 000,00	0,54	-22 000	-100,00
Other expenses			-73,91	0,00	26,66	0,00	-99	-380,76
Total operating expenses			4 037 631,05	95,38	4 444 732,63	108,69	-407 101	-9,15
OPERATING RESULT			-17 124,35	-0,39	-577 136,42	-14,10	560 012	97,03
Attributed income or transferred loss								
Suffered loss or transferred profit								
Financial income from interest ownership								
Other holdings and capitalized receivables								
Other interest and assimilated income			813,65	0,02	1 408,04	0,03	-595	-42,25
Recaptures on provisions and expense transfer								
Profits on foreign exchange					61,76	0,00	-61	-100,00
Net gains on sales of portfolio securities								
Total financial income			813,65	0,02	1 469,80	0,04	-656	-44,65
Financial allowances for depreciations and provisions								
Interests and assimilated expenses					2 604,91	0,06	-2 604	-100,00
Loss on foreign exchange								
Net loss on sales of portfolio securities								
Total financial expenses					2 604,91	0,06	-2 604	-100,00
FINANCIAL RESULT			813,65	0,02	-1 135,11	-0,02	1 948	171,63
Ordinary result before tax			-16 310,70	-0,38	-578 271,53	-14,13	561 961	97,18
Extraordinary operating gains			6 460,93	0,15	52 467,18	1,28	-46 007	-87,68
Extraordinary capital gains								
Recaptures on reserves and expense transfers								
Total extraordinary income			6 460,93	0,15	52 467,18	1,28	-46 007	-87,68
Extraordinary operating losses			762,02	0,02	117 081,99	2,86	-116 319	-99,34
Extraordinary capital losses								

INCOME STATEMENT

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INCOME STATEMENT (next)	Current year 31/03/2018 (12 months)	Past year 31/03/2017 (12 months)	Variation absolute (12 / 12)	%
Depreciation and reserve extraordinary allowances				
Total extraordinary expenses	762,02	117 081,99	-116 319	-99,34
EXTRAORDINARY RESULT	5 698,91	-64 614,81	70 312	108,82
Profit sharing scheme				
Income tax				
Total Income	4 027 781,28	3 921 533,19	106 248	2,71
Total expenses	4 038 393,07	4 564 419,53	-526 026	-11,51
NET RESULT	-10 611,79	-642 886,34	632 275	98,35
	<i>Loss</i>	<i>Loss</i>		
Including leasing of furnitures				
Including leasing of real estate				