



## Crompton Greaves Consumer Electricals Limited

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### NOTICE OF POSTAL BALLOT / E- VOTING

Dear Member(s),

**NOTICE** is hereby given pursuant to section 110 of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, of the Act, read with the Companies (Management and Administration) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) (“the Rules”), that the following resolutions are proposed to be passed with requisite majority by way of postal ballot/e-voting.

• **Item No. 1 Approval of Crompton Employee Stock Option Plan 2016 (“ESOP 2016”)**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), and subject further to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Members be and is hereby accorded to the introduction and implementation of Crompton Employee Stock Option Plan 2016 (“ESOP 2016”) authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) to create, and grant from time to time, in one or more tranches, not exceeding 40,00,000 (Forty Lakh) Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the Company, including any Director, whether whole time or otherwise, (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as may be decided under ESOP 2016, exercisable into not more than 40,00,000 (Forty Lakh) equity shares of face value of Rs. 2/- (Rupees Two) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of ESOP 2016.

**RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of divisions and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the ESOP 2016 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take requisite steps for listing of the Equity Shares allotted under ESOP 2016 on the Stock Exchanges where the Equity Shares of the Company are listed.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESOP 2016.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESOP 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues,

questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2016 and do all other things incidental and ancillary thereof.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESOP 2016 as also to make applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolution.”

• **Item No. 2 Approval of Crompton Performance Share Plan – 1 2016 (“PSP - 1 2016”)**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), and subject further to such other approvals, permissions and sanctions, as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions the approval of the Members be and is hereby accorded to the introduction and implementation of Crompton Performance Share Plan 2016, (“PSP -1 2016”) authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) to create, and grant from time to time, in one or more tranches, not exceeding 109,68,057 (One Crore Nine Lakh Sixty Eight Thousand and Fifty Seven) Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the Company, including any Director, whether whole time or otherwise, (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as may be decided under PSP -1 2016, exercisable into not more than 109,68,057 (One Crore Nine Lakh Sixty Eight Thousand and Fifty Seven) equity shares of face value of Rs. 2/- (Rupees Two) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of PSP -1 2016.

**RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of divisions and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under PSP -1 2016 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take requisite steps for listing of the Equity Shares allotted under PSP -1 2016 on the Stock Exchanges where the Equity Shares of the Company are listed.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the PSP -1 2016.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the PSP -1 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the PSP -1 2016 and do all other things incidental and ancillary thereof.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of PSP -1 2016 as also to make applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolution.”

• **Item No. 3 Approval of Crompton Performance Share Plan - 2 2016 (“PSP - 2 2016”)**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), and subject further to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions the approval of the Members be and is hereby accorded to the introduction and implementation of Crompton Performance Share Plan - 2 2016 (“PSP - 2 2016”) authorizing the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) to create, and grant from time to time, in one or more tranches, not exceeding 31,33,731 (Thirty One Lakh Thirty Three Thousand Seven Hundred and Thirty One) Employee Stock Options to or for the benefit of such person(s) who are in permanent employment of the Company, including any Director, whether whole time or otherwise, (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as may be decided under PSP - 2 2016, exercisable into not more than 31,33,731 (Thirty One Lakh Thirty Three Thousand Seven Hundred and Thirty One) equity shares of face value of Rs. 2/- (Rupees Two) each fully paid-up, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws and the provisions of PSP - 2 2016.

**RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank pari passu with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of divisions and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the ceiling on the number of options mentioned in the resolution above, shall be deemed to be increased to the extent of such additional equity shares issued.

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the exercise price payable by the option grantees under the PSP -2 2016 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take requisite steps for listing of the Equity Shares allotted under PSP -2 2016 on the Stock Exchanges where the Equity Shares of the Company are listed.

**RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the PSP - 2 2016.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the PSP -2 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the PSP -2 2016 and do all other things incidental and ancillary thereof.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of PSP -2 2016 as also to make

applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolution.”

• **Item No. 4** Approval of proposed grant of equal to or exceeding 1% of issued capital to specified employee

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under and in accordance with the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI SBEB Regulations”), and subject further to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions the approval of the Members be and is hereby accorded authorising the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution) to offer and grant from time to time such number of Options in one or more tranches under Crompton Employee Stock Option Plan 2016 (“ESOP 2016”), Crompton Performance Share Plan -1 2016 (“PSP -1 2016”) and Crompton Performance Share Plan -2 2016 (“PSP -2 2016”) exercisable into equal number of Equity Shares of face value of Rs. 2/- each fully paid up as per terms of ESOP 2016, PSP -1 2016 and PSP -2 2016, which may exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Option to the following permanent employee of the Company.

Name	Designation
Mr. Shantanu Khosla	Managing Director

**RESOLVED FURTHER THAT** the any of Directors or Key Managerial Personnel of the Company, be and is hereby authorized to perform and execute all such acts, deeds, matters and things including but not limited to making timely intimation/fillings to stock exchange(s), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolution.”

• **Item No. 5** Reclassification of the Status of Promoters Shareholding into Public Shareholding

To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable from time to time (including any statutory modifications or re-enactments thereof for the time being in force), the approval of the Members, be and is hereby accorded for the reclassification of the status of shareholding of Avantha Holdings Limited, Avantha Realty Limited and Varun Prakashan Private Limited (collectively referred to as “Promoters and Promoters group”), holding 8574 equity shares aggregating to 0.001% of the paid up capital of the Company, from the “Promoter and Promoter Group” shareholding of the Company to the “Public” shareholding of the Company.

**RESOLVED FURTHER THAT** the any of Directors or Key Managerial Personnel of the Company, be and is hereby authorized to perform and execute all such acts, deeds, matters and things including but not limited to making timely intimation/fillings to stock exchange(s), and to execute all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard to give full effect to the aforesaid resolution.”

By order of the Board  
For Crompton Greaves Consumer Electricals Limited

**Registered Office:** 6th Floor, CG House,  
Dr. Annie Besant Road, Worli, Mumbai 400 030.

**Date :** September 19, 2016

**Place :** Mumbai.

**Pragya Sahal Kaul**  
**Company Secretary**  
**Membership No. A17167**

## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts is appended hereto.
2. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/Statement of beneficial ownership maintained by the Depositories, i.e., National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as on the close of business hours on Friday, September 16, 2016.  
Members receiving the notice of postal ballot whose names do not appear in the Register of Members/Statement of beneficial ownership as mentioned above, should treat this notice for information purposes only.
3. The Postal Ballot Notice is being sent by e-mail to those Members who have registered their e-mail address with the Company or with their Depository Participants ("DP") unless any member has requested for a physical copy of the same. Members who have not registered their e-mail address will receive this Postal Ballot Notice along with the Postal Ballot Form ("Ballot Form") through permitted mode.
4. The Postal Ballot Notice is uploaded on the website of the Company, i.e. [www.crompton.co.in](http://www.crompton.co.in) and on the website of M/s. Karvy Computershare Private Limited ("Karvy"), i.e. <https://evoting.karvy.com>.
5. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is offering e-voting facility to all its Members as an alternate mode to exercise their right to vote. For this purpose, the Company has appointed Karvy Computershare Private Limited for facilitating e-voting to enable the Members to cast their votes electronically.
6. In case a Member is desirous of obtaining Ballot Form in printed form, the Member may download the same from <https://evoting.karvy.com> or [www.crompton.co.in](http://www.crompton.co.in).
7. Ms. Dipti A. Mehta, Partner, M/s. Mehta & Mehta, Practicing Company Secretaries has been appointed as the Scrutinizer for conducting the postal ballot process in fair and transparent manner.
8. Upon completion of the scrutiny of Ballot Forms and electronic responses, the Scrutinizer will submit his/her report to the Chairman or in his absence, any Director, duly authorized for the purpose. The results of the Postal Ballot will be declared on Monday, October 24, 2016 at 4:00 P.M hours (IST) at Equinox Business Park, Tower 3, East Wing, 1<sup>st</sup> Floor, LBS Marg, Kurla (West), Mumbai – 400 070. The said results along with the Scrutinizer's Report will be displayed on the website of the Company, i.e., [www.crompton.co.in](http://www.crompton.co.in) and on <https://evoting.karvy.com>.
9. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
10. The resolutions, if passed by requisite majority as provided under the relevant provisions of the Companies Act, 2013 and the rules made there under, shall be deemed to have been passed on the last date for receipt of duly completed postal ballot forms or e-voting.
11. The e-voting period commences on Friday, September 23, 2016 at 10:00 hours and ends on Saturday, October 22, 2016 at 17:00 hours (both days inclusive). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be blocked forthwith at the end of the aforesaid mentioned time limit for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.  
(Note: e-Voting shall not be allowed beyond the said time period).
12. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on Friday, September 16, 2016 as per the Register of Members/Statements of beneficial ownership maintained by the Depositories, i.e. NSDL and CDSL.
13. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://evoting.karvy.com>.

14. Last date for receipt of Postal Ballot Forms by Scrutinizer is Saturday, October 22, 2016 before the close of the working hours i.e., 17:00 hours.
15. All timings mentioned herein are as per IST.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item Nos. 1, 2 and 3**

#### **Approval of Stock Option Plan :**

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. They help Companies to attract, retain and motivate the best available talent. Stock options have gone a long way in providing an opportunity to participate in the growth of the Company and creating long term wealth in their hands.

Your Company believes that equity based compensation plans are an effective tool to reward the employees of the Company for their contribution to the growth of the Company.

With this objective in mind, the Company proposes to formulate and implement the following schemes for the employees including Directors of the Company

1. Crompton Employee Stock Option Plan 2016, ("ESOP 2016")
2. Crompton Performance Share Plan - 1 2016, ("PSP - 1 2016")
3. Crompton Performance Share Plan - 2 2016, ("PSP - 2 2016")

The Company seeks members' approval in respect of the aforesaid schemes and grant of Stock Options to the eligible employees of the Company as decided in this behalf from time to time in due compliance of the Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

#### **The main features of ESOP 2016, PSP-1 2016 and PSP- 2 2016 are as under:**

##### **I. ESOP 2016:**

##### **a) Brief description of the Plan:**

The Company proposes to introduce the ESOP 2016 primarily with a view to attract, retain, incentivize and motivate the best available talent. The Plan contemplates grant of options to the eligible employees (including Directors), as may be determined in due compliance of SEBI SBEB Regulations and provisions of the Plan. After vesting of options, the eligible employees earn a right (but not obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ("Committee") of the Company shall act as Compensation Committee for administration of ESOP 2016. All questions of interpretation of the ESOP 2016 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOP 2016.

##### **b) Total number of Options to be granted:**

The total number of options to be granted under ESOP 2016 shall not exceed 40,00,000 (Forty Lakh) options. Each option when exercised would be converted into one Equity Share of Rs. 2/- (Rupees Two) each fully paid-up.

The SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under ESOP 2016 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of options shall be deemed to be increased to the extent of such additional options issued.

##### **c) Identification of classes of employees entitled to participate in ESOP 2016**

All the permanent employees (including a Director, whether whole-time or not but excluding independent directors) of the Company, working in India or outside India shall be eligible to participate in the Plan. Provided however that the following persons shall not be eligible to participate in ESOP 2016:

- a. an employee who is a Promoter or belongs to the Promoter Group as defined in the SEBI Regulations; or

- b. a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Equity Shares of the Company; or
- c. Independent Directors.

In case any grant of options would be contemplated to the employees of any Subsidiary Company and that of the Holding Company, if any, in future, separate approval of the Shareholders shall be obtained as per provisions of SEBI SBEB Regulations, prior to such grant.

**d) Requirements of vesting and period of vesting**

All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 5 (five) years from the date of grant of options as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable law and in the interest of the option grantee.

The vesting dates in respect of the options granted under the Plan shall be determined by the Committee and may vary from employee to employee or any class thereof and / or in respect of the number or percentage of options granted to an employee.

Options shall vest essentially based on continuation of employment and apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

**e) Maximum period within which the options shall be vested:**

All the options granted on any date shall vest not later than a maximum of 5 (five) years from the date of grant of options as may be determined by the Committee.

**f) Exercise price or pricing formula:**

Exercise price shall be the closing market price on the day prior to the date on which the Nomination and Remuneration Committee approves the Grant.

**g) Exercise period and the process of Exercise:**

The Exercise period would commence from the date of vesting and will expire on completion of 5 (five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested Option shall be exercisable by the employees by a written application to the Company expressing his/her desire to exercise such Options in such manner and in such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

**h) Appraisal process for determining the eligibility of employees under ESOP 2016:**

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship and corporate governance etc.

**i) Maximum number of Options to be issued per employee and in aggregate:**

The number of options that may be granted to any specific employee of the Company under the ESOP 2016 is less than 1% of issued capital of the Company but in aggregate including other share based benefit plans of the company may exceed 1% of issued capital of the Company which has been disclosed in ITEM NO - 4 in explanatory statement."

**j) Maximum quantum of benefits to be provided per employee under the Plan:**

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of options.

**k) Route of Plan implementation:**

The Plan shall be implemented and administered directly by the Company. In case Company wishes otherwise, it may be intimated to the members in due course as per applicable laws.

**l) Source of acquisition of shares under the Plan:**

The Plan contemplates fresh/new issue of shares by the Company.

**m) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:**

This is currently not contemplated under the present Plan.

**n) Maximum percentage of secondary acquisition:**

This is not relevant under the present Plan.

**o) Accounting and Disclosure Policies:**

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein.

**p) Method of option valuation:**

The Company will adopt the intrinsic value method for valuation of options. Notwithstanding the above, the Company may adopt any other method as may be required under prevailing applicable laws.

**q) Declaration:**

In case the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value and the impact of this difference on profits and on earnings per share (EPS) of the Company shall also be disclosed in the Board's Report.

## **II. PSP -1 2016 :**

**a) Brief description of the Plan:**

The Company proposes to introduce the PSP -1 2016 primarily with a view to attract, retain, incentivize and motivate the best available talent. The Plan contemplates grant of options to the eligible employees (including Directors), as may be determined in due compliance of SEBI SBEB Regulations and provisions of the Plan. After vesting of options, the eligible employees earn a right (but not obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ("Committee") of the Company shall act as Compensation Committee for administration of PSP -1 2016. All questions of interpretation of the PSP -1 2016 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in PSP -1 2016.

**b) Total number of Options to be granted:**

The total number of options to be granted under PSP -1 2016 shall not exceed 109,68,057 (One crore Nine lakh Sixty Eight Thousand and Fifty Seven) options. Each option when exercised would be converted into one Equity Share of Rs. 2/- (Rupees Two) each fully paid-up.

The SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under PSP -1 2016 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of options shall be deemed to be increased to the extent of such additional options issued.

**c) Identification of classes of employees entitled to participate in PSP -1 2016;**

All the permanent employees (including a Director, whether whole-time or not but excluding independent directors) of the Company, working in India or outside India shall be eligible to participate in the Plan. Provided however that the following persons shall not be eligible to participate in PSP -1 2016:

- a. an employee who is a Promoter or belongs to the Promoter Group as defined in the SEBI Regulations; or
- b. a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Equity Shares of the Company; or
- c. Independent Directors.

In case any grant of options would be contemplated to the employees of any Subsidiary Company and that of the Holding Company, if any, in future, separate approval of the Shareholders shall be obtained as per provisions of SEBI SBEB Regulations, prior to such grant.



**d) Requirements of vesting and period of vesting**

All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 10 (ten) years from the date of grant of options as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable law and in the interest of the option grantee.

The vesting dates in respect of the options granted under the Plan shall be determined by the Committee and may vary from an employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee.

Options shall vest essentially based on continuation of employment and apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

**e) Maximum period within which the options shall be vested:**

All the options granted on any date shall vest not later than a maximum of 10 (ten) years from the date of grant of options as may be determined by the Committee.

**f) Exercise price or pricing formula:**

Exercise Price per Option shall be Rs. 92.83.

**g) Exercise period and the process of Exercise:**

The Exercise period would commence from the date of vesting and will expire on completion of 5 (five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested Option shall be exercisable by the employees by a written application to the Company expressing his/her desire to exercise such Options in such manner and in such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

**h) Appraisal process for determining the eligibility of employees under PSP -1 2016:**

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship and corporate governance etc.

**i) Maximum number of Options to be issued per employee and in aggregate:**

The number of options that may be granted to any specific employee of the Company under the PSP -1 2016 is less than 1% of issued capital of the Company but in aggregate including other share based benefit plans of the company may exceed 1% of issued capital of the Company which has been disclosed in ITEM NO - 4 in explanatory statement.

**j) Maximum quantum of benefits to be provided per employee under the PSP -1 2016:**

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of options.

**k) Route of Plan implementation:**

The Plan shall be implemented and administered directly by the Company. In case Company wishes otherwise, it may be intimated to the members in due course as per applicable laws.

**l) Source of acquisition of shares under the Plan:**

The Plan contemplates fresh/new issue of shares by the Company.

**m) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms etc:**

This is currently not contemplated under the present Plan.

**n) Maximum percentage of secondary acquisition:**

This is not relevant under the present Plan.

**o) Accounting and Disclosure Policies:**

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein.

**p) Method of option valuation:**

The Company will adopt the intrinsic value method for valuation of options. Notwithstanding the above, the Company may adopt any other method as may be required under prevailing applicable laws.

**q) Declaration:**

Incase the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value and the impact of this difference on profits and on earnings per share (EPS) of the Company shall also be disclosed in the Board's Report

**III. PSP - 2 2016 :**

**a) Brief description of the Plan:**

The Company proposes to introduce the PSP -2 2016 primarily with a view to attract, retain, incentivize and motivate the best available talent. The Plan contemplates grant of options to the eligible employees (including Directors), as may be determined in due compliance of SEBI SBEB Regulations and provisions of the Plan. After vesting of options, the eligible employees earn a right (but not obligation) to exercise the vested options within the exercise period and obtain equity shares of the Company subject to payment of exercise price and satisfaction of any tax obligation arising thereon.

The Nomination and Remuneration Committee ("Committee") of the Company shall act as Compensation Committee for administration of PSP - 2 2016. All questions of interpretation of the PSP - 2 2016 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in PSP - 2 2016.

**b) Total number of Options to be granted:**

The total number of options to be granted under PSP – 2 2016 shall not exceed 31,33,731 (Thirty One Lakh Thirty Three Thousand Seven Hundred and Thirty One) options. Each option when exercised would be converted into one Equity Share of Rs. 2/- (Rupees Two) each fully paid-up.

The SEBI Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under PSP - 2 2016 remain the same after any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 31,33,731 (Thirty One Lakh Thirty Three Thousand Seven Hundred and Thirty One) options shall be deemed to be increased to the extent of such additional options issued.

**c) Identification of classes of employees entitled to participate in PSP - 2 2016**

All the permanent employees (including a Director, whether whole-time or not but excluding independent directors) of the Company, working in India or outside India shall be eligible to participate in the Plan. Provided however that the following persons shall not be eligible to participate in PSP - 2 2016:

- a. an employee who is a Promoter or belongs to the Promoter Group as defined in the SEBI Regulations; or
- b. a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Equity Shares of the Company; or
- c. Independent Directors.

**d) Requirements of vesting and period of vesting**

All the options granted on any date shall vest not earlier than 1 (one) year and not later than a maximum of 10 (ten) years from the date of grant of options as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable law and in the interest of the option grantee. The vesting dates in respect of the options granted under the Plan shall be determined by the Committee and may vary from employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee. Options shall vest essentially based on continuation of employment and apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

**e) Maximum period within which the options shall be vested:**

All the options granted on any date shall vest not later than a maximum of 10 (ten) years from the date of grant of options as may be determined by the Committee.

**f) Exercise price or pricing formula:**

Exercise price per option shall be Rs. 185.66.

**g) Exercise period and the process of Exercise:**

The Exercise period would commence from the date of vesting and will expire on completion of 5 (five) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time. The vested Option shall be exercisable by the employees by a written application to the Company expressing his/her desire to exercise such Options in such manner and in such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

**h) Appraisal process for determining the eligibility of employees under PSP - 2 2016:**

The appraisal process for determining the eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

**i) Maximum number of Options to be issued per employee and in aggregate:**

The number of options that may be granted to any specific employee of the Company under the PSP -2 2016 is less than 1% of issued capital of the Company but in aggregate including other share based benefit plans of the company may exceed 1% of issued capital of the Company which has been disclosed in ITEM NO - 4 in explanatory statement.

**j) Maximum quantum of benefits to be provided per employee under the PSP - 2 2016:**

The maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the market price of the shares as on the date of exercise of options.

**k) Route of Plan implementation:**

The Plan shall be implemented and administered directly by the Company. In case Company wishes otherwise, it may be intimated to the members in due course as per applicable laws.

**l) Source of acquisition of shares under the Plan:**

The Plan contemplates fresh/new issue of shares by the Company.

**m) Amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc:**

This is currently not contemplated under the present Plan.

**n) Maximum percentage of secondary acquisition:**

This is not relevant under the present Plan.

**o) Accounting and Disclosure Policies:**

The Company shall follow the Guidance Note on Accounting for Employee Share-based Payments and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein.

**p) Method of option valuation:**

The Company will adopt the intrinsic value method for valuation of options. Notwithstanding the above, the Company may adopt any other method as may be required under prevailing applicable laws.

**q) Declaration:**

In case the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value and the impact of this difference on profits and on earnings per share (EPS) of the Company shall also be disclosed in the Board's Report.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Plan.

The Board recommends passing of the resolutions as set out under item no. 1, 2 and 3 for approval of the Members as Special Resolution(s) through postal ballot.

Draft copies of ESOP 2016, PSP -1 2016 and PSP -2 2016 are available for inspection at the company's Registered Office from 10.00 A.M. to 1.00 P.M. on all working days (excluding Saturdays, Sundays and Holidays) till the last date of the postal Ballot i.e. Saturday, October 22, 2016.

**ITEM No. 4 Approval of grant of Options equal to or exceeding 1% of the Issued Capital to the specified employees:**

The Company consistently believes in the philosophy of creating entrepreneurial teams to operate its businesses and create superior shareholder return. It would be implemented keeping in view the incentivization requirements of the key employees through equity based compensation.

It is imperative that the current team led by following personnel have substantial interest in the business and for that reason grant of so much of the Employee Stock Options have been proposed to retain and incentivize driving performance leading to improved corporate growth and profitability:

Sr. No	Name of the Employee	Designation	% of options to be granted
1.	Mr. Shantanu Khosla	Managing Director	More than 1% of the issued capital

In the background above, approval of the members is being sought for the issue of so much of the Employee Stock Options to the aforesaid personnel, in one or more tranches, exercisable into Equity Shares of the Company being equal to or exceeding 1% of the Issued Capital of the Company.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution except to the extent and manner set out in the resolution.

The Board recommends the passing of the resolutions as set out under item no. 4 for approval of the Members as Special Resolution(s) through postal ballot.

**ITEM No. 5 Reclassification of the Status of Promoters Shareholding into Public Shareholding:**

Avantha Holdings Limited, Varun Prakashan Private Limited and Avantha Realty Limited (collectively referred to as "Promoters and Promoter Group") were part of the Promoter and Promoter Group of the Company.

As on August 26, 2016, Avantha Holdings Limited had transferred its entire shareholding of 215,442,496 shares, aggregating to 34.37% of the paid up share capital of the Company to Amalfiaco Limited (special purpose vehicle managed by Advent International Corporation, USA) and MacRitchie Investments Pte Ltd (a wholly owned subsidiary of Temasek Holdings (Private) Limited).

The current shareholding of Avantha Realty Limited and Varun Prakashan Private Limited is only 8,574 equity shares aggregating to 0.001% of the paid up capital of the Company. Further the Promoters and Promoter Group do not fall in the definition of 'Promoter' and 'Promoter Group' in terms of Regulations 2(1) (za) and 2(1) (zb) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, respectively, and also do not have a right either to appoint any Director of the Company or an ability to control the management or policy decisions of the Company in any manner whatsoever including by virtue of its shareholding.

Vide its letter dated August 26, 2016, the Promoter and Promoter Group has requested the Company for:

- (i) declassification of Avantha Holdings Limited, Varun Prakashan Private Limited and Avantha Realty Limited as the promoter and Promoter Group; and
- (ii) reclassification of its shareholding of Varun Prakashan Private Limited and Avantha Realty Limited as Public Shareholding.

In accordance with Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said reclassification requires the approval of the Stock Exchanges, where the shares of the Company are listed. In terms of the procedure adopted by the Stock Exchanges for granting such approval, the Stock Exchanges, inter alia, require that the Company obtain the consent of the Shareholders of the Company, for the said reclassification.

None of the Directors, Key Managerial Person, or their relatives is concerned or interested in this resolution except to the extent and manner set out in the resolution.

The Board recommend the passing of the resolutions as set out under item no. 5 for approval of the Members as Ordinary Resolution through postal ballot.

By order of the Board  
For Crompton Greaves Consumer Electricals Limited

**Registered Office:** 6th Floor, CG House,  
Dr. Annie Besant Road, Worli, Mumbai 400 030.

**Date:** September 19, 2016  
**Place:** Mumbai

**Pragya Sahal Kaul**  
**Company Secretary**  
**Membership No. A17167**