

# Crompton

## Crompton Greaves Consumer Electricals Limited

CIN: L31900MH2015PLC262254

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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 ("the Rules"), Secretarial Standard 2 ("SS 2") on General Meetings and other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) that the Resolution(s) set out below are proposed to be passed by way of Postal Ballot/ Electronic Voting (e-voting).

The Explanatory Statement pertaining to the said Resolution(s) setting out the material facts and the reasons thereof is annexed hereto along with the Postal Ballot Form (the "Form" or the "Postal Ballot Form").

The Board of Directors of the Company have appointed Mrs. Ashwini Inamdar (FCS 9409) or failing her Mr. Atul Mehta (FCS 5782) of M/s. Mehta & Mehta, Practicing Company Secretaries (ICSI Unique Code: P1996MH007500), as Scrutiniser for conducting the Postal Ballot including e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and be available for the said purpose.

In compliance with the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with Rules and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company is pleased to extend e-voting facility as an alternative, to enable the Members to cast their votes electronically instead of through the Postal Ballot Form(s). Members desiring to exercise their vote by means of physical Postal Ballot are requested to carefully read the instructions printed in this Postal Ballot Notice and Postal Ballot Form and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed postage pre-paid Business Reply Envelope so as to reach the Scrutiniser not later than the close of working hours, that is, 5.00 P.M. on Wednesday, January 6, 2021. Postal Ballot Forms received after this day will be treated as 'invalid'. Members desiring to opt for the e-voting facility are requested to read carefully the related notes to this Postal Ballot Notice and instructions given thereunder.

The Scrutiniser will submit their Report to the Company after the completion of scrutiny, and the results of voting by means of Postal Ballot (including voting through electronic means) shall be declared by the Chairman or any other person authorised by him within 48 hours from receipt of the Scrutiniser's Report, at the Registered Office of the Company and also by placing the same on the Company's website: [www.crompton.co.in](http://www.crompton.co.in) and on the website of Central Depository Services (India) Limited ("CDSL"): [www.evotingindia.com](http://www.evotingindia.com) and the results will simultaneously be communicated to the Stock Exchanges.

### SPECIAL BUSINESS:

#### Item No. 1: To approve the amendment in Crompton Employee Stock Option Plan 2019 ("ESOP 2019")

To consider and to give assent/dissent for passing the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession to the Special Resolution passed by the Members of the Company by way of Postal Ballot on January 19, 2020 and pursuant to the provisions of Section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the rules framed thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), the circulars/guidelines issued by the Securities and Exchange Board of India ("SEBI"), the Articles of Association of the Company and all other applicable regulations, rules and circulars/guidelines in force, from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, permissions and sanctions, as may be necessary and such condition(s) and modification(s) as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to acceptance of such condition(s) and modification(s) by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee which the Board may constitute to act as "Compensation Committee" to exercise its powers, including the powers conferred by this resolution) consent of the Members of the Company be and is hereby accorded to make the following amendment(s) in the Crompton Employee Stock Option Plan 2019 ("ESOP 2019"):

- 1) Increasing the total number of stock options available in the Scheme by 50,00,000 (Fifty Lakh) i.e. from existing 48,00,000 (Forty-Eight Lakh) stock options to 98,00,000 (Ninety-Eight Lakh) stock options; and

- 2) To authorise the Board to create, issue, offer and grant from time to time, in one or more tranches, additional number of stock options under ESOP 2019 not exceeding 50,00,000 (Fifty Lakh) stock options under ESOP 2019 (over and above the present 48,00,000 stock options) for the benefit of such person(s) who are the permanent Employees or Directors of the Company, as may be permissible under the SEBI SBEB Regulations (herein referred to as "Employees") exercisable into not more than 50,00,000 (Fifty Lakh) equity shares of face value of ₹ 2/- (Rupees Two only) each fully paid-up, aggregating to 98,00,000 (Ninety-Eight Lakh) stock options exercisable into not more than 98,00,000 (Ninety-Eight Lakh) equity shares of face value of ₹ 2/- (Rupees Two only) each fully paid-up, in such manner and on such terms and conditions including the price as the Board may decide in accordance with the provisions of the applicable laws as may be prevailing at the relevant time.

**RESOLVED FURTHER THAT** the revised ESOP 2019 Scheme covering the above amendments be and is hereby approved and adopted by the members.

**RESOLVED FURTHER THAT** it is hereby noted that the amendments to the Scheme are not prejudicial to the interests of the eligible employees and option holders.

**RESOLVED FURTHER THAT** the other terms and conditions of the ESOP 2019, except as set out in the explanatory statement, shall remain unchanged.

**RESOLVED FURTHER THAT** the Board be and is hereby further authorised to issue and allot equity shares upon exercise of the options from time to time in accordance with ESOP 2019 and such equity shares shall rank *pari passu* in all respects 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, sale of division, change in capital structure and others, if any, additional equity shares are issued by the Company 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.

**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 2019 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 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 authorised subject to the compliance with the applicable laws and regulations:

- (i) To administer, implement and supervise the ESOP 2019;
- (ii) To formulate, approve, evolve, modify, change, vary, alter, amend, suspend or terminate the ESOP 2019 and determine and bring into effect such terms and conditions and procedures for grant or vesting of shares/options under ESOP 2019;
- (iii) To grant, issue, re-issue, recall, surrender, cancel and withdraw stock options from time to time and to determine the terms and conditions therefore;
- (iv) To take necessary steps for listing of the equity shares as allotted under ESOP 2019 on the Stock Exchanges where securities of the Company are listed as per the provisions of the SEBI LODR Regulations, the SEBI SBEB Regulations and other applicable laws;
- (v) To delegate all or any of the powers conferred by this resolution to any Committee of Directors, Director, Officer, or Authorised Representative of the Company;
- (vi) To do all such acts, deeds, things and matters as may be considered necessary or expedient and settle any questions, difficulties or doubts that may arise in this regard (including to amend or modify any of the terms thereof within the contours of the ESOP 2019 Scheme) and to do all other things incidental and ancillary thereof in conformity and subject to compliance with the provisions of the Companies Act, 2013, the SEBI SBEB Regulations and any other applicable laws in force without requiring the Board to secure any further consent or approval of the Members of the Company."

## **Item No. 2: To approve increase in Authorised Share Capital of the Company**

To consider and to give assent/dissent for passing the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 61 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the rules framed thereunder and all other applicable regulations, rules and circulars/guidelines in force, from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the Members be and is hereby accorded to increase the Authorised Share Capital of the Company from the present ₹ 130,00,00,000/- (Rupees One Hundred and Thirty Crore only) divided into 65,00,00,000 (Sixty-Five Crore) equity shares of face value of ₹ 2/- (Rupees Two only) each to ₹ 131,00,00,000/- (Rupees One Hundred and Thirty-One Crore only) divided into 65,50,00,000 (Sixty-Five Crore and Fifty Lakh) equity shares of face value of ₹ 2/- (Rupees Two only) each by creation of additional 50,00,000 equity shares of face value of ₹ 2/- (Rupees Two only) each and such equity shares shall rank *pari passu* in all respects with the existing equity shares of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the rules framed thereunder and all other applicable regulations, rules and circulars/guidelines in force, from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the members be and is hereby accorded to amend Clause V of the Memorandum of Association (MOA) of the Company by substituting the existing Clause V of MOA with new Clause V as follows:

V. The Authorised Share Capital of the Company is ₹ 131,00,00,000/- (Rupees One Hundred and Thirty-One Crore only) divided into 65,50,00,000 (Sixty-Five Crore and Fifty Lakh) Equity Shares of ₹ 2/- (Rupees Two only) each.

**RESOLVED FURTHER THAT** any of the Directors or the Key Managerial Personnel of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution."

By Order of the Board  
For **Crompton Greaves Consumer Electricals Limited**

**Pragya Kaul**  
Company Secretary & Compliance Officer  
Membership No. A17167

**Registered Office:**

Tower 3, 1<sup>st</sup> Floor, East Wing, Equinox Business Park,  
LBS Marg, Kurla (West), Mumbai - 400 070

**Date :** November 27, 2020

**Place :** Mumbai

**NOTES:**

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ("Act") setting out all material facts and reasons for the proposed resolutions is annexed hereto and forms part of this notice.
2. The Postal Ballot Notice along with the Postal Ballot Form is being sent in electronic form to the Members who have registered their e-mail addresses with the Company/Registrar and Transfer Agent of the Company (in case of physical shareholding)/ with their Depository Participants (in case of electronic shareholding). Physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent to the Members whose e-mail addresses are not registered, by permitted mode along with postage pre-paid Business Reply Envelope addressed to the Scrutiniser (C/o. KFin Technologies Private Limited).
3. The Postal Ballot Notice is being sent to all the Members, whose names appear in the Register of Members/Statements of Beneficial Ownership maintained by the Depositories as on the close of business hours on Friday, November 20, 2020. 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.
4. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on Friday, November 20, 2020 ("Cut-off date"). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date will be entitled to cast their votes by Postal Ballot or e-voting. A person who is not a Member as on the cut-off date should treat this notice for information purposes only.
5. Pursuant to the provisions of Section 108 and all other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically and has engaged the services of Central Depository Services (India) Limited ("CDSL") as the agency to provide e-voting facility. Instructions for the process to be followed for e-voting are annexed to this Postal Ballot Notice.
6. Members can opt for only one mode of voting i.e. either Postal Ballot Form or e-voting. In case any Member votes both by Postal Ballot Form and e-voting, the votes cast through e-voting shall prevail and the votes cast through Postal Ballot Form shall be considered invalid.
7. A Member cannot exercise his vote by proxy on Postal Ballot.
8. The e-voting period commences on Tuesday, December 8, 2020 at 09.00 A.M. (IST) and ends on Wednesday, January 6, 2021 at 05.00 P.M. During this period, Members of the Company, holding shares either in physical or dematerialised form, as on the cut-off date, that is, Friday, November 20, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.

9. Members desiring to exercise their vote by physical Postal Ballot are requested to carefully read the instructions printed overleaf on the Postal Ballot Form and return the said Form duly completed and signed, in the enclosed postage prepaid Business Reply Envelope to the Scrutiniser Mrs. Ashwini Inamdar or Mr. Atul Mehta of M/s. Mehta & Mehta, Practicing Company Secretaries, so that it reaches the Scrutiniser (C/o. KFin Technologies Private Limited) not later than 5.00 P.M. IST on Wednesday, January 6, 2021. The postage will be borne by the Company. However, envelopes containing Postal Ballot Form, if sent by courier or registered/speed post at the expense of the Members will also be accepted. If any Postal Ballot Form is received after 5.00 P.M. IST on Wednesday, January 6, 2021, it will be considered that no reply from the Member has been received.
10. The resolutions, if approved, shall be deemed to have been passed on the last date of voting, that is, January 6, 2021.
11. Relevant documents referred to in this Postal Ballot Notice and the Explanatory Statement, including a copy of the proposed amended plan and other related documents are available for inspection by the Members at the Company's Registered Office between 11.00 A.M. and 1.00 P.M. on all working days except Saturday and holidays from the date of despatch of this Postal Ballot Notice and up to the date of closure of Postal Ballot. Members may also write to [crompton.investorrelations@crompton.co.in](mailto:crompton.investorrelations@crompton.co.in) for inspection of the relevant documents.
12. Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar and Transfer Agent/Depository Participant(s) for sending future communication(s) in electronic form.
13. A Member need not use all his/her/its votes nor does he/she/it need to cast all his/her/its votes in the same way.
14. The Scrutiniser's decision on the validity of the Postal Ballot shall be final.

15. **INSTRUCTIONS FOR VOTING**

- i. The voting period begins on Tuesday, December 8, 2020 at 09.00 A.M. (IST) and ends on Wednesday, January 6, 2021 at 05.00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. November 20, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders.
- iv. Now Enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user, follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the Member id/Folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- viii. After entering these details appropriately, click on "SUBMIT" tab.

- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN for *Crompton Greaves Consumer Electricals Limited* on which you choose to vote.
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. If a demat account holder has forgotten the login password, then enter the user ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android-based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xix. **Note for Non-Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or grievances may be addressed to Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or Call on 022- 23058542/43. Alternatively, any queries or issues or grievances of the Shareholders of the Company connected with the electronic voting can also be addressed to the Company by email at [crompton.investorrelations@crompton.co.in](mailto:crompton.investorrelations@crompton.co.in) or Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited at the email ID [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT") SETTING OUT ALL MATERIAL FACTS**

### **Item No. 1:**

Stock options have long been recognised internationally as an effective instrument to align the interest of employees with those of the Company and its shareholders, providing an opportunity to employees to share the growth of the Company, and to create long-term wealth in the hands of the employees. It creates a sense of ownership between the Company and its employees, paving the way for a unified approach to the common objective of enhancing overall shareholders' value.

The Company with the objective of rewarding and motivating employees for their long association and in recognition of their dedicated service to the Company and also to attract and retain the best talent, has been granting stock options pursuant to the approval of its Members.

In 2016, the shareholders had approved 3 schemes, named ESOP 2016, PSP 1 and PSP 2, for grant of options to eligible employees including Key Managerial Personnel ("KMP"). Under these three schemes, in October 2016, Options were duly granted by the Nomination and Remuneration Committee ("NRC"). These options were to vest, as per their grant conditions, over the next 4 years and as on date, all options granted in October 2016 have vested as per the approved vesting conditions. It may be noted that under ESOP 2016, options were granted, to a few eligible employees, after October 2016 and these will vest on their grant anniversaries.

It is now, therefore, necessary to grant fresh options to eligible employees including KMP with the objective of rewarding and motivating employees in recognition of their dedicated service to the Company and for ensuring that rewards are sharply and directly linked to Company performance and creation of shareholder value.

It may be noted that the Members of the Company had vide special resolution passed by postal ballot on January 19, 2020 approved formulation of Employee Stock Option Plan, namely, ESOP 2019 for the benefit of such person(s) who are the permanent employees or Directors of the Company, as may be permissible under the SEBI SBEB Regulations (herein referred to as "Employees") exercisable into not more than 48,00,000 (Forty-Eight Lakh) equity shares of face value of ₹ 2/- (Rupees Two only) each.

Under ESOP 2019, the current available balance is 44.30 lakh (Forty-Four Lakh and Thirty Thousand) stock options, which is not sufficient to cover the number of options proposed to be granted to eligible employees, including KMP and hence, the Company is seeking amendment to ESOP 2019 by way of increasing the Option pool. The Company proposes to seek approval to create, issue, offer and grant additional 50 lakh (Fifty Lakh) stock options exercisable into not more than additional 50 lakh (Fifty Lakh) equity shares over and above the 48 lakh (Forty-Eight Lakh) stock options as approved under ESOP 2019. After the increase, the total number of options that can be granted under ESOP 2019 will aggregate to 98 lakh (Ninety-Eight Lakh) stock options exercisable into not more than 98 lakh (Ninety-Eight Lakh) equity shares of face value of ₹ 2/- (Rupees Two only) each.

From the above pool, options will also be granted to the Managing Director. It may be noted that Mr. Khosla, the Managing Director was granted options under PSP 1 and PSP 2, as given in the table below:

**Table 1**

<b>Eligible Employee (s)</b>	<b>Designation</b>	<b>No. of stock options granted under PSP 1 and PSP 2</b>	<b>No. of stock options proposed to be granted under ESOP 2019</b>
Mr. Shantanu Khosla	Managing Director	78.34 Lakh	Up to 21.00 Lakh

Further, at the 6<sup>th</sup> AGM held on July 24, 2020, the Members had approved re-appointment of Mr. Khosla as the Managing Director for a further term of 5 years along with remuneration payable wherein grant of stock options to the Managing Director was also approved.

The Exercise price for all options shall be the closing market price on the day prior to the date on which the NRC approves the Grant.

The grants will be done by the NRC in accordance with the terms of the scheme detailed hereinafter. The vesting conditions for the options will be determined by the NRC and will continue to be performance-linked.

The Company seeks Members' approval in respect of amendment of the aforesaid scheme to increase the pool size of stock options in due compliance of the Regulation 7 of the SEBI SBEB Regulations.

Apart from increasing the number of stock options in the ESOP 2019 pool to accommodate the options to be granted, other terms and features of the ESOP 2019 remains unchanged.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 7 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Board of the Company confirms that the above variations/ amendments to ESOP 2019 are not prejudicial to the interests of the eligible employees and option holders under ESOP 2019.

The Nomination & Remuneration Committee and the Board of Directors of the Company have approved and recommended amendment/modification of ESOP 2019 through resolution passed at its meetings held on November 27, 2020, subject to the approval of the Member(s) of the Company. Hence, the approval of member(s) is hereby sought to amend the ESOP 2019.

The following would inter alia be the broad terms and conditions of amended ESOP 2019:

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

ESOP 2019 contemplates grant of stock options to eligible employees primarily with a view to attract, retain, incentivise and motivate the best available talent. The Plan contemplates grant of options to the eligible employees (including Directors) of the

Company and/or its Subsidiary Company(ies) (present and/or future), if any, as may be permissible 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 ESOP 2019 shall be implemented and administrated directly by the Company by way of new issue of shares.

The Nomination and Remuneration Committee ("Committee") of the Company shall act as Compensation Committee for administration of ESOP 2019. All questions of interpretation of the ESOP 2019 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESOP 2019.

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

Total stock options up to 98,00,000 (Ninety-Eight Lakh) (current 48,00,000 (Forty-Eight Lakh) stock options + additional 50,00,000 (Fifty Lakh) stock options (under amended ESOP 2019) convertible into 98,00,000 (Ninety-Eight Lakh) equity shares of the face value of ₹ 2/- (Rupees Two only) each fully paid-up would be available for being granted under the ESOP 2019. Each option when exercised would be converted into one equity share of face value of ₹ 2/- (Rupees Two only) each fully paid-up. Vested options lapsed due to non-exercise and/or unvested options which get cancelled due to resignation of the Employees or otherwise, would be available for being re-granted at a future date.

**c) Identification of classes of employees entitled to participate in ESOP 2019:**

All the permanent employees (including a Director, whether whole-time or not but excluding Independent Directors) of the Company and Subsidiary Company(ies) (present and/or future) 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 2019:

- 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 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 period as may be decided by the Nomination and Remuneration 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 option may also lapse under certain circumstances as determined by the Nomination and Remuneration Committee even before expiry of the specified exercise period.

**h) Appraisal process for determining the eligibility of employees under ESOP 2019:**

The appraisal process for determining the eligibility shall be decided from time to time by the Nomination and Remuneration Committee. The broad criteria for appraisal and selection may include parameters like grade of the Employee, role/designation of the Employee, future potential of the Employee and/or such other criteria that may be determined by the Nomination and Remuneration Committee at its sole discretion from time to time.

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

The maximum number of options that can be granted to any eligible employee during any one year shall be restricted to the limits as prescribed under Regulation 6(3)(d) of the SEBI SBEB Regulations, unless otherwise approved by the Members.

**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, utilisation, 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 and its Subsidiary Company(ies) shall comply with the disclosure and accounting policies prescribed by SEBI Regulations and any other authorities concerned, from time to time. The difference between the fair value of the options on the date of grant and the exercise price will be borne by the Company as an expense and amortised over the vesting period.

**p) Method of option valuation:**

The Company shall adopt fair valuation model as prescribed under Ind-AS. Notwithstanding the above, the Company may adopt any other method as may be required under the prevailing applicable laws.

The Board recommends the resolution set out at Item No. 1 of this Notice to the Members for their consideration and approval by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the proposed resolution except to the extent of their shareholding and/or outstanding stock options in the Company or the stock options to be granted to them under the amended ESOP 2019 Plan.

**Item No. 2:**

Presently, the Authorised Share Capital of the Company is ₹ 130,00,00,000/- (Rupees One Hundred and Thirty Crore only) divided into 65,00,00,000 (Sixty-Five Crore) equity shares of face value of ₹ 2/- (Rupees Two only) each. The issue of equity shares pursuant to exercise of stock options by the employees under the various ESOP schemes of the Company shall require increase in Authorised Share Capital to ₹ 131,00,00,000/- (Rupees One Hundred and Thirty-One Crore only) divided into 65,50,00,000 (Sixty-Five Crore and Fifty Lakh) equity shares of face value of ₹ 2/- (Rupees Two only) each.

Therefore, the Clause V of the Memorandum of Association of the Company shall be required to be altered such that the Authorised Share Capital is increased to ₹ 131,00,00,000/- (Rupees One Hundred and Thirty-One Crore only) divided into 65,50,00,000 (Sixty-Five Crore and Fifty Lakh) equity shares of face value of ₹ 2/- (Rupees Two only) each.

The Board recommends the resolution set out at Item No. 2 of this Notice to the Members for their consideration and approval by way of Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the proposed resolution except to the extent of their shareholding in the Company.

By Order of the Board  
For **Crompton Greaves Consumer Electricals Limited**

**Pragya Kaul**  
Company Secretary & Compliance Officer  
Membership No. A17167

**Registered Office:**

Tower 3, 1<sup>st</sup> Floor, East Wing, Equinox Business Park,  
LBS Marg, Kurla (West), Mumbai - 400 070

**Date :** November 27, 2020

**Place :** Mumbai