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Plant Locations

S. No.	State	City	Address
1.	Himachal Pradesh	Baddi	Plot No. 81, HPSIDC Industrial Area Baddi, District Solan, Himachal Pradesh 173 205, India
2.	Himachal Pradesh	Baddi	Plot No. – 150, HPSIDC Industrial Area Baddi, District Solan, Himachal Pradesh 173 205, India
3.	Himachal Pradesh	Baddi	Baddi Village Thana, Tehsil Baddi, District Solan, Himachal Pradesh 173 205, India.
4.	Gujarat	Baroda	Baroda Lamp Works, Kural Village, Padra Taluka, Padra Jambusar Road, District Baroda, Gujarat 391 430, India.
5.	Maharashtra	Ahmednagar	C-19, MIDC, Ahmednagar 414 111, Maharashtra, India
6.	Maharashtra	Ahmednagar	A-28, MIDC, Ahmednagar 414 111, Maharashtra, India
7.	Goa	Kundaim	Plot No. 214-A, Kundaim Industrial Estate, Kundaim, Goa 403 115, India
8.	Goa	Bethora	Plot No. 1, Goa IDC Industrial Estate, Bethora, Ponda, Goa 403 409, India

CORPORATE INFORMATION

BOARD OF DIRECTORS

MANAGING DIRECTOR	: Mr. Shantanu Khosla
NON-EXECUTIVE INDEPENDENT DIRECTORS	: Mr. D. Sundaram Mr. H.M. Nerurkar Mr. P. M. Murty
NON-EXECUTIVE DIRECTOR	: Ms. Sonia N. Das
CHIEF EXECUTIVE OFFICER	: Mr. Mathew Job
CHIEF FINANCIAL OFFICER	: Mr. Sandeep Batra (Company Secretary till May 18, 2016)
COMPANY SECRETARY & COMPLIANCE OFFICER	: Ms. Pragya Sahal Kaul (w.e.f. May 19, 2016)
AUDITORS	: Sharp & Tannan
BANKERS	: ICICI Bank Limited Standard Chartered Bank IDFC Bank Limited Corporation Bank Limited State Bank of India
REGISTERED OFFICE	: CG House, 6th Floor, Dr. Annie Besant Road, Worli, Mumbai – 400 030.
CORPORATE OFFICE	: Equinox Business Park, 1st Floor, Tower 3, LBS Marg, Kurla (West), Mumbai – 400 070.

MANAGEMENT DISCUSSION & ANALYSIS

As per the Scheme of Arrangement (the “Scheme”) between Crompton Greaves Limited (“CGL”) and Crompton Greaves Consumer Electricals Limited (the “Company”), (“CGCEL”), the Consumer Products business of CGL was transferred to the Company with the appointed date of 1st October, 2015. The operational transition of the business was completed seamlessly and without any disruption.

The financial results of the Company reflect the performance of consumer products business from 1st October, 2015. For comparison purposes, the past financials of the business, as per information published by CGL, have been considered.

Industry Structure and Developments

The Company has identified two reportable segments – Lighting Products and Electrical Consumer Durables.

Lighting Products:

Based on end use, the lighting industry can be classified into: residential, commercial, industrial and outdoor (street, flood and infrastructure) lighting. Commercial lighting dominates the overall market with 45-50% share, followed by residential lighting at 25-30%. Various government initiatives are likely to drive the demand of lighting products. Some of the key government initiatives are listed below:

1. Integrated Power Development Scheme (IPDS) to ensure uninterrupted availability of power in urban areas.
2. Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for rise in rural penetration with increased electrification.
3. Unnat Jyoti by Affordable LEDs for All (UJALA) to promote efficient lighting.
4. Street Light National Programme (SLNP) to replace street lights with energy efficient lighting options.

The Company is well poised to take advantage of above schemes. The LED lighting segment is projected to become a key revenue contributor to the lighting industry by 2020. LED lights are expected to replace other lighting sources such as incandescent bulbs, FTL and CFL. Demand for CFL is likely to decline and the LED segment is expected to grow.

Electrical Consumer Durables

This can be further classified into Fans, Pumps and Appliances.

Fans:

Based on end use, fans can be classified into residential and industrial fans. Residential fans are further classified as ceiling fans, table, wall and pedestal fans (TPW) and exhaust fans. Key demand drivers are likely to be: rise in rural penetration with increased electrification, replacement demand from urban areas, increasing shift towards premium offerings and housing growth.

Following are some of the key initiatives taken by the Government, which are likely to drive demand for fans:

1. National Energy Efficiency Fans Program (NEEFP) to promote energy efficient fans.
2. Super-Efficient Equipment Programme (SEEP) to encourage super efficient appliances by providing financial stimulus.
3. Integrated Power Development Scheme (IPDS).
4. Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for rise in rural penetration with increased electrification.

Pumps:

Based on end use, pumps can be broadly classified into industrial, agricultural and domestic pumps.

The Government’s increased focus on irrigation is likely to have a positive impact on demand of pumps. Government push towards energy efficiency is also likely to increase the demand. Under the **National Energy Efficient Agricultural Program** Smart BEE star rated pump sets are to be distributed to the farmers.

Further, growth in housing and falling ground water levels are likely to boost demand.

Appliances:

Based on usage, appliances can be classified into small kitchen appliances, air cooler, geyser, iron, water purifier and personal care products. The growth of small appliances is expected to be driven by product innovation, upgradation of existing products, housing growth and higher rural penetration.

Segment Results and Performance

Lighting Products:

Sales of Lighting Products were ₹ 563 crores, a growth of 9.1%. Segment profit was ₹ 49 crores.

A total of 375 products were launched in the year, based largely on LED technology. Exclusive LED experience centres were set up at 2 locations.

We introduced high performance, aesthetic and highly energy efficient products like the Hawk series of streetlights and Pluto/ Neptune/Jupiter series of area/industrial lights. The Research and Development efforts helped the company in providing the “best in industry” solutions to customers for various projects of national significance and winning major orders from Energy Efficiency Services Limited, airports, auto and power sector and street lighting projects.

New product sales were 18% of total sales.

The Company was awarded orders for 14 million LED lamps and LED street lights from Energy Efficiency Services Limited.

Electrical Consumer Durables:

Electrical consumer durables segment comprises fans, pumps and a wide range of small appliances. Segment sales at ₹ 1,249 crores grew by 12.2%. Segment profit was ₹ 197 crores.

Fans:

The Company is the market leader in Fans.

In F.Y. 2016, 68 new models were introduced which resulted in over 4% of the total revenue coming from new products.

We have focussed on energy efficiency as benchmark of quality in new product development. We registered 4 new star marked models in 2015-16, taking total of such models to 22. 4.5 lakh such fans were produced last year, helping the nation save around 17 million electrical units. New Super Energy Efficient ceiling fan, with permanent magnet brushless technology, with added features was developed to BEE specifications to cater to high energy efficient market. These fans would save more than 50% energy. These initiatives have helped the business win the National Energy Conservation Award constituted by BEE, Government of India for the second consecutive year.

New eSense range ceiling fan with automatic temperature control and radio frequency based remote functions has been developed.

Pumps:

The Company is the market leader in residential pumps segment.

A wide range of new products were developed for residential, agriculture and commercial applications. New product sales accounted for 8% of net sales.

The business presented two technical papers - on Solar Pumps in IPMA, Ahmedabad and on the use of CFD software in Pump Design at CII's National Pump Conference. The pumps business has been awarded with the prestigious “India Design - I” mark for the last 3 years in a row.

Appliances:

This business caters to a range of domestic appliances in four major product categories: water heaters/geysers, small appliances, power solutions and air coolers/heaters.

Overall, 27 new products were launched in the year and contributed to 17% of the revenue. Water heaters which comprise a major part of business in this segment were adversely affected by a delayed and short winter as well as muted growth in new residential construction.

After Sales Service:

In order to deliver best-in-class after sales service, the reach of our service centres was enhanced to over 500 centres across the Country.

With a focus on faster resolution of service requests, the percentage of service requests resolved in 48 hours was increased from 86% to 89% in the current year. To improve accessibility, service requests can now be registered on line via the Company website.

To boost consumer confidence 144 free service camps were conducted last year.

Modern Retail:

With a focus on increasing distribution to new geographies and expanding retail reach in smaller towns, presence in channels like e-commerce and modern retail was stepped up.

In modern retail presence was expanded to cover 850 stores across formats. Exclusive online brand outlets were launched on Paytm, Snapdeal and Flipkart. Products like LEDs, geysers, coolers and mixer grinders are the best sellers in organised retail/ Online.

Human Resources:

The leadership team was put in place during the course of the year. The team has a healthy mix of external hires and internal appointments. Most leadership positions were filled from internal talent, an evidence of the capability existing in the organisation.

Employee Relations:

The overall employee relations scenario remained cordial with enhancement in the overall productivity levels and greater participation of employees in development initiatives. Long-term settlement with the employees' union at Ahmednagar unit was concluded.

Communication and Engagement with Employees:

A series of initiatives (including Company newsletter and MD and CEO's quarterly communication sessions) were undertaken to enhance the two-way communication and engagement across the organisation. An employee Engagement survey was undertaken and the initial results indicate good level of employee engagement compared to industry benchmarks.

Environment, Health and safety:

The Company is committed to providing a safe and healthy environment to employees. There was no serious accident reported in the year.

Employee development:

Building capability is one of the key strategic priorities of the Company. Extensive capability development initiatives, especially in customer facing functions were initiated in addition to other regular development initiatives.

Opportunities:

Electrical goods, as an industry, have traditionally enjoyed a relatively stable operating environment. Consequently, the business models have focussed on strengthening the core business and utilising the strengths, for entry into adjacent markets.

However, multiple changes driven by technology, business environment and consumer preference, have combined to change the business environment. Technology changes driven by energy efficiency have opened a new dimension. Steadily rising income levels are driving demands for premium products.

Some of the emerging trends are:

- 1. Government's energy efficiency programs:** The government has been proactive in driving technology changes in the industry. Policy direction has been towards rapid commercialisation of energy efficient technology with the goal of savings in power cost. Aggregated orders provided by government bodies have given boost to LED bulbs. Distribution of LED bulbs under the EESL program has provided economy of scale to suppliers and made consumers familiar with the product. Success in LED lighting is being sought to be leveraged in other markets such as ceiling fans and agricultural pumps.
- 2. New distribution channels:** Distribution models, enabled by information technology have opened new route to markets. Modern retail and E-commerce have emerged as meaningful distribution routes.
- 3. Demand for Premium and differentiated products:** Across product categories, there is an increasing shift towards premium and differentiated offerings driven by rising disposable incomes.

Threats:

The major threats are:

- 1. Technological Obsolescence:** Technology changes have been rapid and widespread. Market players have to either lead this change or risk losing ground to players with newer technologies.
- 2. Competition:** Increase in competition will remain a key business risk. Excess manufacturing capacity in global markets can result in pricing pressure in our markets.
- 3. Business environment uncertainty:** While select economic indicators have improved, all sectors are not growing at same rates. Our industry is sensitive to construction growth, which remains challenged.

Risk mitigation:

We have identified key risks and developed effective mitigation for ensuring business continuity. Key risks include disruptive technological changes, adverse movement in raw material prices and supply disruptions and inadequate brand visibility.

Markets that we operate in are fast evolving, with global trends shaping customer expectations. Understanding the global trends and building a robust innovation pipeline to meet consumer needs is a key priority for the Company.

Aluminium, copper and steel are our key raw materials. We constantly track the movement in Index prices of these raw materials and ensure that our procurement prices are in line with market movement in prices.

We have mapped our supply chain and identified key areas which could lead to business disruptions. We have multiple vendors in all the key areas to minimise business disruptions.

Our reputation and brand recognition depends primarily on the quality, pricing and consistency of our products, as well as the success of our marketing and promotional efforts. With a focus to enhance our brand recognition, we will be increasing spend towards branding activity. We have put in checks to ensure that the quality of our products is among the best in the industry.

Information Technology:

In order to ensure a smooth transition post demerger, suitable changes were made in IT systems. A series of actions are underway to set up a standalone IT infrastructure by leveraging latest technology and rationalising business processes.

Outlook:

The Indian economy is showing signs of revival with improvement of select fundamentals. As inflation has remained within bounds, this is likely to flow down to consumer sentiment with resultant uptick on our industry. A normal monsoon in the year will provide a further boost to growth. In addition, government spending on infrastructure is expected to increase in coming years. This has a direct bearing on product lines like streetlights and highway lighting.

The pace of adoption of LED technology has been very encouraging. This trend can be further reinforced if market adopts new energy efficient technologies in other electrical products, e.g., fans, pumps, water heater and coolers.

Growth in solar powered products can be an area of opportunity. Sharply falling global prices and cost effective specifications have made solar power become cost competitive in multiple applications.

Technology has opened up opportunity in the field of connected devices. While “in home” applications have gathered a lot of attention, benefits are well defined and pronounced in larger scale commercial settings.

Government interventions directed towards power savings can be a big growth opportunity. As these procurement programs tend to aggregate volumes, this can accelerate cost reduction and increase product acceptance.

Newer channels such as E-commerce and Modern Retail have also improved access for select segments.

Shantanu Khosla
Managing Director
Mumbai, 18th May, 2016

CAUTIONARY STATEMENT:

The management of Crompton Greaves Consumer Electricals Limited has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and, therefore, may include amounts based on informed judgements and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Management has based these forward looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, interest and other costs and may cause actual results to differ materially.

BOARD REPORT

To,

The Members,

Your Directors are pleased to present the Second Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2016. The Consumer Product business of Crompton Greaves Limited (CGL) was demerged into the Company effective 1st October, 2015 and therefore there are no prior year comparable numbers.

DEMERGER

Pursuant to the Scheme of Arrangement of demerger, the Company issued and allotted on 22nd March, 2016, 62,67,46,142 [Sixty Two Crores, Sixty Seven Lakhs, Forty Six Thousand, One Hundred and Forty Two Only] fully paid up Equity Shares in the ratio of 1 equity share(s) of the face value of ₹ 2/- (Rupees Two) each credited as fully paid-up for every 1 equity share(s) of ₹ 2/- (Rupees Two) each as fully paid-up held by the members in Crompton Greaves Limited to the members on the record date fixed as 16th March, 2016. Further pursuant to the Section 102 of the Companies Act, 1956, the scheme of arrangement and the consent received from all the shareholders of the Company, simultaneously with the above issue and allotment, 2,50,000 equity shares issued previously to Crompton Greaves Limited were cancelled, extinguished and annulled.

In view of the effective date being 1st January, 2016 and the Company receiving the listing approvals from BSE Limited and National Stock Exchange of India Limited on 13th May, 2016, it was not mandatorily required to comply with certain requirements mentioned in the Companies Act, 2013, ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. However as a step towards good corporate practice, the Company has voluntarily complied with many of the provisions mentioned in the Act and the aforesaid Regulations.

FINANCIALS

The table below depicts the financial performance of the Company for the year ended 31st March, 2016. However this reflects the business performance from 1st October, 2015 i.e. the appointed date for the demerger.

(₹ in crores)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Sales/Income from operations (Net of excise duty)	1,812	-
Total income	1,816	-
Profit before Exceptional Items and Tax	172	(3)
Exceptional items	14	-
Profit before Tax	158	(3)
Tax expenses (including deferred Tax)	52	(1)
Profit after Tax	105	(2)

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Revenue grew 11.2% to ₹ 1,811.68 crores. Operating Profit (PBIT before Corporate expenses and Exceptional Items) at ₹ 246.52 crores was up by 18.4% versus the corresponding period last year. The previous year sales and segment profit numbers of the consumer product segment of CGL have been considered for reference.

Finance costs of ₹ 31.75 crores represent the cost of servicing the term loan of ₹ 700 crores.

Expenses of ₹ 11.29 crores incurred for the demerger have been classified as exceptional item alongwith the write off of a security deposit of ₹ 2.64 Crores.

Profit Before Tax. "PBT" was ₹ 157.68 crores and Profit after Tax "PAT" was ₹ 105.19 crores. PBT margin was 8.7% and PAT margin was 5.8%.

DIVIDEND

To take care of the liquidity requirements of the transitional period following the demerger and possible refinancing of the term loan, your Directors propose to retain the entire Profit After Tax (PAT) in the Statement of Profit and Loss and do not recommend any dividend. The balance in the Statement of Profit and Loss account remains available for distribution in future.

RESERVES

No amount is proposed to be transferred to reserves.

TERM FINANCE

Your Company had a term loan of ₹ 700 crores as on 1st October, 2015. The loan has a tenure of 6 years and is repayable in 22 instalments, of which 2 instalments have been paid. The outstanding as on 31st March, 2016 is ₹ 636.38 crores.

The loan is secured by first charge on the Company's fixed assets and first charge on the brand "Crompton Greaves".

HUMAN RESOURCES & EMPLOYEE RELATIONS

Your Company believes that human resources play a significant role in its future growth. We attract competent professionals who are committed to perform and provide them a conducive, challenging and learning work environment.

With a focus on nurturing and retaining talent, your Company provides avenues for learning and development through functional, behavioural and leadership training programs, knowledge exchange conferences, communication channels for information sharing etc. to name a few.

The industrial relations in respect of all manufacturing facilities and units of your Company are cordial.

The Company had employee strength of 1530 as on 31st March, 2016.

DIRECTORATE & KEY MANAGERIAL PERSONNEL

The appointment and remuneration of Directors is governed by the Nomination and Remuneration Policy of the Company which also contains the criteria for determining qualifications, positive attributes and independence of Directors. The Policy aims at attracting and retaining high calibre personnel from diverse educational fields and with varied experience to serve on the Board for guiding the Management team to enhance organizational performance. The detailed Nomination and Remuneration Policy is contained in the Corporate Governance section of the Annual Report.

The Company's Board comprises five members. Mr. Shantanu Khosla (Mr. Khosla) was appointed as an additional Director on 21st September, 2015 and as the Managing Director of the Company on 1st January, 2016, subject to the approval of the Members. As per Section 161 of the Companies Act, Mr. Khosla being an Additional Director, holds office upto the date of the ensuing Annual General Meeting (AGM) and is eligible to be appointed as a Director of the Company. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act signifying his candidature. The resolution seeking Mr. Khosla's appointment has been included in the Notice of the Annual General Meeting (AGM) together with his brief details.

During the year under review, Members approved the appointment of Mr. D. Sundaram and Mr. P. M. Murty as Non-Executive Independent Directors of the Company, for a period of five consecutive years with effect from 26th August, 2015, whose offices are not liable to retire by rotation.

Mr. H. M. Nerurkar was appointed as an additional Non-Executive Independent Director on 25th January, 2016 and is proposed to be appointed as Non-Executive Independent Director of the Company whose office is not liable to retire by rotation at the ensuing AGM.

Ms. Sonia N. Das is the other Non-Executive Director and was appointed on 25th January, 2016 and is proposed to be appointed as a Director liable to retire by rotation at the ensuing AGM.

Since all of your Directors are additional Directors or Independent Directors, there is no Director liable to retire by rotation at the ensuing AGM.

The Directors are reputed professionals with diverse functional expertise, industry experience, educational qualifications, and gender mix relevant to fulfilling the Company's objectives and strategic goals.

Mr. Sushant Arora resigned from the Board w.e.f. 21st September, 2015. Mr. Atul Gulatee and Mr. Madhav Acharya stepped down from their directorship of the Company, with effect from 5th February, 2016 and 4th January, 2016 respectively. The Board places

on record its gratitude and appreciation for Mr. Sushant Arora's, Mr. Atul Gulatee's and Mr. Madhav Acharya's guidance to the Company during their tenure as a Director.

All Independent Directors have submitted declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with the rules thereof.

Upon his re-appointment as a Director, Mr. Khosla shall continue to hold office as the Managing Director of the Company. His profile details are contained in the accompanying Notice of the forthcoming Annual General Meeting and in the Corporate Governance Report.

Mr. Mathew Job was designated as the Chief Executive Officer with effect from 1st January, 2016. Mr. Sandeep Batra was designated as Chief Financial Officer with effect from 1st January, 2016 and was also appointed as Company Secretary and Compliance Officer with effect from 12th February, 2016.

Since the appointed date for Scheme of arrangement was 1st October, 2015, therefore Section 134(3)(p) of the Act read with rule 8(4) of Companies (Accounts) Rules, 2014 pertaining to formal annual evaluation of the Board and its Committees is not applicable to your Company for the F.Y. 2015-16.

The Board of Directors met Seven (07) times during F.Y. 2015-16. The details of the meetings and the attendance of the Directors are mentioned in the Corporate Governance Report.

The Board has established Committees as a matter of good corporate governance practice and as per the requirements of the Companies Act, 2013. The Committees are Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship & Share Transfer Committee. The composition, terms of reference, number of meetings held and business transacted by the Committees is given in the Corporate Governance Report.

SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURES

Your Company has no subsidiaries, associates and joint ventures.

RELATED PARTY TRANSACTIONS

All contracts or arrangements or transactions with related parties were at arms' length basis. There were no material contracts or arrangements or transactions with related parties, therefore Form AOC-2 does not form part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no Loans, Guarantees and Investments made by the Company under Section 186 of the Companies Act, 2013.

RISK MANAGEMENT

A Risk Management policy has been developed and implemented by the Company for identification of risk elements, which in the opinion of the Board may threaten the existence of the Company. The key elements of the Company's risk management framework have been captured in the risk management policy which details the process for identifying, escalating, prioritizing, mitigating and monitoring key risk events and action plans. The assessment of the risks covers business risks, operational risks, physical risks, regulatory risks, fraud risks, people risks, information risks and IPR risks. There are appropriate assurance and monitoring mechanisms in place to monitor the effectiveness of the risk management framework including the mitigation plans identified by the Management for key risks identified through the risk management exercise.

INTERNAL FINANCIAL CONTROLS

Your Company has in place, adequate systems and procedures for implementation of internal financial control across the organization which enables the Company to ensure that these controls are operating effectively.

RESEARCH AND DEVELOPMENT

Introduction of new range of LED bulbs, LED consumer luminaires and range extension of LED bulbs helped in increased market penetration of LED products. Using state of the art design tools and techniques covering thermal, optical and electronics aspects; high performance, aesthetic and highly energy efficient products like the Hawk series of streetlights and Pluto/Neptune/Jupiter series of area/industrial lights were introduced. These aerodynamically designed products and other new products in the office and retail lighting space, increased our new product sale contribution to over 30%. The efforts on introduction of cost competitive products and continuous value engineering substantially contributed towards meeting the challenges of market.

R & D efforts also helped the Company in providing the best in industry solutions to customers for various projects of national significance and winning major orders in EESL, airports, auto, power and street lighting projects like the Kannur International Airport, NBCC, Dwarka High court.

The Company has introduced India's first intelligent ceiling fan which can adjust its speed by sensing the room temperature. Dedicated remote with radio frequency based remote functions, is pairable with the fan. This aesthetically superior ceiling fan would enhance comfort level to the end user.

The Company has also developed a super efficient ceiling fan with permanent magnet brushless technology. This fan consumes the lowest power for highest air delivery.

The business has developed high "head" two stage monobloc pumps. These innovatively designed pumps can deliver "head" upto 80m. The motors are designed to work on wide voltage with enhanced aesthetics.

The Company's, premium pump offering Crompton "Force" series was chosen for the prestigious "I" (India Design Mark) by CII. To perform in varied voltage conditions in the country, the Company has developed low voltage models in its flagship MINI range. MINI Amber is specially developed to cater to tier II and tier III towns.

The Company is ready with highly efficient BLDC solar pumps upto 4.0HP and premium stainless steel and monobloc pumps upto 10.0HP. The pumps are controlled by maximum power point trackers (MMPT) which increase the solar efficiency.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required by the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the prescribed format as Annexure 1 to this Report.

ENVIRONMENT, HEALTH & SAFETY (EHS)

The Company has articulated its EHS Policy to confirm its commitment related to the environment, safety & health of all employees and stakeholders, and to minimize adverse environmental impact from its activities.

Environment, health and safety related management programs are being undertaken on continuous basis for eliminating unsafe working conditions, improving work environment as well as hygiene and minimizing adverse impact on environment by effective re-utilization of treated STP and ETP water.

As a result of its environmental commitment, Pumps division was awarded prize for 2nd best garden and environment conservations in the Large Industry segment at their Ahmednagar factory location. The competition was organized by Rotary Club of Ahmednagar Midtown in March 2016.

The EHS scorecard is reviewed regularly in periodic business review meetings. The existing EHS activities are further enhanced and strengthened through training programs on regular basis.

All the manufacturing facilities are certified for ISO14001 and OSHAS18001 standards. Yearly audits are conducted by certifying agencies to confirm adherence to procedures prescribed in the standards.

We have set a benchmark of zero accidents at workplace by ensuring employee engagement by following the PDCA cycle as follows:

1. Near miss reporting.
2. Monthly meetings to discuss near miss reports, identify areas of improvement and review effectiveness of past actions.
3. Planning activities to mitigate EHS related issues.
4. Identifying and conducting training programs.
5. Regular Assessments by certifying agencies confirming to OHSAS 18001 and ISO 14001 standards.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed towards embracing responsibility for its corporate actions and achieve fruitful impact of its business actions not only on its stakeholders, but also the society at large. As per the provisions of the Companies Act, 2013 there was no amount required to be spent on CSR. Your Company has formed the CSR Committee and the CSR Policy is available on the website

of the Company. During the year 2016-17 the Company would undertake CSR initiatives in compliance with Schedule VII to the Companies Act, 2013.

GREEN INITIATIVES

Electronic copies of the Annual Report and Notice of the 2nd Annual General Meeting will be sent to all members whose e-mail addresses are registered with the Company/Depository Participant(s). For members who have not registered their email addresses, physical copies of the Notice and Annual Report will be sent in the permitted mode. [Members requiring physical copies can send a request to the Company.] The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e., 31st March, 2016, and the date of the Boards' Report.

EVENTS AFTER THE REPORTING PERIOD AND TILL THE DATE OF LISTING

In order to re-finance the loan we have initiated the process to seek the approval of shareholders to raise funds upto ₹ 700 Crores through issue of Secured Non-Convertible Debentures (NCDs) including debenture stock, bonds, etc. in one or more tranches through private placement.

LISTING

In accordance with the Scheme, the equity shares issued pursuant to the Scheme have been listed on BSE Limited and National Stock Exchange of India Limited on 13th May, 2016. BSE Limited has been defined as the Designated Stock Exchange of the Company.

COST AUDITORS

Upon recommendation of the Audit Committee, the Board has appointed M/s. Ashwin Solanki & Associates as Cost Auditors, for the period 1st October, 2015 to 31st March, 2016. At the ensuing Annual General Meeting, their remuneration is proposed to be ratified by the shareholders.

SECRETARIAL AUDITORS

The Company has appointed M/s. Mehta and Mehta, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit for period 1st October, 2015 to 31st March, 2016 is annexed herewith as Annexure 2 to the Report.

MATERIAL ORDERS OF REGULATORS/COURTS/TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors would like to assure the Members that the Financial Statements for the year under review conform in their entirety to the requirements of the Companies Act, 2013. The Directors confirm that:

- the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
- the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the profit for the Financial Year;
- sufficient care has been taken that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis;
- the internal financial controls laid down in the Company were adequate and operating effectively;
- the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

SHARE REGISTRAR & TRANSFER AGENT

M/s. Karvy Computershare Private Limited (“Karvy”), a SEBI registered Registrar & Share Transfer Agent (“RTA”) has been appointed as the Company’s RTA. The contact details of Karvy are mentioned in the Report on Corporate Governance.

PUBLIC DEPOSITS

No public deposits have been accepted by the company during the year under review.

PARTICULARS OF EMPLOYEES

Since your Company was not listed during the year under review, the statement of particulars required pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5(1) and (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to your Company and does not form a part of this Report.

COMPLAINTS RELATING TO SEXUAL HARASSMENT

In terms of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, it is mandatory to review status of sexual harassment related complaints in the Annual Report. There were no incidents of sexual harassment reported in the Company. For protection against sexual harassment, your Company has formed an Internal Complaints Committee to which employees can write in their complaints. The Company has a Prevention of Sexual Harassment Policy which has formalised a free and fair enquiry process for dealing with such issues, with defined timelines.

VIGIL MECHANISM

Your Company has formulated a Vigil Mechanism & Whistle Blower Policy with a view to providing a mechanism for employees to report violations and assure them of the process that will be followed to address the reported violation. The Policy also lays down the procedures to be followed by Senior Management for tracking of complaints, giving feedback, conducting investigations and taking disciplinary actions. It also provides assurances and guidelines on confidentiality of the reporting process and protection from reprisal to complainants. No personnel has been denied access to the Audit Committee.

AUDITORS

The Company’s Statutory Auditors, M/s. Sharp & Tannan, hold office up to the conclusion of the forthcoming Annual General Meeting; and, being eligible, are recommended for re-appointment on terms recommended by the Audit Committee to the Board of Directors.

They have furnished the requisite certificate to the effect that their re-appointment, if effected, will be in accordance with Section 141(3)(g) of the Companies Act, 2013. The Notes on Financial Statements referred to in the Annual Report are self explanatory and do not call for any further comments.

During the year no frauds have been reported by auditors under sub-section (12) of Section 143 of the Companies Act, 2013 either to Audit Committee of the Company or to the Central Government.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as Annexure 3.

ACKNOWLEDGEMENTS

Your Directors wish to convey their gratitude and appreciation to all of the Company’s employees at all its locations for their tremendous personal efforts as well as their collective dedication and contribution to the Company’s performance.

The Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, government and all other business associates, consultants and all the stakeholders for their continued support extended to the Company and the Management.

On behalf of the Board of Directors
For Crompton Greaves Consumer Electricals Limited

Place: Mumbai
Date: 18th May, 2016

Shantanu Khosla
Managing Director

D. Sundaram
Director

ANNEXURES TO BOARDS' REPORT

ANNEXURE 1

Pursuant to Clause (m) of sub-section 3 of Section 134 of the Companies Act, 2013, and Rule 8(3) of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

(a) ENERGY CONSERVATION MEASURES TAKEN

As an electrical goods company we feel special responsibility towards energy conservation. This is reflected as much in our process upgrades as in our product development focus. Some of the activities carried out are as below:

1. Efficient thermal processes in lamp manufacturing reduced natural gas consumption from 18000 M³/Day to 16200 M³/Day.
2. Energy efficient multi head vacuum pumps replaced the volumetric vacuum pumps to reduce energy consumption by 50%.
3. Reduced per person power consumption by 5% and water consumption by 10% at Baroda facility through eliminating wastages.
4. Energy efficient furnaces in Fans unit to reduce energy consumption by 10%.
5. 4 KVA solar lighting system installed in the canteen building at Goa for fan and light loads.
6. Steps taken to install solar lighting for street lighting within the factory premises.

(b) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

1. ₹ 25 lakhs were invested in energy efficient furnaces in dye casting process for fans.
2. ₹ 10 lakhs were invested for energy efficient pumps at Baroda facility.

B. TECHNOLOGY ABSORPTION

The technology focus for the company has been on process improvement for better quality and lower cost, new product development and import substitution.

- The Company follows Six Sigma Methodology for continuous improvement in product quality & reduction in waste generation. In FY 2015-16, 10 major Green Belt projects were completed. These resulted in quality improvement and cost reduction of ₹ 83.3 lakhs. In Fluorescent Tube Light product group, test bed rejections were reduced by 50%.
- In-House CFD (Computational Fluid Design), FEA (Finite Element Analysis) and Hydraulic design competencies developed through advanced tools like Cfturbo. Use of simulations through CFD software has a huge scope in improving the overall efficiency of the pumps.
- Developed GSM controller that allows the user to communicate with the pumpset through mobile. Technology bundled with multiple critical protections for pumps. GSM controller was showcased at Make in India conference.
- Developed eSense range, aesthetically superior ceiling fan with automatic temperature control and radio frequency based remote functions.
- New Super Energy Efficient Ceiling fan, with permanent magnet brushless technology, with added features, developed to BEE specifications to cater to high energy efficient market. These fans would save more than 50% energy.
- Developed technology on alternate magnet for lower cost and higher productivity is brushless motor technology. These flexible plastic magnets would enhance assembly reliability, lower production cost and ensure indigenous availability.
- Introduced new product series in luminaries with high performance in aerodynamics, thermal, optics and electronics.

C. IMPORTED TECHNOLOGY

NA

D. EXPENDITURE ON R&D

R&D expenditure for the period: ₹ 50 lakhs

E. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign exchange earned: ₹ 28.75 Crores

Foreign exchange used: ₹ 109.11 Crores

On behalf of the Board of Directors
For Crompton Greaves Consumer Electricals Limited

Shantanu Khosla
Managing Director

D. Sundaram
Director

Place: Mumbai

Date: 18th May, 2016

Annexure 2**FORM No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Crompton Greaves Consumer Electricals Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Crompton Greaves Consumer Electricals Limited (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period 1st October 2015 - 31st March 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period 1st October 2015 - 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing (during the year under review not applicable to the Company as the company does not have any Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (during the year under review not applicable to the Company);
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (during the year under review not applicable to the Company);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the year under review not applicable to the Company);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the year under review not applicable to the Company);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the year under review not applicable to the Company); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (during the year under review not applicable to the Company);

(vi) Bureau of Indian Standards
The National Standards Body Of India

(vii) Bureau of Energy Efficiency
(Government of India, Ministry of Power)

We have examined compliance with the applicable clauses/regulations of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India;
- b) Listing Agreement entered with National Stock Exchange of India Limited, BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (during the year under review not applicable to the Company);

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board are carried through unanimously. As per the records provided by the Company, none of the member of the Board dissented on any resolution passed at the meeting of the Board.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Pursuant to the Scheme of arrangement of demerger, the Company issued and allotted on 22nd March, 2016, 62,67,46,142 [Sixty Two Crores, Sixty Seven Lakhs, Forty Six Thousand, One Hundred and Forty Two Only] fully paid up Equity Shares in the ratio of 1 equity share(s) of the face value of ₹ 2/- (Rupees Two) each credited as fully paid-up for every 1 equity share(s) of ₹ 2/- (Rupees Two) each as fully paid-up held by the members in Crompton Greaves Limited to the members on the record date fixed as 16th March, 2016.

Further pursuant to the Section 102 of the Companies Act, 1956, the scheme of arrangement and the consent received from all the shareholders of the Company, simultaneously with the above issue and allotment, 2,50,000 equity shares issued previously to Crompton Greaves Limited were cancelled, extinguished and annulled.

We further report that the Members in pursuance to Section 180 of the Companies Act, 2013 approved the borrowing limit of ₹ 1500 crores at the Extraordinary General Meeting held on 23rd November, 2015

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner
FCS No : 5782
CP No. : 2486
Place: Mumbai
Date : 18th May, 2016

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure -A

To,
The Members,
Crompton Greaves Consumer Electricals Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta,
Company Secretaries,
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner
FCS No : 5782
CP No. : 2486
Place: Mumbai
Date : 18th May, 2016

ANNEXURE 3

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on 31st March, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014].

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	:	U31900MH2015PLC262254
(ii)	Registration Date	:	25/02/2015
(iii)	Name of the Company	:	Crompton Greaves Consumer Electricals Limited
(iv)	Category: Category/Sub-Category of the Company	:	Category: Company Limited by Shares; Sub-Category: Indian Non-Government Company
(v)	Address of the Registered office and contact details	:	Contact Details: 022-61678499 Fax Number: 022-61678383 E-mail ID: crompton.investorrelations@crompton.co.in
(vi)	Whether listed Company	:	No (Listed on 13th May, 2016)
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Karvy Computershare Private Limited Unit: Crompton Greaves Consumer Electricals Limited. Karvy Selenium Tower B, Plot No. 31 & 32 Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 032. Phone : +91 040 67161510 Toll Free : 1800-345-4001 www.karvycomputershare.com

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1. Lighting Products; (Luminaries, Light Sources)	27400,	31.05
2. Electrical Consumer Durables (Fan & Appliances and Pumps)	27501, 27502, 27503, 28132	68.95

II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
			NIL		

III. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i – Category Wise Shareholding

Category of Shareholders	Number of Shares held at the beginning of the year				Number of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a. Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b. Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c. State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corporate	0	250,000**	250,000**	100**	21,54,51,070	0	21,54,51,070	34.38	(65.62)
e. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub - Total (A) (1)	0	250,000**	250,000**	100**	21,54,51,070	0	21,54,51,070	34.38	(65.62)
2. Foreign									
a. NRI – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b. Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub - Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter	0	250,000**	250,000**	100**	21,54,51,070	0	21,54,51,070	34.38	(65.62)
A = (A) (1) + (A) (2)									
B. Public Shareholding									
I. Institutions									
a. Mutual Funds/UTI	0	0	0	0.00	14,40,89,289	5,166	14,40,94,455	22.99	22.99
b. Banks/FI	0	0	0	0.00	4,04,15,417	79,360	4,04,94,777	6.46	6.46
c. Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d. State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g. Foreign Institutional Investors	0	0	0	0.00	8,40,74,371	80,362	8,41,54,733	13.43	13.43
h. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i. Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(1)	0	0	0	0.00	26,85,79,077	1,64,888	26,87,43,965	42.88	42.88

Category of Shareholders	Number of Shares held at the beginning of the year				Number of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
II. Non - Institutions									
a. Bodies Corporate									
I. Indian	0	0	0	0.00	5,25,33,872	47,839	5,25,81,711	8.39	8.39
II. Overseas	0	0	0	0.00	61,250	350	61,600	0.01	0.01
b. Individual									
I. Individual shareholders holding nominal share capital upto ₹ 1 Lakh	0	0	0	0.00	4,13,65,844	51,17,630	4,64,83,474	7.42	7.42
II. Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	0	0	0	0.00	1,32,96,286	1,21,520	1,34,17,806	2.14	2.14
c. Others									
I. Trust	0	0	0	0.00	13,96,659	0	13,96,659	0.22	0.22
II. Clearing Members	0	0	0	0.00	2,64,70,352	85	2,64,70,437	4.22	4.22
III. Foreign Nationals	0	0	0	0.00	5,076	0	5,076	0.00	0.00
IV. Non Resident Indians	0	0	0	0.00	20,72,944	61,400	21,34,344	0.34	0.34
Sub-Total (B)(2):-	0	0	0	0.00	13,72,02,283	53,48,824	14,25,51,107	22.74	22.74
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0.00	40,57,81,360	55,13,712	41,12,95,072	65.62	65.62
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	0	250,000**	250,000**	100%**	62,12,32,430	55,13,712	62,67,46,142	100	0.00

****NOTE:** Includes six individual shareholders holding 01 share each on behalf of Crompton Greaves Limited ('CGL') as registered/nominee shareholders, CGL being beneficial shareholder.

ii – Promoters Shareholding

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Crompton Greaves Limited	250,000**	100	NIL	NIL	N.A.	N.A.	(100)
2.	Avantha Holdings Limited	NIL	N.A.	N.A.	21,54,42,496	34.37	84.20	34.37
3.	Avantha Realty Limited	NIL	N.A.	N.A.	3,552	0.00	NIL	0.00
4.	Varun Prakashan Private Limited	NIL	N.A.	N.A.	5,022	0.00	NIL	0.00
	Total	250,000**	100	N.A.	21,54,51,070	34.38	84.20	34.38

****NOTE:** Includes six individual shareholders holding 01 share each on behalf of Crompton Greaves Limited ('CGL') as registered/nominee shareholders, CGL being beneficial shareholder.

iii – Changes in Promoters Shareholding

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Crompton Greaves Consumer Electricals Limited				
	At the beginning of the year	250,000**	100%	250,000**	100
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc). -				
	22.03.2016 - Cancellation of initial share capital pursuant to Scheme of Arrangement of demerger	---	---	(250,000**)	(100)
	At the End of the year	---	---	(250,000**)	(100)
2.	Avantha Holdings Limited				
	At the beginning of the year	NIL	N.A.	NIL	N.A.
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc). -				
	22.03.2016 - Allotment pursuant to scheme of arrangement of demerger	NIL	N.A.	21,54,42,496	34.37
	At the End of the year	NIL	N.A.	21,54,42,496	34.37
3.	Avantha Realty Limited				
	At the beginning of the year	NIL	N.A.	NIL	N.A.
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc). -				
	22.03.2016 - Allotment pursuant to scheme of arrangement of demerger	NIL	N.A.	3,552	0.00
	At the End of the year	NIL	N.A.	3,552	0.00
4.	Varun Prakashan Private Limited				
	At the beginning of the year	NIL	N.A.	NIL	N.A.
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc). -				
	22.03.2016 - Allotment pursuant to scheme arrangement of demerger	NIL	N.A.	5,022	0.00
	At the End of the year	NIL	N.A.	5,022	0.00

**NOTE: Includes six individuals' shareholders holding 1 share each on behalf of Crompton Greaves Limited ('CGL') as registered/nominee shareholders, CGL being beneficial shareholder.

iv – Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the End of the year	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1.	Life Insurance Corporation of India	NIL	N.A.	24,840,029	NIL	24,840,029	3.96
2.	HDFC Trustee Company Limited-HDFC Equity Fund			17,705,352		17,705,352	2.82
3.	HDFC Trustee Company Limited - HDFC Top 200 Fund			16,213,000		16,213,000	2.59
4.	Birla Sun Life Trustee Company Private Limited A/c Birla Sun Life Frontline Equity Fund			14,473,651		14,473,651	2.31
5.	HDFC Standard Life Insurance Company Limited			12,330,717		12,330,717	1.97
6.	Reliance Capital Trustee Co. LTD A/C Reliance Equity Opportunities Fund			95,00,000		95,00,000	1.52
7.	WGI Emerging Markets Smaller Companies Fund, LLC			86,22,451		86,22,451	1.38
8.	Samena Special Situations Mauritius			82,93,085		82,93,085	1.32
9.	Small Cap World Fund, INC			80,92,197		80,92,197	1.29
10.	HDFC Trustee Company Limited - HDFC Prudence Fund			75,75,743		75,75,743	1.21

v – Shareholding of Directors and Key Managerial Personnel

S. No.	Shareholding of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Ms. Sonia N. Das				
	At the beginning of the year	0	N.A	0	N.A
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc). - 22.03.2016 - Allotment pursuant to Scheme of Arrangement of demerger	0	N.A	510	0.00
	At the End of the year	0	N.A	510	0.00

IV. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	700 ¹	-	-	700
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	700	-	-	700
Change in Indebtedness during the financial year				
• Addition	10.00	-	-	10.00
• Reduction	63.62	-	-	63.62
Net Change	(53.62)			(53.62)
Indebtedness at the end of the financial year				
i) Principal Amount	646.38	-	-	646.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	646.38	-	-	646.38

¹ Transferred to the Company pursuant to the Scheme of Arrangement of Demerger

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**a - Remuneration to Managing Director, Whole-time Directors and/or Manager**

(Amount in ₹)

S. No.	Particulars of Remuneration	Mr. Shantanu Khosla, Managing Director (DIN: 00059877)
1.	Gross Salary w.e.f. 1st January, 2016**	
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	75,36,465
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	• as % of profit	-
	• Others specify...	-
5.	Others, please specify	-
	Retirals Provident Fund	1,35,000
	Total (A)	76,71,465
	Ceiling as per the Act	5% of the Net Profit

**Note: Mr. Shantanu Khosla was appointed as the Managing Director and Key Managerial Personnel w.e.f. 1st January, 2016.

b - Remuneration to other Directors

There was no sitting fee paid to the Directors for attending board/committee meetings during the year. However it is proposed to pay commission to the Non-Executive Independent Directors for the year 2015-16 which forms a part of notice of the ensuing Annual General Meeting.

c - Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Amount in ₹)

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Mathew Job (CEO)	Mr. Sandeep Batra (CFO, CS)	
1.	Gross Salary w.e.f. 1st January, 2016**			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	53,08,095	48,14,664	1,01,22,759
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	• as % of profit	-	-	-
	• Others specify...	-	-	-
5.	Others, please specify	-	-	-
	Variable pay joining bonus	1,00,00,000	18,00,000	1,18,00,000
	Total	1,53,08,095	66,14,664	2,19,22,759

**Note: Mr. Mathew Job & Mr. Sandeep Batra were designated as Key Managerial Personnel w.e.f. 1st January, 2016.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

During the year under review, no penalties were levied against the Company, its Directors or any of its Officers under the Companies Act, 2013 nor was there any punishment or compounding of offences against the Company, its Directors or any of its Officers.

On behalf of the Board of Directors
For Crompton Greaves Consumer Electricals Limited

Shantanu Khosla
Managing Director

D. Sundaram
Director

Place: Mumbai
Date: 18th May, 2016

CORPORATE GOVERNANCE REPORT

ANNEXURE 3

1. THE COMPANY'S (CGCEL'S) PHILOSOPHY ON CORPORATE GOVERNANCE

CGCEL's undeterred commitment towards adoption of best corporate governance practices goes beyond compliance of the law and endeavours to embrace responsibility for corporate actions and fruitful impact of its initiatives on all stakeholders. CGCEL continuously strives for betterment of its corporate governance mechanisms in order to improve efficiency, transparency and accountability of its operations.

2. BOARD OF DIRECTORS

a. Composition

The Company has adopted the Nomination and Remuneration Policy to ensure that the composition of the Board is optimum, balanced and diverse so as to benefit from fresh perspectives, new ideas, vigorous challenges and broad experience. As on the date of this Report, the Company has a five member Board of Directors. Mr. Shantanu Khosla is the Managing Director. Three other Non-Executive Directors – Mr. D. Sundaram, Mr. H. M. Nerurkar and Mr. P. M. Murty are independent in terms of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. The other Director Ms. Sonia N. Das is a Non-Executive Director.

Thus, as at 31st March, 2016, the Board of CGCEL comprises of one Executive Director and four Non-Executive Directors, of whom three are Independent Directors. Table 1 gives the composition of the Board, and the number of outside Directorships held by each. None of the Directors are related to each other.

TABLE 1

Composition Of The Board of Directors as on 31st March, 2016

Name	Particulars	Other Board/Committee Memberships		
		Directorships	Committee Chairmanship	Committee Memberships
Mr. Shantanu Khosla	Executive, Managing Director	1	-	-
Mr. D. Sundaram	Non-Executive, Independent	7	1	2
Mr. P. M. Murty	Non-Executive, Independent	1	-	-
Mr. H. M. Nerurkar	Non-Executive, Independent	9	-	2
Ms. Sonia N. Das	Non-Executive	7	-	1

*For the purpose of calculating the above limits, only Audit and Stakeholders Relationship & Share Transfer Committee in public limited companies, whether listed or not, are considered – Regulation 26 (1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

b. Board Meetings

- There were 07 (seven) Board Meetings held during F.Y. 2015-16.

Meetings of the Board are pre-scheduled. Board meetings are convened by giving appropriate notice to the Directors. The meetings are usually held at the Company's Corporate Office at Equinox Business Park, Tower 3, 1st Floor, East Wing, LBS Marg, Kurla (West), Mumbai – 400 070.

- Table 2 given below gives the attendance record of the Directors.

TABLE 2
Attendance Record of The Directors For Year 2015-16

Name	Board Meetings							Last AGM
	15.5.2015	28.5.2015	26.8.2015	20.11.2015	2.12.2015	9.2.2016	12.2.2016	24.7.2015
Mr. Shantanu Khosla ¹	NA	NA	NA	Yes	Yes	Yes	Yes	NA
Mr. D. Sundaram ²	NA	NA	NA	Yes	Yes	Yes	Yes	NA
Mr. P. M. Murty ²	NA	NA	NA	No	Yes	Yes	Yes	NA
Mr. H. M. Nerurkar ³	NA	NA	NA	NA	NA	No	Yes	NA
Ms. Sonia N. Das ³	NA	NA	NA	NA	NA	Yes	No	NA
Mr. Sushant Arora ⁴	Yes	Yes	Yes	NA	NA	NA	NA	Yes
Mr. Madhav Acharya ⁵	Yes	Yes	Yes	No	No	NA	NA	Yes
Mr. Atul Gulatee ⁶	Yes	Yes	Yes	Yes	Yes	NA	NA	Yes

¹ Appointed on 21st September, 2015

² Appointed on 26th August, 2015

³ Appointed on 25th January, 2016

⁴ Resigned on 21st September, 2015.

⁵ Resigned on 4th January, 2016.

⁶ Resigned on 5th February, 2016

The Board critically evaluates the Company's strategic direction, risks and opportunities, investments, financial performance, asset optimization, management policies and their effectiveness. The Board has dedicated meetings for review of annual strategic and operating plans, capital allocation and annual budgets of businesses. Additionally, the Board reviews the compliance processes, internal control systems and material occurrences in the areas of EHS, financial liabilities, regulatory claims and developments in human resources.

c. Relationship between Directors

None of the Directors are related to each other.

d. Directors' Compensation

i. Managing Director's Compensation

Details of Service Contracts – Employment Agreement with Managing Director

Mr. Shantanu Khosla was appointed as the Managing Director of the Company with effect from 1st January, 2016, subject to shareholders' approval at the ensuing Annual General Meeting of the Company.

The terms and conditions of the Agreement are as follows:

i)	Annual Salary	₹ 31,000,000
ii)	Bonus	Annual bonus upto ₹ 31,000,000

ii. Non-Executive Directors' Compensation

Non-Executive Directors' were not paid any remuneration during the year. However, at the meeting held on 18th May, 2016 the Nomination & Remuneration Committee ("NRC") & Board has recommended payment of commission which is subject to shareholders' approval at the ensuing Annual General Meeting.

As on 31st March, 2016, Ms. Sonia N. Das held 510 equity shares of ₹ 2/- each; none of the other Directors held any shares in the Company.

e. Code of Conduct

The Company has a Code of Conduct for Directors and Senior Management that reflects its high standards of integrity and ethics. The Directors and Senior Management of the Company have affirmed their adherence to this Code of Conduct for F.Y. 2015–16.

f. Committees of the Board

I. AUDIT COMMITTEE

- The Audit Committee of the Board was constituted on 12th February, 2016. The composition is as under:

S. No	Name	Designation in the Committee	Nature of Directorship
1	Mr. D. Sundaram	Chairman	Independent Director
2	Mr. P. M. Murty	Member	Independent Director
3	Mr. Shantanu Khosla	Member	Managing Director

The Company Secretary of the Company acts as the Secretary of the Committee.

- Terms of reference of Audit Committee are:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and Monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

Since the Audit Committee of the Board was constituted on 12th February, 2016, there were no audit committee meetings held during the year.

II. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") was constituted on 12th February, 2016. The composition is as under:

S. No.	Name	Designation in the Committee	Nature of Directorship
1	Mr. P. M. Murty	Chairman	Independent Director
2	Mr. D. Sundaram	Member	Independent Director
3	Mr. H. M. Nerurkar	Member	Independent Director

The Company Secretary of the Company acts as the Secretary of the Committee.

- Terms of reference of Nomination and Remuneration Committee are:

- Determine the criteria for appointment including qualifications, positive attributes and independence of a Director;
- Identify candidates who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal;
- Recommend to the Board a policy in relation to the remuneration for the Directors, Key Managerial Personnel and other employees;

- Carry out evaluation of performance of each Director and performance of the Board as a whole;
- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

Since the NRC of the Board was constituted on 12th February 2016, there were no committee meetings held during the year.

III. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

- The Corporate Social and Responsibility Committee ("CSR") was constituted on 12th February, 2016 and comprises of:

S. No.	Name	Designation in the Committee	Nature of Directorship
1	Mr. Shantanu Khosla	Chairman	Managing Director
2	Mr. P. M. Murthy	Member	Independent Director
3	Mr. H. M. Nerurkar	Member	Independent Director

The Company Secretary of the Company acts as the Secretary of the Committee.

- Terms of reference of CSR Committee are:
 - To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Act;
 - To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company under the CSR Policy;
 - To monitor the CSR policy of the Company from time to time;
 - Adhere to the applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modifications, amendments or re-enactments thereto for the time being in force);
 - Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
 - To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.
- Since the CSR Committee of the Board was constituted on 12th February, 2016, there were no committee meetings held during the year.

IV. STAKEHOLDERS RELATIONSHIP AND SHARE TRANSFER COMMITTEE

- The Committee comprises of the following Directors:

S. No.	Name	Designation in the Committee	Nature of Directorship
1	Mr. H. M. Nerurkar	Chairman	Independent Director
2	Mr. D. Sundaram	Member	Independent Director
3	Mr. Shantanu Khosla	Member	Managing Director

The Company Secretary of the Company acts as the Secretary of the Committee.

- Terms of reference of Stakeholders Relationship and Share Transfer Committee are:
 - Consider and resolve the grievances of security holders of the Company including Investors' complaints;
 - Approval of transfer or transmission of shares, debentures or any other securities;
 - Issue of duplicate certificates and new certificates on split/consolidation/renewal etc;
 - Redress the complaints regarding non-receipt of declared dividends, balance sheets of the Company, etc;
 - Ensure effective implementation of whistle blower mechanism offered to all the stake holders to report any concerns about illegal or unethical practices;

- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
 - To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.
- The Stakeholders' Relationship Committee was constituted on 12th February, 2016, therefore there were no Meetings held during the year.
- Details pertaining to the number of complaints received and responded and the status thereof during the financial year ended 31st March, 2016 are as follows:

Shareholders complaints received	Nil
Number of not solved to satisfaction of shareholders	Nil
Number of pending complaints	Nil

3. MANAGEMENT

a. Management Discussion and Analysis Report

This is given as a separate Chapter in the Annual Report.

b. Disclosure of Material Transactions

Considering the size and nature of operations, there were no related party transactions of a materially significant nature in terms of the Companies Act, 2013 that could have a potential conflict with the interests of the Company at large.

c. Accounting Policies

The Company has adopted accounting treatments which are in conformance with those prescribed by the applicable Accounting Standards.

d. Whistle Blower Policy

The Company has formulated a Whistle Blower Policy for employees to report concerns of unethical behavior and violation of the Company's Code of Business Practices. The details of the policy are contained in the Board's Report and are also posted on the website of the Company.

e. Insider Trading

The Company has comprehensive guidelines in accordance with the SEBI Regulations in this regard, which advise and caution the Directors, Management, employees and their connected persons on the procedures to be followed, whilst dealing with the securities of the Company. The Insider Trading Code framed by the Company helps in ensuring compliance with these requirements.

4. SHAREHOLDERS DISCLOSURE

a. Communication to Shareholders

Full and complete disclosure of information regarding the Company's financial position and performance is an important part of the Company's Corporate Governance ethos. The Company has demonstrated this commitment by sending its shareholders a full version of its Annual Report, despite a Regulatory exemption. The Company welcomes the "Green Initiatives" being promoted by the Ministry of Corporate Affairs (MCA), to encourage e-enabled regulatory compliances, in its efforts to conserve consumption of paper and preserve the environment. In furtherance of this important initiative, the Companies Act, 2013, has permitted companies to provide its shareholders documents, including the Annual Report, by electronic mode. In support of MCA's endeavours in this direction, the Company sends its Annual Report as well as other shareholder correspondence by e-mail to e-addresses registered with the Company/Depository Participants for communication purposes. In case any such shareholder desires to receive a physical copy of the Annual Report, the Company will be happy to provide the same upon request.

The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days, excluding Saturdays.

5. MEANS OF COMMUNICATION

Website, News & Events

A separate dedicated section under 'Investors' on the Company's website www.crompton.co.in gives information on applicable policies including policy on dealing with related party transactions, information on Registrar & Share Transfer Agent ('RTA') along with news and events held during the year of the Company.

The results for the quarter and financial year ended 31st March, 2016 were sent to all the Stock Exchanges where the shares of the Company are listed. The results are normally published in "Financial Express" (English Daily), "Economic Times" (English Daily) and "Loksatta" (Marathi Daily). The results are displayed on the Company's Website www.crompton.co.in Press Releases are also issued, which are also displayed on the Company's website.

The required disclosures to the extent applicable including results were also sent to the Stock Exchanges.

6. GENERAL SHAREHOLDER INFORMATION

i. Annual General Meeting

Date	:	11th August, 2016
Time	:	02:00 P.M. (IST)
Venue	:	IES Manik Vidyamandir (Manik Sabhagriha Auditorium), Opposite Lilavati Hospital, Bandra Reclamation, Mumbai – 400 050, Maharashtra, India.

ii. Financial Calendar

Financial Year	:	1st April to 31st March
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iii. Registrar and Share Transfer Agents:

Karvy Computershare Private Limited

Address	:	Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032.
Telephone	:	+91 040 67162222
Fax	:	+91 040-23311968
E-mail	:	einward.ris@karvy.com
Website	:	www.karvycomputershare.com
Contact Person	:	Mr. Rajendra Prasad V.
Designation	:	Manager Corporate Registry
SEBI Registration	:	INR000000221

iv. Share Transfer System

Pursuant to the scheme of arrangement of demerger the shares allotted by the Company were frozen/non-transferable till trading permission was received from designated stock exchanges on 13th May, 2016.

v. Distribution of shareholding as on 31st March, 2016

No. of Shares	No. of Share Holders	% To Total Holders	No. of Shares	% of Total Shareholding
Upto 5000	1,26,058	98.31	32,447,947	5.17
5001 - 10000	1,112	0.87	7,870,949	1.26
10001 - 20000	478	0.37	6,710,869	1.07
20001 - 30000	146	0.11	3,558,906	0.57
30001 - 40000	53	0.04	1,878,127	0.30
40001 - 50000	42	0.03	1,939,591	0.31
50001 - 100000	104	0.08	7,513,150	1.20
100001 and above	238	0.19	564,826,603	90.12
TOTAL	128,231	100.00	626,746,142	100.00

S. No.	Description	Total Shares	Shareholding %
1	Banks	1,344,617	0.21
2	Clearing Members	26,470,437	4.22
3	Foreign Institutional Investors	38,262,815	6.10
4	Foreign Nationals	5,076	0.00
5	Foreign Portfolio Investors	45,891,918	7.32
6	H U F	1,162,471	0.19
7	Indian Financial Institutions	39,150,160	6.25
8	Bodies Corporates	52,311,954	8.35
9	Mutual Funds	144,094,455	23.00
10	NBFC	269,757	0.04
11	Non-Resident Indians	2,134,344	0.34
12	Overseas Corporate Bodies	61,600	0.01
13	Promoters Bodies Corporate	215,451,070	34.38
14	Resident Individuals	58,738,809	9.37
15	Trusts	1,396,659	0.22
	TOTAL	626,746,142	100.00

vi. Break-up of shares in physical and demat as on 31st March, 2016

Description	No. of Shareholders	Shares	% Equity
Physical Segment	7,972	5,513,712	0.88
Demat Segment			
NSDL	82,465	578,086,887	92.24
CDSL	37,794	43,145,543	6.88
TOTAL	128231	626,746,142	100.00

vii. Outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March, 2016

There were GDRs issued by Crompton Greaves Limited (CGL) in the name of the Bank of New York, Mellon. Pursuant to the Scheme of arrangement of demerger, the underlying holders of the GDR's of CGL were issued 8,82,329 number of shares of the Company.

As per the Scheme of Arrangement within 120 days of the listing of the shares of the Company on the Exchanges, the GDRs of the Company may be issued or the shares of the Company may be sold by the Depository of GDRs of CGL in open market and the net sale proceeds be distributed to such GDR holders of CGL.

7. DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY

The Company was not listed during the year under review, therefore, there were no penalties or strictures imposed on the Company by any Regulatory Authorities for non-compliance on any matter related to capital markets.

8. INFORMATION ON GENERAL BODY MEETINGS

The details of the previous General Meetings are indicated in Table 4 below -

TABLE 4
Information on General Body Meetings

S. No.	Event	Date, Time & Venue	Resolution	No. of Resolutions Passed	Purpose
1.	1st Annual General Meeting	24th July, 2015 at 9:00 a.m. at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	Ordinary	3	<ul style="list-style-type: none"> Adoption of Financial Statement; Re-appointment of Mr. Madhav Acharya as a Director; Appointment of M/s. Sharp & Tannan as Statutory Auditors.
2.	1st Extra-Ordinary General Meeting	24th April, 2015 at 10:00 a.m. at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	Special	3	<ul style="list-style-type: none"> Approval of reduction of share capital of the Company; Approval for increasing in the borrowing limits; Approval for creating mortgage/charge on the assets of the Company.
3.	2nd Extra-Ordinary General Meeting	18th September, 2015 at 11:00 a.m. at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	Ordinary	2	<ul style="list-style-type: none"> Appointment of Independent Director – Mr. P. M. Murty; Appointment of Independent Director – Mr. D. Sundaram
4.	3rd Extra-Ordinary General Meeting	23rd November, 2015 at 11:00 a.m. at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	Special	2	<ul style="list-style-type: none"> Approval for increasing in the borrowing limits; Approval for creating mortgage/charge on the assets of the Company
5.	4th Extra-Ordinary General Meeting	7th December, 2015 at 11:00 a.m. at 6th Floor, CG House, Dr. Annie Besant Road, Worli, Mumbai – 400 030.	Special	2	<ul style="list-style-type: none"> Approval to set limit for loan and investments by the Company u/s. 186 of the Companies Act, 2013; Approval for alteration of Articles of Association of the Company.

9. UNCLAIMED SHARES

9,55,925 number of equity shares were lying in the unclaimed suspense account of Crompton Greaves Limited. Pursuant to the Scheme of Arrangement of demerger, equivalent number of equity shares have been allotted and are lying in Unclaimed Suspense account as unclaimed shares.

10. MD & CFO CERTIFICATION

For F.Y. 2015-16, Mr. Shantanu Khosla, Managing Director and Mr. Sandeep Batra, Chief Financial Officer have certified to the Board with respect to the financial statements, internal controls and other matters, as required by Clause 17(8) of LODR, and the said Certificate is contained in this Annual Report.

11. REPORT ON CORPORATE GOVERNANCE

This Chapter, read together with the “Annexure to Corporate Governance”, constitutes the Compliance Report on Corporate Governance for F.Y. 2015-16.

12. ADDRESS FOR CORRESPONDENCE

For any queries relating to the shares of the Company, correspondence may please be addressed to Karvy Computershare Private Limited at:

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot No. 31 & 32
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad – 500 032.
Telephone: +91 040 67162222
Fax: +91 040-23311968
E-mail: einward.ris@karvy.com
Website: www.karvycomputershare.com

Crompton Greaves Consumer Electricals Limited

CIN: U31900MH2015PLC262254
Equinox Business Park, Tower 3, 1st Floor, East Wing,
LBS Marg, Kurla (West),
Mumbai – 400 070.
Telephone: +91 22 61678499
Fax: +91 22 61678383
E-mail: crompton.investorrelations@cgglobal.com
Website: www.crompton.co.in

Shareholders are requested to quote their folio No./DP ID & Client ID, e-mail address, if any, telephone number and full address while corresponding with the Company and its RTA.

- **Reporting of Non-Compliance :**

In view of the Company receiving the listing approvals from BSE Limited and National Stock Exchange of India Limited on 13th May, 2016, it was not mandatorily required to comply with the requirements mentioned in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 pertaining to Corporate Governance. However as a step towards good corporate practice, the Company has voluntarily complied with many of the provisions mentioned in the aforesaid Regulations.

On behalf of the Board of Directors
For Crompton Greaves Consumer Electricals Limited

Shantanu Khosla
Managing Director

D. Sundaram
Director

Place: Mumbai
Date: 18th May, 2016

ANNEXURE TO CORPORATE GOVERNANCE REPORT

NOMINATION AND REMUNERATION POLICY

Appointment and Removal of Director, KMPs and Senior Management

Appointment criteria and qualifications

1. The Committee shall identify and ascertain, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his/her appointment.
2. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-Time Director or Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
3. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
4. A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director, which shall be determined as follows:
 - The limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;
 - For the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

Term/Tenure

1. Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director or CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on 1st April, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of five years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

Removal

Due to reasons for any disqualification mentioned in the Act and rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

Remuneration for Directors and KMPs

1. The remuneration/compensation/commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

5. The remuneration to KMP's shall be decided and recommended by the NR Committee and approved by the Board of Directors.
6. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
7. The remuneration payable to each Non-Executive Director(s) is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.
8. The remuneration to the Non-Executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
9. The Independent Directors shall not be entitled to any stock option of the Company.

On behalf of the Board of Directors
For Crompton Greaves Consumer Electricals Limited

Shantanu Khosla
Managing Director

D. Sundaram
Director

Place: Mumbai
Date: 18th May, 2016

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members
Crompton Greaves Consumer Electricals Limited

We have examined the compliance of conditions of corporate governance by Crompton Greaves Consumer Electricals Limited (hereinafter referred as 'the Company') for the year ended 31st March, 2016, as prescribed in Regulations 17 to 27, 46 (2) (b) to (i) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "LODR") for the period from 1st January, 2016 to 31st March, 2016.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in LODR.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This certificate is issued solely for the purposes of complying with LODR and may not be suitable for any other purpose.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Anshul Kumar Jain
Partner
FCS No.: 5547
CP No.: 13181
Date: 18th May 2016

COMPLIANCE CERTIFICATE BY MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER

To,

The Board of Directors of Crompton Greaves Consumer Electricals Limited

Dear Sir/Madam,

Sub: Compliance Certificate for the year ended 31st March, 2016 – Regulation 17 (8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In compliance with Regulation 17 (8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is certified that -

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) the significant changes in internal control over financial reporting during the year;
 - (2) there were no significant changes in accounting policies during the year; and
 - (3) there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking You,

Shantanu Khosla
Managing Director

Sandeep Batra
CFO, Company Secretary & Compliance Officer

Date: 18th May, 2016

Place: Mumbai

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, I hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended 31st March, 2016.

Shantanu Khosla
Managing Director

Date: 18th May, 2016

Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To the Members of Crompton Greaves Consumer Electricals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Crompton Greaves Consumer Electricals Limited** (the 'Company'), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (1) the Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note 28 of the financial statements);
 - (2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - (3) reporting on being no delay in transferring amounts, required to be transferred, to Investor Education and Protection Fund by the Company is not applicable.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

MILIND P. PHADKE
Partner
Membership No. 033013

Mumbai, 18th May, 2016

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of certain immovable properties are being transferred in the name of the Company. (Refer Note 42 of the financial statements)
- (ii) As explained to us, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
- (iii) According to the information and explanations give to us, the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply.
- (vi) We have broadly reviewed the books of account and records maintained by the Company specified by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. The contents of these accounts and records have not been examined by us.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records examined by us, the particulars of income tax, sales tax, service tax, duty of customs, duty of excise, and value added tax as at 31st March, 2016 which have not been deposited on account of a dispute pending, are as under:

Name of the Statute	Nature of the disputed dues	Amount (₹ crore)*	Period to which the amount relates	Forum where disputes are pending
The Income Tax Act, 1961	Tax, Interest and Penalty	11.71	2009-10 2010-11	Commissionerate (Appeals)
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax Act	Tax, Interest and Penalty	0.06	1999-00	High Court
		13.10	1997 -98 to 2015-16	Commissionerate (Appeals)
		2.50	1994-95 1996-97 2000-01 to 2003-04 2006-07 to 2010-11	CESTAT/Tribunal

Name of the Statute	Nature of the disputed dues	Amount (₹ crore)*	Period to which the amount relates	Forum where disputes are pending
The Central Excise Act, 1944, the Customs Act, 1962 and Service Tax under the Finance Act, 1994	Duty, Service Tax, Interest and Penalty	0.06	2005-06 to 2010-11	CESTAT
		1.37	2001-02	Commissionerate (Appeals)

(*net of pre-deposit paid in getting the stay/appeal admitted)

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from Government. The Company has not issued any debentures.
- (ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which the term loans were obtained.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the Paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, compliance with the provisions of Section 192 of the Act is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN

Chartered Accountants

Firm's Registration No.109982W

by the hand of

MILIND P. PHADKE

Partner

Membership No. 033013

Mumbai, 18th May, 2016

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

We have audited the internal financial controls over financial reporting of **Crompton Greaves Consumer Electricals Limited** (the 'Company') as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN

Chartered Accountants

Firm's Registration No.109982W

by the hand of

MILIND P. PHADKE

Partner

Membership No. 033013

Mumbai, 18th May, 2016

Balance Sheet

as at 31st March, 2016

Particulars	Note No.	As at 31-03-2016		As at 31-03-2015	
		₹ crore	₹ crore	₹ crore	₹ crore
EQUITY AND LIABILITIES					
(1) Shareholders' Funds:					
(a) Share capital	2	125.35		0.05	
(b) Reserves and surplus	3	103.37		(1.87)	
			228.72		(1.82)
(2) Non-current Liabilities:					
(a) Long-term borrowings	4	507.21		-	
(b) Other long-term liabilities	5	0.08		-	
(c) Long-term provisions	6	14.47		-	
			521.76		-
(3) Current Liabilities:					
(a) Short-term borrowings	7	10.00		-	
(b) Trade payables	8	664.10		0.00	
(c) Other current liabilities	9	200.44		2.86	
(d) Short-term provisions	10	28.03		-	
			902.57		2.86
TOTAL			1,653.05		1.04
ASSETS					
(1) Non-current Assets:					
(a) Fixed assets					
(i) Tangible assets	11	75.77		-	
(ii) Intangible assets	11	782.24		-	
(iii) Capital work-in-progress		0.07		-	
(b) Deferred tax assets (net)	12	4.32		0.99	
(c) Long-term loans and advances	13	17.82		-	
			880.22		0.99
(2) Current Assets:					
(a) Inventories	14	209.98		-	
(b) Trade receivables	15	416.51		-	
(c) Cash and bank balances	16	90.00		0.05	
(d) Short-term loans and advances	17	55.62		-	
(e) Other current assets	18	0.72		-	
			772.83		0.05
TOTAL			1,653.05		1.04
CONTINGENT LIABILITIES AND COMMITMENTS	28				
SIGNIFICANT ACCOUNTING POLICIES	1				
OTHER NOTES	40 to 46				

The accompanying notes form an integral part of the financial statements

As per our report attached

SHARP & TANNAN
 CHARTERED ACCOUNTANTS
 Firm's Registration No. 109982W
 by the hand of

Shantanu Khosla
 Managing Director
 DIN: 00059877

Edwin P. Augustine
 Partner
 Membership No. 043385
 Mumbai, 18th May, 2016

Sandeep Batra
 CFO & Company Secretary
 Mumbai, 18th May, 2016

D Sundaram
 Director
 DIN: 00016304

Statement of Profit and Loss

for the year ended 31st March, 2016

Particulars	Note No.	2015-16		2014-15	
		₹ crore	₹ crore	₹ crore	₹ crore
Sales and services		1,868.27		-	
Less: Excise duty		56.59		-	
Revenue from operations	19		1,811.68		-
Other income	20		3.85		-
TOTAL REVENUE			1,815.53		-
Expenses:					
Cost of raw materials and components consumed	21	428.00		-	
Purchases of stock-in-trade	22	879.92		-	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(37.68)		-	
Employee benefits expense	24	100.49		-	
Finance costs	25	35.45		-	
Depreciation and amortisation expense	26	6.27		-	
Other expenses	27	231.47		2.86	
TOTAL EXPENSES			1,643.92		2.86
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX			171.61		(2.86)
Exceptional items	36		13.93		-
PROFIT BEFORE TAX			157.68		(2.86)
TAX EXPENSE:					
Current tax		56.44		-	
Deferred tax	12	(3.95)		(0.99)	
			52.49		(0.99)
PROFIT FOR THE YEAR			105.19		(1.87)
Earnings Per Share (Basic and Diluted) (₹)					
(Face value of equity share of ₹ 2 each)	39		3.36		(74.85)
SIGNIFICANT ACCOUNTING POLICIES	1				
OTHER NOTES	40 to 46				

The accompanying notes form an integral part of the financial statements

As per our report attached

SHARP & TANNAN
 CHARTERED ACCOUNTANTS
 Firm's Registration No. 109982W
 by the hand of

Shantanu Khosla
 Managing Director
 DIN: 00059877

Edwin P. Augustine
 Partner
 Membership No. 043385
 Mumbai, 18th May, 2016

Sandeep Batra
 CFO & Company Secretary
 Mumbai, 18th May, 2016

D Sundaram
 Director
 DIN: 00016304

Cash Flow Statement

for the year ended 31st March, 2016

Particulars	2015-16 ₹ crore	2014-15 ₹ crore
[A] CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxes	157.68	(2.86)
Adjustments for:		
Depreciation and amortisation expense	6.27	-
Interest expense	35.06	-
Interest income	(3.70)	-
Loss on sale of assets	0.04	-
Unrealised exchange (gain)/loss (net)	(1.25)	-
	36.42	-
Operating profit before working capital changes	194.10	(2.86)
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	(19.07)	-
(Increase)/Decrease in inventories	(50.23)	-
Increase/(Decrease) in trade and other payables	96.90	2.86
Increase/(Decrease) in provisions	8.05	-
	35.65	2.86
Cash (used in)/from operations	229.75	(0.00)
Direct taxes paid (net of refunds)	(54.04)	-
Net cash (used in)/from operating activities	[A] 175.71	(0.00)
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Add: Inflows from investing activities		
Interest received	3.70	-
Sale of fixed assets	0.28	-
	3.98	-
Less: Outflows from investing activities		
Purchase of fixed assets	1.54	-
	1.54	-
Net Cash (used in)/from investing activities	[B] 2.44	-
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Add: Inflows from financing activities		
Issue of share capital	-	0.05
Proceeds from short-term borrowings	10.00	-
	10.00	0.05
Less: Outflows from financing activities		
Repayment of long-term borrowings	63.25	-
Interest paid	35.06	-
	98.31	-
Cash (used in)/from financing activities	[C] (88.31)	0.05
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES (A+B+C)	89.84	0.05
(A) Cash and bank balances at beginning of the year	0.05	-
(B) Cash and bank balances pursuant to the 'Scheme' (Refer Note 42)	0.11	-
(C) Cash and bank balances at end of the year	90.00	0.05
NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES (C-A-B)	89.84	0.05

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 Cash Flow Statements, as specified in the Companies (Accounting Standards) Rules, 2006, (as amended).
 2. Additions to fixed assets include movements of capital work-in-progress during the year.
 3. The cash flow statement has been prepared after giving the effect of the 'Scheme'. (Refer Note 42)
 4. Figures for the previous year have been regrouped wherever necessary.
-

As per our report attached

SHARP & TANNAN
CHARTERED ACCOUNTANTS
Firm's Registration No. 109982W
by the hand of

Shantanu Khosla
Managing Director
DIN: 00059877

Edwin P. Augustine
Partner
Membership No. 043385
Mumbai, 18th May, 2016

Sandeep Batra
CFO & Company Secretary

Mumbai, 18th May, 2016

D Sundaram
Director
DIN: 00016304

Notes Accompanying to the Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

1) Basis of preparation and presentation of financial statements:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards, the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory bodies, viz., SEBI guidelines override the same requiring a different treatment. Certain escalation and other claims are accounted for in terms of contracts with the customers/admitted by the appropriate authorities.

2) Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities and assets. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include, the useful life of tangible and intangible fixed assets, allowances for doubtful debts/advances, future obligations in respect of retirement benefit plans etc. Actual results may differ from the estimates and assumptions and in such case, the difference is recognised in the period in which the results are known.

3) Fixed Assets:

- (a) Fixed assets are stated at original cost, net of tax/duty credit availed, if any, less accumulated depreciation and amortisation. Subsequent upgradations/enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.
- (b) Administrative and other general overheads that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are allocated and capitalised as a part of fixed assets.
- (c) Pre-operative expenses, including interest on borrowings upto the date of commercial operations, are treated as part of project cost and capitalised.
- (d) Internally manufactured fixed assets are capitalised at factory cost, including excise duty, where applicable.
- (e) Capital work-in-progress includes cost of fixed assets under installation/under development as at the balance sheet date.
- (f) Capital expenditure on tangible assets for research and development is classified under fixed assets and is depreciated on the same basis as other fixed assets.
- (g) Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in case retirement of assets and gains or losses arising from disposal of fixed assets are recognised in the statement of profit and loss in the year of occurrence.

4) Impairment of assets:

As at each balance sheet date, the carrying amounts of assets including goodwill arising on acquisition are tested for impairment so as to determine:

- (a) the provision for impairment loss, if any; and

- (b) the reversal of impairment loss recognised in previous periods, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- (a) In the case of an individual asset, at the higher of the net selling price and the value in use; and
- (b) In the case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

5) Intangible assets and amortisation:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the group and the cost of the asset can be measured reliably.

Intangible assets are amortised over their useful life as follows:

- (a) Intangible assets:

- (1) Computer software: Over a period of five years;
- (2) Technical know-how: Over a period of five years (from the date of its availability for use);

Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Balance Sheet are disclosed as 'intangible assets under development'.

Amortisation on impaired assets is provided by adjusting the amortisation charges in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

- (b) Research and development cost:

- (1) Research cost:

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

- (2) Development cost:

Development expenditure on new product is capitalised as intangible asset, if all of the following can be demonstrated.

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) the Company has intention to complete the development of intangible asset and use or sell it;
- (iii) the Company has ability to use or sell the intangible asset;
- (iv) the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;
- (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) the Company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the intangible assets, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

6) Inventories :

Inventories are valued after providing for obsolescence, if any, as under:

- | | |
|---|---|
| (a) Raw materials, packing materials, stores and spares | : At lower of cost, on weighted average basis and net realisable value |
| (b) Work -in-progress – Manufacturing | : At lower of cost of materials, plus appropriate production overheads and net realisable value. |
| (c) Finished goods – Manufacturing | : At lower of cost of materials plus appropriate production overheads, including excise duty paid/payable on such goods and net realisable value. |
| (d) Finished goods – Trading | : At lower of cost, on weighted average basis and net realisable value |

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving materials, obsolesces, defective inventories are duly provided for and valued at net realisable value. Goods and materials-in-transit are valued at actual cost incurred upto the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.

7) Cash and cash equivalents:

- (a) Cash comprises cash on hand and demand deposits with banks.
- (b) Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

8) Foreign currency transactions and foreign operations:

- (a) The reporting currency is Indian Rupee.
- (b) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are recorded using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

9) Derivative contracts:

- (a) Derivative contracts entered into, to hedge foreign currency/price risks on unexecuted firm commitments and highly probable forecast transactions, are recognised in the financial statements at fair value as on the balance sheet date. The gains or losses arising out of fair valuation of derivative contracts are recognised in the statement of profit and loss or balance sheet, as the case may be, after applying the test of hedge effectiveness. The gains or losses are recognised as hedge reserve in the balance sheet when the hedge is effective and where the hedge is ineffective the same is recognised in the statement of profit and loss.
- (b) The premium or discount on forward contracts is amortised as expense or income over the period of the contract.
- (c) Gains and losses on roll over or cancellation of derivative contracts which qualify as effective hedge are recognised in the statement of profit and loss in the same period in which the hedged item is accounted.

10) Long-term loans

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the income statement.

11) Revenue recognition:

(a) Sale of goods:

Revenue from sale of goods is recognised, when all the significant risks and rewards of ownership are transferred to the buyer, as per the terms of contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from sale of the goods. It also includes excise duty and price variations based on the contractual agreements and excludes value added tax/sales tax.

(b) Sale of services:

Service income is recognised as per the terms of the contracts with the customers on proportionate completion method.

(c) Revenue from contracts:

Revenue from contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated cost to complete. Foreseeable loss, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of costs and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost till such time the outcome of the contract cannot be ascertained reliably and at releasable value thereafter. Claims are accounted as income acceptance by customer.

(d) Interest income:

Interest income on deposits, securities and loans is recognised at the agreed rate on time proportionate basis.

12) Employee benefits :

(a) Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. Benefits, such as, salaries, wages, short-term compensated absences, performance incentives, etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

(b) Post-employment benefits:

Defined contribution plans:

The Company's contribution to provident fund, superannuation fund, employee state insurance scheme and labour welfare fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans:

For defined benefit schemes in the form of gratuity fund and post-retirement medical benefits, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discounting rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximately to the terms of related obligations.

Actuarial gains/losses are recognised in full in the statement of profit and loss, for the period in which they occur.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligations recognised in the balance sheet represents that present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of the scheme of assets.

(c) Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

(d) Termination benefits:

Termination benefits are recognised as an expense in the period in which they are incurred.

13) Depreciation:

(a) Owned assets:

Depreciation on fixed assets is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. In case of fixed assets which are added/disposed off during the year depreciation is provided on pro-rata basis with reference to the month of addition/deletion.

In case of following category of fixed assets, the depreciation has been provided based on the technical evaluation of the remaining useful life which is different from the one specified in Schedule II to the Companies Act, 2013.

- i) Plant and machinery – Maximum 21 years
- ii) Furniture and fixtures – Maximum 15 years
- iii) Vehicle – Maximum 8 years.

(b) Leased assets:

- i) Leasehold lands are amortised over the period of lease.
- ii) Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period is beyond the life of the building.
- iii) In other cases, buildings constructed on leasehold land is amortised over the primary lease period of the land.

14) Borrowing costs:

- (a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.
- (b) All other borrowing costs are recognised as expense in the period in which they are incurred.

15) Segment accounting:

(a) Segment accounting policies:

Segment accounting policies are in line with the accounting policies of the Company. The Company identifies primary business segment based on the different risks and returns, the organisation structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected. In addition, the following specific accounting policies have been followed for segment reporting:

- (1) Segment revenue includes sales and other income directly identifiable with/allocable to the segment including inter-segment revenue.
- (2) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.
- (3) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.
- (4) Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

- (5) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

(b) Inter-segment transfer pricing:

Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

16) Earnings per share :

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

17) Taxes on income:

- (a) Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961 and based on the expected outcome of assessments/appeals.
- (b) Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and tax laws enacted or substantively enacted as on the balance sheet date.
- (c) Deferred tax assets relating to unabsorbed depreciation/business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
- (d) Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

18) Provisions, Contingent liabilities, Contingent assets and Commitments:

- (a) Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:
- (1) the Company has a present obligation as a result of a past event;
 - (2) a probable outflow of resources is expected to settle the obligation; and
 - (3) the amount of the obligation can be reliably estimated.
- (b) Reimbursement by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtually certain that reimbursement will be received if the obligation is settled.
- (c) Contingent liability is disclosed in the case of:
- (1) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
 - (2) a present obligation arising from past events, when no reliable estimate is possible;
 - (3) a possible obligation arising from past events, unless the probability of outflow of resources is remote.
- (d) Contingent assets are neither recognised nor disclosed.
- (e) Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- (f) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

19) Extraordinary and exceptional items:

Income or expenses that arise from events or transactions that are clearly distinct from ordinary activities of the company are classified as extraordinary items. Specific disclosures of such events/transactions are made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expenses, is also treated as extraordinary item and disclosed as such. Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2. SHARE CAPITAL

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Authorised		
65,00,00,000 Equity Shares of ₹ 2 each	130.00	130.00
(Previous year 65,00,00,000 Equity Shares of ₹ 2 each)		
Issued {Refer Note (a) below}:		
62,67,46,142 Equity Shares of ₹ 2 each (Previous year 250,000 Equity Shares of ₹ 2 each)	125.35	0.05
Subscribed and paid-up {Refer Note (a) below}:		
62,67,46,142 Equity Shares of ₹ 2 each (Previous year 250,000 Equity Shares of ₹ 2 each)	125.35	0.05
	125.35	0.05

Notes:

a) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Issued, Subscribed and Paid up share capital	As at 31-03-2016		As at 31-03-2015	
	No. of Shares	₹ crore	No. of Shares	₹ crore
Balance at the beginning of the year	250,000	0.05	-	-
Add: Issued during the year (refer note 42)	62,67,46,142	125.35	250,000	0.05
Less: Shares cancelled, extinguished and annulled (refer note 42)	(250,000)	(0.05)	-	-
Balance at the end of the year	62,67,46,142	125.35	250,000	0.05

b) Terms/rights attached to equity shares:

The Company has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Details of shareholders holding more than 5 % shares in the Company:

Shareholder	As at 31-03-2016		As at 31-03-2015	
	%	No. of Shares	%	No. of Shares
Crompton Greaves Limited	-	-	100%	250,000
Avantha Holdings Limited	34.37%	21,54,42,496	-	-

d) There are no bonus shares issued/shares bought back.

e) There are no shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

3. RESERVES AND SURPLUS

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Capital Reserve		
As per last balance sheet	-	-
Add: Share capital written back pursuant to the 'Scheme' (Refer Note 42)	0.05	-
	0.05	-
Balance in Statement of profit and loss		
As per last balance sheet	(1.87)	-
Add: Profit for the year	105.19	(1.87)
Profit available for appropriation	103.32	(1.87)
Less: Other appropriations	-	-
Profit available for distribution:	103.32	(1.87)
	103.32	(1.87)
	103.37	(1.87)

4. LONG-TERM BORROWINGS

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Secured loan		
Term loan		
From bank	507.21	-
	507.21	-

Note:

A term loan of ₹ 700 crore availed by Crompton Greaves Limited was transferred to the Company pursuant to the 'Scheme of Arrangement'. It is a 6 year term loan, repayable in 22 quarterly installments commencing from November 2015. This loan was converted into a Foreign Currency Term Loan on 23rd September, 2015 with tenure till 30th March, 2016. Subsequently the loan was converted to rupee loan on 31st March, 2016.

The loan is secured by way of first charge on fixed assets and brand of the Company. The process of transfer of the aforesaid charge, created on the assets, in the Company's name is underway.

5. OTHER LONG-TERM LIABILITIES

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Other payables:		
Deposits payable	0.08	-
	0.08	-

6. LONG-TERM PROVISIONS

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Employee benefits (Refer Note 34)	14.47	-
	14.47	-

7. SHORT-TERM BORROWINGS

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Secured loans		
Working capital demand loan		
From banks	10.00	-
	10.00	-

Working capital demand loan is secured by way of charge on the Company's inventory and trade receivables.

8. TRADE PAYABLES

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Acceptances	223.24	-
Due to micro and small enterprises (Refer Note below)	27.22	-
Due to other than micro and small enterprises	413.64	0.00
	664.10	0.00

Note:

The Company has amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2016. The disclosure pursuant to the said Act is as under:

(₹ crore)

Particulars	2015-16	2014-15
(a) Principal amount due to suppliers under MSMED Act, 2006	27.22	-
(b) Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed day, during the year	0.77	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of each of the year to suppliers under MSMED Act	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.

9. OTHER CURRENT LIABILITIES

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Current maturities:		
Long-term borrowings:		
From Bank	127.24	-
Advances from customers	16.04	-
Other payables:		
Statutory dues	37.55	-
Employee dues	2.55	-
Security deposits	16.28	-
Others	0.78	2.86
	57.16	2.86
	200.44	2.86

10. SHORT-TERM PROVISIONS

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Employee benefits (Refer Note 34)	2.38	-
Others provisions (Refer note below)	23.25	-
Provision for tax (net of payments made)	2.40	-
	28.03	-

Notes:**Disclosures as required by Accounting Standard (AS) 29 Provisions, Contingent Liabilities and Contingent Assets:****(1) Movement in provisions:**

(₹ crore)

Nature of Provisions	Warranties		Sales Tax/VAT	
	2015-16	2014-15	2015-16	2014-15
Carrying amount at the beginning of the year	-	-	-	-
Addition pursuant to the "scheme"	15.03	-	2.13	-
Additional provision made during the year #	6.03	-	-	-
Amounts used during the year	-	-	-	-
Unused amounts reversed during the year #	-	-	-	-
Carrying amount at the end of the year	21.06	-	2.13	-

Nature of Provisions	Other Litigation Claims		Total	
	2015-16	2014-15	2015-16	2014-15
Carrying amount at the beginning of the year	-	-	-	-
Addition pursuant to the "scheme"	0.06	-	17.22	-
Additional provision made during the year #	-	-	6.03	-
Amounts used during the year	-	-	-	-
Unused amounts reversed during the year #	-	-	-	-
Carrying amount at the end of the year	0.06	-	23.25	-

Additional provision made during the year and reversal of unused amount are included in the respective head of accounts.

(2) Nature of provisions:

- (a) Product warranties: The Company gives warranties on certain products and services, in the nature of repairs/replacement, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification/replacement. The timing of outflows is expected to be within a period of two years.
- (b) Provision for sales tax/VAT represents liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Act/Rules.
- (c) Provision for litigation related obligations represents liabilities that are expected to materialise in respect of matters in appeal.

11. FIXED ASSETS

(₹ crore)

ASSETS	Gross block (Cost/Valuation)			Depreciation /Amortisation			Net block	
	As at 01-04-2015	Addition pursuant to the 'Scheme'	Deductions 31-03-2016	As at 31-03-2015	Pursuant to the 'Scheme'	Deductions 31-03-2016	Upto 31-03-2016	As at 31-03-2016
(i) Tangible assets								
Owned assets:								
Freehold land	-	3.62	-	3.62	-	-	-	3.62
Leasehold land	-	1.96	-	1.96	0.39	0.02	0.41	1.55
Buildings	-	43.93	-	43.78	14.04	0.75	14.76	29.02
Plant and equipments	-	124.38	0.44	124.81	-	3.96	88.90	35.91
Furniture and fixtures	-	10.00	0.66	10.31	-	0.26	7.17	3.14
Office equipment	-	9.35	0.10	9.43	-	0.53	7.66	1.77
Vehicles	-	1.83	0.14	1.62	-	0.08	0.86	0.76
Sub-total (i)	-	195.07	1.34	195.53	-	5.60	119.76	75.77
(ii) Intangible Assets								
Goodwill	-	-	779.41	779.41	-	-	-	779.41
Computer software	-	1.04	-	1.04	0.74	0.05	0.79	0.25
Technical know-how	-	4.33	-	4.33	1.96	0.47	2.43	1.90
Research and development	-	1.52	-	1.52	-	0.15	0.84	0.68
Sub-total (ii)	-	6.89	779.41	786.30	-	0.67	4.06	782.24
Total (i+ii)	-	201.96	780.75	981.83	-	6.27	123.82	858.01

Cost/valuation of buildings includes ownership accommodation in various co-operative societies and apartments: ₹ 0.67 crore; (Previous year ₹ Nil), including 3 shares of ₹ 100 each, which is in the process of transferring in the Company's name. (Refer Note 42)

12. DEFERRED TAX

(₹ crore)

	As at 31-03-2016		As at 31-03-2015	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Difference between book and tax depreciation				
As at reporting date			-	-
Add: Transferred pursuant to the 'Scheme'*	-	5.51	-	-
Less: Reversals of liabilities	-	(0.69)		
Expenses allowable for tax purposes when paid/on payment of TDS				
As at reporting date	0.61	-	-	-
Add: Transferred pursuant to the 'Scheme'*	4.80	-	-	-
Carry forwarded business losses	-	-	0.99	-
Other items giving rise to timing differences				
As at reporting date	3.64	-	-	-
Add: Transferred pursuant to the 'Scheme'*	0.09	-	-	-
	9.14	4.82	0.99	-
Net deferred tax assets/liability	4.32		0.99	
Deferred tax liability/(asset) charged/(credited) to statement of profit and loss.	(3.95)		(0.99)	

(* Net deferred tax liability amounting to ₹ 0.62 crore was transferred pursuant to the 'Scheme' on 1st October, 2015.)

13. LONG-TERM LOANS AND ADVANCES

(₹ crore)

	As at 31-03-2016		As at 31-03-2015	
	Unsecured, considered good, unless otherwise stated			
Capital advances	1.34		-	
Less: Allowance for doubtful advances	(1.07)	0.27	-	-
Deposits		5.36		-
Advance tax		5.95		-
Others		6.24		-
		17.82		-

14. INVENTORIES

(₹ crore)

	As at 31-03-2016		As at 31-03-2015	
	Raw materials	32.84		-
Add: Goods-in-transit	0.36		-	
		33.20		-
Work-in-progress - manufacturing		14.13		-
Finished goods - manufacturing	54.61		-	
Add: Excise duty on finished goods	8.16		-	
		62.77		-
Stock-in-trade		97.17		-
Stores, spares and packing materials		2.71		-
		209.98		-

Note: Refer accounting policy Note 1 on valuation of inventories.

14. INVENTORIES (Contd.)

Disclosure of Work-in-progress - manufacturing

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
(i) Lighting Products	2.04	-
(ii) Electrical Consumer Durables	12.09	-
	14.13	-

15. TRADE RECEIVABLES

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured		
Considered good	27.98	-
Considered doubtful	1.50	-
	29.48	-
Less: Allowance for doubtful debts	1.50	-
	27.98	-
Others:		
Considered good	388.53	-
	416.51	-

16. CASH AND BANK BALANCES

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Cash and cash equivalents		
Balances with banks:		
On current accounts	74.25	0.05
On deposit accounts (Refer Note below) (with less than 12 months maturity)	15.50	-
	89.75	0.05
Cash on hand	0.02	-
	89.77	0.05
Other Balances		
On deposit accounts (with more than 12 months maturity)	0.23	-
	0.23	-
	90.00	0.05

Note: Deposits of ₹ 0.23 crore (Previous year ₹ Nil) are under lien with banks.

17. SHORT-TERM LOANS AND ADVANCES

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Unsecured, considered good, unless otherwise stated		
Others		
Security deposits:	10.15	-
Advances recoverable in cash or in kind or for value to be received:		
Considered good	29.77	-
Considered doubtful	0.19	-
	29.96	-
Less: Allowance for bad and doubtful advances	0.19	-
	29.77	-
Balances with excise, customs, service tax and value added tax, etc.	15.70	-
	55.62	-

18. OTHER CURRENT ASSETS

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
Other receivables	0.72	-
	0.72	-

19. REVENUE FROM OPERATIONS*

(₹ crore)

	2015-16	2014-15
Sale of products	1,866.38	-
Less: Excise duty	56.59	-
	1,809.79	-
Sale of services	1.89	-
	1,811.68	-

(*represents for the period from 1st October, 2015 to 31st March, 2016)

Note:**Disclosure of sale of products and services**

(₹ crore)

		Sales Value 2015-16	Sales Value 2014-15
Sale of Products			
(i)	Lighting Products	560.88	-
(ii)	Electrical Consumer Durables	1,248.91	-
		1,809.79	-

(₹ crore)

		Sales Value 2015-16	Sales Value 2014-15
Sale of Services			
(i)	Lighting Products	1.81	-
(ii)	Electrical Consumer Durables	0.08	-
		1.89	-

20. OTHER INCOME

(₹ crore)

	2015-16	2014-15
Interest income	3.70	-
Dividend income	0.04	-
Other non-operating income (net of expenses):		
Miscellaneous income	0.11	-
	3.85	-

21. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

(₹ crore)

	2015-16	2014-15
Acquired pursuant to the 'Scheme'	20.80	-
Add: Purchases	417.67	-
Less: Closing stock	33.20	-
Raw materials consumed	405.27	-
Less: Scrap sales	2.69	-
	402.58	-
Add: Sub-contracting charges	25.42	-
	428.00	-

Note:

Disclosure of raw materials and components consumed

(₹ crore)

	2015-16	2014-15
(i) Ferrous materials	47.41	-
(ii) Non-ferrous materials	107.48	-
(iii) Components	216.67	-
(iv) Others	33.71	-
	405.27	-

22. PURCHASES OF STOCK-IN-TRADE

(₹ crore)

	2015-16	2014-15
Purchases of stock-in-trade	879.92	-
	879.92	-

Note:

Details of purchases of stock-in-trade

(₹ crore)

	2015-16	2014-15
(i) Lighting Products	296.22	-
(ii) Electrical Consumer Durables	583.70	-
	879.92	-

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ crore)

	2015-16	2014-15
Changes in inventories of finished goods and work-in-progress:		
Closing stock:		
Finished goods	62.77	-
Work-in-progress	14.13	-
	76.90	-
Less: Pursuant to the 'Scheme'		
Finished goods	41.64	-
Work-in-progress	9.77	-
	51.41	-
	(25.49)	-

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (Contd.)

(₹ crore)

	2015-16	2014-15
Changes in inventories of stock-in-trade:		
Closing stock:		
Stock-in-trade	97.17	-
Less: Pursuant to the 'Scheme'		
Stock-in-trade	84.98	-
	(12.19)	-
	(37.68)	-

24. EMPLOYEE BENEFITS EXPENSE

(₹ crore)

	2015-16	2014-15
Salaries, wages and bonus (Refer Note 43)	88.57	-
Contribution to provident and other funds	4.09	-
Post retirement medical benefits	1.70	-
Staff welfare expenses	6.13	-
	100.49	-

25. FINANCE COSTS

(₹ crore)

	2015-16	2014-15
Interest on loans	10.08	-
Net loss on foreign currency transactions and translation (Refer Note 4)	24.98	-
Interest - others	0.39	-
	35.45	-

26. DEPRECIATION AND AMORTISATION EXPENSE

(₹ crore)

	2015-16	2014-15
Depreciation on tangible assets	5.60	-
Amortisation on intangible assets	0.67	-
	6.27	-

27. OTHER EXPENSES

(₹ crore)

	2015-16	2014-15
Consumption of stores and spares	10.36	-
Power and fuel	5.37	-
Rent	10.64	-
Repair to machinery	1.18	-
Insurance	1.04	-
Rates and taxes	14.93	-
Freight and forwarding	46.23	-
Packing materials	18.62	-
After sales service including warranty	17.42	-
Sales promotion	28.00	-

27. OTHER EXPENSES

(₹ crore)

	2015-16	2014-15
Cash discount	28.40	-
Advertising	6.75	-
Legal and professional charges	14.90	2.05
Miscellaneous expenses	27.63	0.81
	231.47	2.86

(₹ crore)

	2015-16	2014-15
Auditors' remuneration (excluding service tax)		
Audit fees	0.25	-
Tax audit fees	0.04	-
Certification work	0.05	-
Other services	0.09	-
Expenses reimbursed	0.01	-
	0.44	-

28. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ crore)

	As at 31-03-2016	As at 31-03-2015
A. Contingent Liabilities:		
(to the extent not provided for)		
(a) Claims against the Company not acknowledged as debts	0.62	-
(b) Excise duty/customs duty/service tax liability that may arise in respect of matters in appeal	0.07	-
(c) Sales tax/VAT liability that may arise in respect of matters in appeal	6.22	-
B. Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.63	-

Notes:

- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (c) above, pending resolution of the arbitration/appellate proceedings.

29. Value of imports (on C.I.F. basis)

(₹ crore)

	2015-16	2014-15
(a) Raw materials	54.95	-
(b) Trading goods	52.49	-
(c) Spare parts	0.17	-
(d) Capital goods	0.10	-

30. Expenditure in foreign currency

(₹ crore)

	2015-16	2014-15
(a) Technical know-how fees	0.83	-
(b) Interest	0.02	-
(c) Commission, travelling and others	0.55	-

31. Earnings in foreign exchange

(₹ crore)

	2015-16	2014-15
(a) Export of goods (on F.O.B. basis) including deemed exports	28.75	-

32. Expenditure on research and development

(₹ crore)

	2015-16	2014-15
(a) Capital expenditure	-	-
Sub-total (a)	-	-
(b) Revenue expenditure		
Raw materials consumed	0.00	-
Employee benefits	0.38	-
Depreciation and amortisation	0.07	-
Other expenses		
Consumption of stores and spares	0.03	-
Repairs to machinery	0.00	-
Miscellaneous expenses	0.02	-
Sub-total (b)	0.50	-
Total (a) + (b)	0.50	-

33. Raw materials, spare parts and components consumed

	2015-16		2014-15	
	Percentage of total Consumption	₹ crore	Percentage of total Consumption	₹ crore
Raw materials				
Imported	10.92%	44.25	-	-
Indigenous	89.08%	361.02	-	-
	100.00%	405.27	-	-
Stores and spares:				
Imported	3.12%	0.32	-	-
Indigenous	96.88%	10.04	-	-
	100.00%	10.36	-	-

34. Disclosures as required by Accounting Standard (AS) 15 Employee Benefits:

(a) Defined contribution plans [Refer accounting policy Note 1]

Amount of ₹ 2.83 crore (Previous year ₹ Nil) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 1(13))

	₹ crore	
Benefits (Contribution to)	2015-16	2014-15
Provident fund	2.01	-
Superannuation fund	0.80	-
Employee state insurance scheme	0.02	-
Labour welfare scheme	0.00	-
Total	2.83	-

(b) Defined Benefit Plans [Refer accounting policy Note 1(13)] as per Actuarial Valuation are as under:

₹ crore			
	Gratuity	Leave Encashment	Post Retirement Medical Benefits
	2015-16 (Funded)	2015-16 (Nonfunded)	2015-16 (Nonfunded)
I Change in present value of defined benefit obligation during the year			
1			
1	-	-	-
2	15.43	7.83	5.53
3	-	0.31	0.19
4	0.46	0.25	0.11
5	-	-	-
6	-	-	-
7	(0.44)	(0.86)	(0.33)
8	0.80	1.57	1.00
9	16.25	9.09	6.50
II Change in fair value of plan assets during the year			
1	-	-	-
2	15.43	-	-
3	-	-	-
4	-	-	-
5	(0.44)	-	-
6	-	-	-
7	14.99	-	-
8	(0.80)	(1.57)	(1.00)
III Actual return on plan assets			
1	-	-	-
2	-	-	-
3	-	-	-
IV Net asset/(liability) recognised in the balance sheet			
1	(16.25)	(9.09)	(6.50)
2	14.99	-	-
3	(1.26)	(9.09)	(6.50)
	(1.26)	(9.09)	(6.50)
	-	-	-
V Expenses recognised in the statement of profit and loss for the year			
1	0.46	0.25	0.11
2	-	0.31	0.19
3	-	-	-
4	0.80	1.57	1.00
5	1.26	2.13	1.30
7	1.26	2.13	1.30
VI Balance sheet reconciliation			
1	-	-	-
2	1.26	2.13	1.30
3	(0.44)	(0.86)	(0.33)
4	15.43	7.83	5.53
5	16.25	9.09	6.50

₹ crore

	Gratuity	Leave Encashment	Post Retirement Medical Benefits
	2015-16 (Funded)	2015-16 (Nonfunded)	2015-16 (Nonfunded)
VII The major categories of plan assets as a percentage of total Insurer managed funds	100%	NA	NA
VIII Effect of one percent point change in the assumed medical inflation rate			
(1) Increase/(decrease) on aggregate service and interest cost of Post Retirement Medical Benefits			
(i) One percentage point increase in discount rate	-	-	(0.78)
(ii) One percentage point decrease in discount rate	-	-	0.99
(2) Increase/(decrease) on present value of defined benefits obligation at the end of the year			
(i) One percentage point increase in Medical Inflation rate	-	-	0.54
(ii) One percentage point decrease in Medical Inflation rate	-	-	(0.87)
IX Experience Adjustment			
On plan liabilities - gain/(loss)	0.80	1.57	1.00
On plan assets - gain/(loss)	-	-	-
X Actuarial assumptions			
1 Discount rate	8.05%	8.05%	8.30%
2 Rate of return on plan assets	8.21%	N.A	0.00%
3 Salary escalation	6.00%	6.00%	0.00%
4 Mortality pre retirement rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
5 Mortality post retirement rate	N.A	N.A	Indian Assured Lives Mortality (2006-08)
6 Medical premium inflation rate	-	-	2.00%

- (c) The Company makes contribution towards superannuation fund as a defined contribution retirement benefit plan for qualifying employees. To fund the benefits, the Company is required to contribute a specified percentage of salary to the respective Trusts, which administer the retirement benefit schemes.
- (d) The Company makes annual contributions to the Gratuity Trust, which is a funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.
- (e) The Company provides post retirement medical benefits to qualifying employees.
- (f) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2016. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- (g) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- (h) Expected rate of return on the plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.
- (i) The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

35. Disclosures as required by Accounting Standard (AS) 18 Related Party Disclosures:

- i) There is no Related Party over which the Company exercises its control
- ii) List of related parties with whom transactions were carried out during the period and description of relationship :

Holding Company:

- 1 Crompton Greaves Limited (upto 22nd March, 2016)

Other Related Parties:

- 1 Crompton Greaves Limited (from 23rd March, 2016)
- 2 Ballarpur Industries Limited
- 3 BILT Graphic Paper Products Limited
- 4 Avantha Business Solution Limited

Key Management Personal

- 1 Mr. Shantanu Khosla, Managing Director (w.e.f. 1st January, 2016)
- 2 Mr. Mathew Job, Chief Executive Officer (w.e.f. 1st January, 2016)
- 3 Mr. Sandeep Batra, Chief Financial Officer and Company Secretary (w.e.f. 1st January, 2016)

- iii) The following transactions were carried out with the related parties in the ordinary course of business:

₹ crore

Sr. No.	Nature of transaction/relationship	2015-16	2014-15
1	Purchase of goods		
	Crompton Greaves Limited	18.03	
	Total	18.03	-
2	Services received		
	Crompton Greaves Limited - Professional fees	7.69	
	Crompton Greaves Limited - Rent	2.76	
	Others	0.44	
	Total	10.89	-
3	Sales of goods and services		
	Crompton Greaves Limited	0.24	-
	BILT Graphic Paper Products Limited	0.00	
	Total	0.24	-
4	Subscription to equity shares		
	Crompton Greaves Limited #	-	0.05
	Total	-	0.05
5	Payment of salaries, commission and perquisites		
	Key Management Personnel		
	Mr. Shantanu Khosla	0.75	-
	Mr. Mathew Job	1.53	-
	Mr. Sandeep Batra	0.66	-
	Total	2.94	-

iv) Amount due to/from related parties

	As at 31-03-2016	As at 31-03-2015
1 Accounts payable		
Erstwhile Holding Company		
Crompton Greaves Limited	7.93	-
Total	7.93	-
2 Other receivable		
Erstwhile Holding Company		
Crompton Greaves Limited	14.06	-
Total	14.06	-
3 Trade receivable		
Erstwhile Holding Company		
Crompton Greaves Limited	0.17	-
Other related parties		
BILT Graphic Paper Products Limited	0.00	-
Ballarpur Industries Limited	0.02	-
Total	0.19	-
4 Loans and advances payable		
Erstwhile Holding Company		
Crompton Greaves Limited	-	2.86
Total	-	2.86

No amounts have been written off or written back during the year, other than ₹ 0.05 crore, cancellation of share capital pursuant to the 'Scheme' (Refer Note 42),

36. Exceptional items

Exceptional items for the year ended 31st March, 2016 include the following:

- (a) Expenses in relation to the 'Scheme' ₹ 11.29 crore.
- (b) Deposit written-off ₹ 2.64 crore.

37. Expenditure on Corporate Social Responsibility (CSR)

The particulars of CSR expenditure are as follows:

- (a) Gross amount required to be spent by the Company during the year is ₹ Nil.
- (b) Amount incurred during the current year is ₹ Nil.

- 38.** (a) The Company has not entered into any finance lease as specified in Accounting Standard (AS) 19 Leases. The Company has, however, taken various residential/commercial premises and plant and equipments under operating lease arrangements. These lease arrangements are normally renewed on expiry, wherever required.

- (b) During the year, an amount of ₹ 10.64 crore was recognized as an expense in the statement of profit or loss.

39. Disclosure as required by Accounting Standard (AS) 20 Earnings Per Share

Particulars		2015-16	2014-15
Face value of equity share	₹/share	2.00	2.00
Weighted average number of equity shares outstanding	Nos.	313498071	250000
Profit for the year	₹ crore	105.19	(1.87)
Weighted average earnings per share (Basic and Diluted)	₹	3.36	(74.85)

40. Foreign currency transactions, Forward contracts and Derivatives

The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2016 are as under:

Sr. No. Category of Derivative Instruments		
1	For hedging foreign currency risks:	
Particulars	As at 31-03-2016	As at 31-03-2015
Forward contracts for payables including firm commitments		
USD (million)	7.13	-

The particulars of derivative contracts entered into for hedging purposes outstanding as at 31st March, 2016 are as under:

Sr. No. Category of Derivative Instruments		
2	For unhedged foreign currency exposure:	
Particulars	As at 31-03-2016	As at 31-03-2015
Trade payables	5.30	-
Trade receivable	11.69	

₹ crore

41. Disclosures as required by Accounting Standard (AS) 17 Segment Reporting:

(a) Primary Segments (Business Segments)

Particulars	Lighting Products	Electric Consumer Durables	Total 2015-16
₹ crore			
Segment revenue			
External sales (net of excise duty)	562.69	1,248.99	1,811.68
Inter-segment sales	-	-	-
Total	562.69	1,248.99	1,811.68
Segment results			
Less: Finance costs (net)			31.75
Less: Other unallocable expenditure net of unallocable Income			43.17
Less: Exceptional items			13.93
Profit before tax			157.68
Tax expense			52.49
Profit after tax			105.19
Capital employed:			
Segment assets	329.34	467.47	796.81
Segment liabilities	244.47	503.23	747.70
Net assets	84.87	(35.76)	49.11
Capital expenditure	0.41	1.00	1.41
Depreciation and amortisation	3.74	2.53	6.27
Non-cash expenses other than depreciation	1.44	7.60	9.04

(b) Secondary Segments (Geographical Segments)

The Company operates predominantly in the domestic market, in India. Accordingly, information under this segment has not been disclosed.

(c) Unallocable Assets/Liabilities :

Particulars	2015-16
₹ crore	
Liabilities:	
Long-term borrowings	507.21
Short-term borrowings	10.00
Current maturity of long-term debt	127.24
Other liabilities	32.18
Total Liabilities	676.63
Assets:	
Goodwill	779.41
Other assets	72.51
Deferred tax assets	4.32
Total Assets	856.24

Unallocable assets comprise assets and liabilities which cannot be allocated to the segments. Tax credit assets/liabilities are not considered in capital employed.

(d) Figures for the previous year are not available, since, the business has been transferred to the Company with effect from 1st October, 2015, pursuant to the 'Scheme' (Refer Note 42).

(e) Segment Identification, Reportable Segment and definition of each Reportable Segment:

(i) Primary segment :

In the opinion of the management, the business segments comprise the following :

- (a) Lighting Products : Luminaires, Light Sources
 (b) Electrical Consumer Durables : Fans, Appliances and Pumps

(ii) Primary/Secondary segment reporting format:

- (a) The risk-return profile of the Company's business is determined predominantly by the nature of its products and services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.
 (b) The Company mainly caters to Indian Market only, accordingly, secondary information/geographical segment is not applicable.

(iii) Segment identification:

Business segments have been identified on the basis of the nature of products/services, the risk-return profile of individual businesses, the organizational structure and the internal reporting system of the Company.

(iv) Reportable segments:

Reportable segments have been identified as per the quantitative criteria specified in the Accounting Standard.

(v) Segment revenue and results:

The expenses and incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocated income).

(vi) Segment assets and liabilities:

Segment assets include all operating assets used by the business segment and mainly consist of fixed assets, trade receivables and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

(vii) Inter-segment transfer:

Inter segment prices are normally negotiated amongst segments with reference to the costs, market price and business risks.

42. Scheme of Arrangement

Pursuant to the Scheme of Arrangement (the 'Scheme') between the Company and Crompton Greaves Limited (CGL) and their respective shareholders and creditors, the Consumer Products business of CGL, along with its related assets and liabilities has been transferred to the Company upon the sanction of the Scheme by the Honourable High Court of judicature at Bombay vide Order dated 20th November, 2015. The certified copy

of the Order sanctioning the Scheme has been filed with the Registrar of the Companies, Maharashtra, on 1st January, 2016. Accordingly, the effect of the Scheme has been given from 1st October, 2015, the Appointed Date. In terms of the Scheme, effectively, from 1st October, 2015:

- The assets and liabilities of the Consumer Products Business, to be transferred to the Company at the same book value appearing in the books of CGL on the close of business on 30th September, 2015.
- Share Capital account to be credited with the aggregate face value of the new equity shares issued to the shareholders of CGL.
- The excess or deficit after recording the aforesaid entries shall be debited to goodwill or credited to capital reserve account.

The transaction as per the Scheme of Arrangement is in the nature of purchase as defined by Accounting Standard (AS) 14 Accounting for Amalgamations specified in the Companies (Accounting Standards) Rules, 2006, (as amended). Entries have been passed in the books of account of the Company to give effect to the Scheme, as follows:

With effect from the Appointed Date,

- All assets and liabilities of the Consumer Products Business have been transferred to the Company at the same book values appearing in the books of account of CGL.
- 62,67,46,142 Equity shares of ₹ 2 each at par have been issued to the equity shareholders of CGL in the ratio of 1 equity share of the Company for every 1 equity shares of CGL.
- Shares held by CGL have been cancelled and accordingly, share capital has been written-back.
- The difference of ₹ 779.41 crore, i.e. the values of liabilities over assets, has been debited to the goodwill account as per below calculation.

Particulars	₹ crore	
Liabilities Taken Over		
Borrowings	697.70	
Trade Payables	576.39	
Other Liabilities	96.94	1,371.03
Less : Assets Taken Over		
Fixed Assets	83.85	
Inventory	159.75	
Trade Receivables	428.29	
Other Assets	45.08	716.97
Excess of Liabilities over Assets (A)		654.06
Equity Shares Issued (B)		125.35
Value of Goodwill (A+B)		779.41

Further, the Company is in process of obtaining/transfer to its name the title of assets and liabilities acquired pursuant to the 'Scheme'.

- Employee benefits expense for the year includes the impact of the increase in bonus obligation under the 'The Payment of Bonus (Amendment) Act, 2015'. The said amendment is effective from 1st April, 2014 and the amount for financial year 2014-15 is ₹ 2.30 crore.
- Amounts shown as 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).
- Figures for the current year are not comparable with previous period, since the business has been transferred w.e.f. 1st October, 2015 pursuant to the 'Scheme'.
- Figures for the previous period have been regrouped wherever necessary.

Signatures to Notes 1 to 46

As per our report attached

SHARP & TANNAN
 CHARTERED ACCOUNTANTS
 Firm's Registration No. 109982W
 by the hand of

Shantanu Khosla
 Managing Director
 DIN: 00059877

Edwin P. Augustine
 Partner
 Membership No. 043385
 Mumbai, 18th May, 2016

Sandeep Batra
 CFO & Company Secretary
 Mumbai, 18th May, 2016

D Sundaram
 Director
 DIN: 00016304

Crompton

CIN: U31900MH2015PLC262254

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

Phone: +91 22 6167 8499 Fax: +91 22 6167 8383

Email: crompton.investorrelations@crompton.co.in • Website: www.crompton.co.in

NOTICE OF THE 2nd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 2nd Annual General Meeting of the Members of Crompton Greaves Consumer Electricals Limited (“the Company”) will be held on Thursday, August 11, 2016 at 02:00 P.M. (IST) at IES Manik Vidyamandir (Manik Sabhagriha Auditorium), Opposite Lilavati Hospital, Bandra Reclamation, Mumbai – 400 050, Maharashtra, India to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 together with the Reports of Board of Directors and Auditors thereon.
2. To appoint the statutory auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with the Companies (Audit and Auditors) Rules, 2014, and other applicable rules, if any, (including any amendment thereof), M/s. Sharp and Tannan, Chartered Accountants, having Firm Registration No. 109982W, retiring Auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the 7th Annual General Meeting of the Company, subject to ratification at every Annual General meeting on a remuneration of ₹ 40,00,000/- (Rupees Forty Lakhs Only), plus reimbursement of out of pocket expenses and applicable taxes”

SPECIAL BUSINESS:

3. Appointment of Mr. Shantanu Khosla as the Director of the Company

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

“**RESOLVED THAT** Mr. Shantanu Khosla (DIN: 00059877), who was appointed as an Additional Director of the Company by the Board of Directors with effect from September 21, 2015 and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 (the “Act”) and who is eligible for appointment and has consented to act as Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”

4. Appointment of Mr. Shantanu Khosla as the Managing Director of the Company and approval of his remuneration

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

“**RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Shantanu Khosla (DIN: 00059877), as Managing Director of the Company with effect from January 1, 2016 to December 31, 2020, as well as the payment of salary and bonus (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or agreement in such manner as may be agreed to between the Board of Directors and Mr. Shantanu Khosla.

RESOLVED FURTHER THAT the remuneration payable to Mr. Shantanu Khosla (DIN: 00059877), shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT any one of the Directors of the Company, be and are hereby severally authorized to sign and file such forms or documents as may be required to be filed with Ministry of Corporate Affairs or Registrar of Companies or such

other authority as may be required, to settle any doubt or question arising with regards to the aforesaid appointment and to do all such acts, deeds, matters and things as may be necessary to give full effect to the foregoing resolution.”

5. Appointment of Mr. H. M. Nerurkar as an Independent Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and Rules made there under read with Schedule IV to the Act, (including any amendment thereof), Mr. H. M. Nerurkar, (DIN: 00265887), who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from January 25, 2016 and whose term of office expires at this Annual General Meeting (“AGM”) and in respect of whom the Company has received a Notice in writing from a member along with the deposit of the requisite amount under Section 160 of the Act proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from January 25, 2016.”

6. Appointment of Ms. Sonia N. Das as a Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder (including any amendment thereof) Ms. Sonia N. Das (DIN: 03405569), who was appointed as an Additional Director of the Company by the Board of Directors with effect from January 25, 2016 and whose term of office expires at this Annual general Meeting (“AGM”) and in respect of whom the Company has received a Notice in writing from a member along with the deposit of the requisite amount under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

7. Ratification of the remuneration payable to M/s. Ashwin Solanki and Associates, appointed as Cost Auditors of the Company for the period October 1, 2015 to March 31, 2016

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Companies (Audit and Auditors) Rules 2014, M/s. Ashwin Solanki and Associates, Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of the Company for the period October 1, 2015 to March 31, 2016, be paid a remuneration of ₹ 2.75 Lakhs plus the applicable service tax and out-of-pocket expenses that may be incurred.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. Payment of Commission to Non - Executive Independent Directors of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, (the “Act”) (including any amendment thereof), a sum not exceeding one percent of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Non-Executive Independent Directors or some or any of them in such amounts or proportion and in such manner and in all respects as may be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company effective from Financial Year ended March 31, 2016.”

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

Sandeep Batra
Company Secretary & Compliance Officer
Membership No. A12958

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

Date: May 18, 2016

Place: Mumbai.

NOTES:

1. A statement setting out the material facts relating to the special business to be transacted at the meeting pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting is furnished as Annexure A to the Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON BEHALF OF SELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSED PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. Members are requested to bring their copy of the Annual Report to the Annual General Meeting.
4. Members are requested to send in their queries at least a week in advance to the Company Secretary at the Corporate Office of the Company to facilitate clarifications during the meeting.
5. Corporate Members intending to send their representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
7. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to M/s. Karvy Computershare Private Limited.
8. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Share Transfer Agent.
9. Non-resident Indian shareholders are requested to inform about the following to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:-
 - a) The change in the residential status on return to India for permanent settlement;
 - b) The particulars of the NRE Account with a Bank in India, if not furnished earlier.
10. The Securities and Exchange Board of India (SEBI) vide circular Ref No. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Registrar and Share Transfer Agent for registration of such transfer of shares.
11. The Notice of AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. Members may note that the Notice of the Second Annual General Meeting of the Company and the Annual Report will also be available on the website of the Company www.crompton.co.in and on the website of Karvy Computershare Private Limited (Karvy), i.e. <https://evoting.karvy.com/>.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the registered office of the Company during business hours from 10:00 a.m. to 1:00 p.m. except on holidays, up to and including the date of the Annual General Meeting of the Company.

Instructions for Voting through electronic means:

14. 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, the Company is offering e-voting facility to all its Members through the e-voting services provided by M/s. Karvy Computershare Services Private Limited, Registrar and Share Transfer Agent of the Company on all the resolutions set forth in this notice.

In case a Member receives an e-mail of Notice of the Annual General Meeting from Karvy (for Members whose e-mail addresses are registered with the Company/Depository Participant(s):

- (i) To use the following URL for e-voting: <https://evoting.karvy.com>
- (ii) Enter the login credentials (i.e. user ID and password mentioned herein). Your Folio No/DP ID Client ID will be your user ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote. The standard password for first time login is mentioned herein.
- (iii) After entering the details appropriately, click on LOGIN.
- (iv) You will now reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@,#,\$ etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail id etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the EVEN i.e., Crompton Greaves Consumer Electricals Limited.
- (vii) On the voting page, enter the number of shares (which represent the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may choose the option ASBTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.
- (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on SUBMIT.
- (xi) A confirmation box will be displayed, Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (xii) Corporate/Institutional members (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail evoting@mehta-mehta.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVEN NO."

In case a Member receives physical copy of the Notice of Annual General Meeting (for Members whose e-mail addresses are not registered with the Company/Depositories Participant(s) or requesting physical copy):

- (xiii) Initial password is provided in the enclosed notice.
- (xiv) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast your vote.

Other Instructions:

- (xv) The remote e-voting commences on August 4, 2016 at 10:00 a.m. and ends on August 10, 2016 at 05:00 p.m. (both days inclusive). During this period, Members of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date of **July 29, 2016** may cast their vote electronically. The remote 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: Remote e-Voting shall not be allowed beyond the said time period).
- (xvi) A Member can opt for only one mode of voting i.e. either through remote e-voting or vote at the venue of AGM. If a Member casts his/her vote by both modes, then voting done through remote e-voting shall prevail and the vote at the AGM venue shall be treated as invalid.
- (xvii) The Company has appointed Ms. Dipti Mehta, Partner, Mehta & Mehta Company Secretaries or failing her, Mr. Anshul Kumar Jain, Partner, Mehta & Mehta Company Secretaries to act as the Scrutinizer, to scrutinize the e-voting process (including votes cast by the members at the Annual General Meeting) in a fair and transparent manner.
- (xviii) The results shall be declared not later than 48 hours from the conclusion of the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the resolutions.

- (xix) The results declared along with the Scrutinizer's report shall be placed on the Company's website www.crompton.co.in and on the website of M/s. Karvy Computershare Private Limited viz. www.karvy.co.in and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING AND RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

■ **Item Nos. 3 & 4:**

The members are informed that Mr. Shantanu Khosla (Mr. Khosla) was appointed as an additional director by the Board of Directors of the Company, effective September 21, 2015. Further, the Board had, subject to approval of members, appointed him as the Managing Director of the Company, effective January 01, 2016.

Prior to joining the Company, he served as the MD & CEO of Procter & Gamble India from July 2002 to June 2015.

It is now proposed to appoint Mr. Shantanu Khosla as the Managing Director of the Company for a period of 5 years, effective January 01, 2016 and approve his remuneration.

As per the agreement entered between the Company and Mr. Khosla, the remuneration (compensation) payable to Mr. Khosla during the financial year 2015-16 was ₹ 31,000,000/- and Annual bonus of upto ₹ 31,000,000. Further on the recommendation of the Nomination and Remuneration Committee, Board of Directors of the Company in its Meeting held on 18th May, 2016 approved the commission payable to Mr. Khosla for the year 2015-16 as ₹ 23,356,164. The remuneration payable to Mr. Khosla effective from 1st April, 2016 subject to the approval of the members is as mentioned below:

i)	Annual Compensation: ₹ 32,860,000/-
ii)	Bonus: Upto ₹ 37,200,000/-

In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.

Notice has been received from a member signifying his intention to propose his appointment as the Managing Director of the Company along with a deposit of ₹ 1,00,000/-.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. The disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2014, is provided at Annexure A of this Notice.

■ **Item No. 5**

The Members are informed that Mr. H. M. Nerurkar was appointed by the Board of Directors as an Additional Non - Executive, Independent Director, effective January 25, 2016.

Mr. Nerurkar has vast experience of over 35 years in Tata Steel in various positions. He was the Managing Director in-charge of Tata Steel Limited for India and South East Asia Operations. He is Chairman of Board of Directors in TRL Krosaki Refractories Limited (formerly Tata Refractories Limited - a JV company of Tata Steel and Krosaki Harima Corporation, Japan) and NCC Ltd. (formerly Nagarjuna Construction Company Limited) and Independent Director of several other listed entities.

He is a Bachelor of Engineering in Metallurgical Engineering from the College of Engineering, Pune University. He has attended several management courses in India and overseas, including CEDEP in France.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director can hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. H. M. Nerurkar has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Companies Act, 2013. A notice has been received from a member proposing Mr. H. M. Nerurkar as a candidate for the office of a Non - Executive Independent Director of the Company along with a deposit of ₹ 100,000/-

In the opinion of the Board, Mr. H. M. Nerurkar fulfills the criteria of independence as specified in the Companies Act, 2013.

The disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2014, is provided at Annexure A of this Notice.

The Board recommends the resolution as set out in the Notice for the approval of the shareholders of the Company.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. H. M. Nerurkar are in any way concerned or interested in the proposed resolution as set out in the Notice.

▪ **Item No. 6**

The Members are informed that Ms. Sonia N. Das was appointed by the Board of Directors as an Additional Director, effective January 25, 2016.

Ms. Sonia N. Das is qualified Company Secretary with over 15 years of experience in the profession in different industries, including in listed companies, in Secretarial, Law and Compliance. She also holds a degree in law. At present she is working with Avantha and leading Secretarial and Law function.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Sonia N. Das will hold office up to the date of the ensuing meeting. The Company has received a notice from a member signifying intention to propose her appointment as a Director of the Company along with a deposit of ₹ 1,00,000/-.

The disclosure under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2014, is provided at Annexure A of this Notice.

The Board recommends the resolution as set out in the Notice for the approval of the shareholders of the Company.

None of the Directors or Key Managerial Personnel or their relatives, except Ms. Sonia N. Das are in any way concerned or interested in the proposed resolution as set out in the Notice.

▪ **Item No. 7**

The Board of Directors at their meeting held on April 18, 2016, on recommendation of the Audit Committee, had appointed M/s. Ashwin Solanki and Associates, Cost Accountants (Firm Registration No: 100392) as Cost Auditors of the Company to audit the cost records of the Company for the period October 1, 2015 – March 31, 2016 (October 1, 2015 being the appointed date for the demerger) at a remuneration of 2,75,000 (Rupees Two Lakh Seventy Five Thousand only) excluding applicable taxes and reimbursement of out of pocket expenses incurred in connection with the Cost Audit.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Shareholders of the Company. Accordingly, consent of the members is sought by passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

The Board recommends the resolution as set out in the Notice for the approval of the shareholders of the Company.

None of the Directors or their relatives, except to the extent of their shareholding, are in any way concerned or interested in the proposed resolution as set out in the Notice.

▪ **Item No. 8**

The members are informed that it is proposed to pay commission to the Non - Executive Independent Directors of the Company not exceeding one percent per annum of the net profits of the Company effective from the financial year ended March 31, 2016. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

The quantum of commission payable shall be in accordance with the Companies Act, 2013 and Rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the Nomination and Remuneration Policy, including the remuneration guidelines of the Company.

The Board recommends the resolution as set out in the Notice for the approval of the shareholders of the Company.

None of the Directors or Key Managerial Personnel or their relatives, except all the Non-Executive Independent Directors may be deemed interested in the proposed resolution as set out in the Notice.

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

Sandeep Batra
Company Secretary & Compliance Officer
Membership No. A12958

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

Date: May 18, 2016

Place: Mumbai.

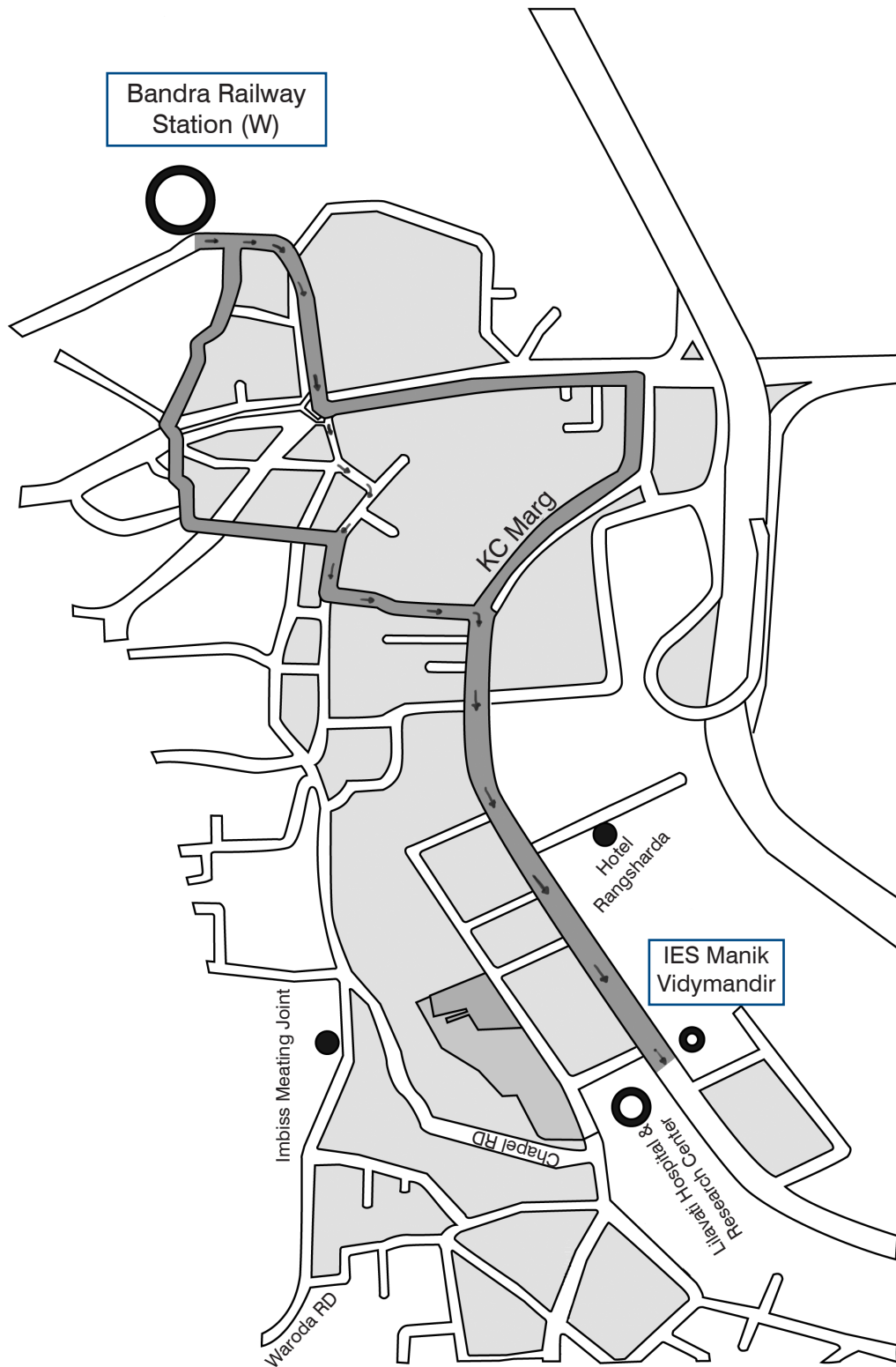
ANNEXURE A

Details of the directors seeking Re-Appointment in the forthcoming Annual General Meeting (In pursuance of Regulation 36 of the Securities and Exchange Board of India [Listing Obligation and Disclosure Requirement] Regulations, 2015)

Name of the Director	Mr. Shantanu Khosla	Mr. H. M. Nerurkar	Ms. Sonia N. Das
Date of Birth	January 25, 1960	October 20, 1948	September 20, 1975
Date of Appointment	September 21, 2015	January 25, 2016	January 25, 2016
Relationship with Directors	N.A.	N.A.	N.A.
Expertise in Specific functional area	Wide managerial experience in Consumer Products Industry	Wide managerial experience in Steel Industry	Wide experience in Legal and Secretarial Functions
Qualification	BE (Mechanical Engineering), Masters in Business Administration	BE (Metallurgical Engineering)	LLB, CS
Board Membership of Companies as on March 31, 2016¹	NIL	TRL Krosaki Refractories Limited Skill Council for Mining Sector Tega Industries Limited NCC Limited Tube Investments of India Limited Igarshi Motors India Limited Adani Enterprises Limited Om Besco Rail Products Limited	Blue Horizon Investments Limited Krebs & Cie (India) Limited Gyanodaya Prakashan Private Limited Varun Prakashan Private Limited Ultima Hygiene Products Private Limited NewQuest Services Private Limited Vanity Propbuild Private Limited
Chairman/Member of the Committee of the Board of directors as on March 31, 2016²	NIL	NCC Limited – Audit Committee, Member Adani Enterprises Limited – Audit Committee, Member	Gyanodaya Prakashan Private Limited – Audit Committee Member
Number of Shares held in the Company as on March 31, 2016	NIL	NIL	510

1. Only Public Limited Companies have been taken into consideration for the purpose of Board membership of Companies as on March 31, 2016.
2. Only Audit and Stakeholder Relationship Committees of Public Limited Companies have been taken into consideration for the purpose of determining the Chairmanships/Memberships of the Committees of the Board of Directors as on March 31, 2016.

Route Map of the venue of AGM



Crompton

CIN: U31900MH2015PLC262254

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

Phone: +91 22 6167 8499 Fax: +91 22 6167 8383

Email: crompton.investorrelations@crompton.co.in • Website: www.crompton.co.in

Form MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

2nd ANNUAL GENERAL MEETING ON THURSDAY, AUGUST 11, 2016 AT 02:00 P.M. (IST)

Name of the Member(s) : _____

Address of the Member : _____

E-mail : _____

Folio No./ DP ID/ (Client ID) : _____

I/We, being member(s) of _____ shares of Crompton Greaves Consumer Electricals Limited, hereby appoint

Name : _____

E-mail : _____

Address : _____

Signature : _____ or failing him/her

Name : _____

E-mail : _____

Address : _____

Signature : _____ or failing him/her

Name : _____

E-mail : _____

Address : _____

Signature : _____

as my/our proxy to attend and vote for me/us and on my/our behalf at the 2nd Annual General Meeting to be held on Thursday, August 11, 2016 AT 02:00 P.M. (IST) at IES Manik Vidyamandir (Manik Sabhagriha Auditorium), Opposite Lilavati Hospital, Bandra Reclamation, Mumbai – 400 050, Maharashtra, India, and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Resolutions		Vote		
		For	Against	Abstain
ORDINARY BUSINESS				
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 together with the Reports of Board of Directors and Auditors thereon.			
2.	To appoint the statutory auditors and to fix their remuneration			
SPECIAL BUSINESS				
3.	Appointment of Mr. Shantanu Khosla as the Director of the Company			
4.	Appointment of Mr. Shantanu Khosla as the Managing Director of the Company and approval of his remuneration			
5.	Appointment of Mr. H. M. Nerurkar as Independent Director			
6.	Appointment of Ms. Sonia N. Das as a Director of the Company			
7.	Ratification of the remuneration payable to M/s. Ashwin Solanki and Associates, appointed as Cost Auditors of the Company for period October 1, 2015 to March 31, 2016			
8.	Payment of Commission to Non - Executive, Independent Directors of the Company			

Affix revenue
stamp of not
less than
Rupee 1

Signed this _____ day of _____ 2016

Name of the Member/Proxy :

Signature of the Member/Proxy :

NOTES:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.**
2. **A proxy need not be a member of the Company.**

Crompton

CIN: U31900MH2015PLC262254

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

Phone: +91 22 6167 8499 Fax: +91 22 6167 8383

Email: crompton.investorrelations@crompton.co.in • Website: www.crompton.co.in

ATTENDANCE SLIP

2nd ANNUAL GENERAL MEETING ON THURSDAY, AUGUST 11, 2016 AT 02:00 P.M. (IST)

Folio No. DP ID/(Client ID) :

Name of the Member :

Address of the Member :

Number of Shares Held :

I hereby record my presence at the **2nd Annual General Meeting of the Company** held at IES Manik Vidyamandir (Manik Sabhagriha Auditorium), Opposite Lilavati Hospital, Bandra Reclamation, Mumbai – 400 050, Maharashtra, India, on Thursday, August 11, 2016.

Name of the Member/Proxy* :

Signature of the Member/Proxy* :

*Strike out whichever is not applicable.

- (1) A shareholder/proxyholder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same at the entrance of the meeting hall, duly signed.
- (2) A shareholder/proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference of the meeting.

E-VOTING

Users who wish to opt for e-voting may use the following login credentials.

EVEN (Remote E-Voting Event No.)

User ID

PASSWORD

Please follow for e-voting procedure as given in the Notice of AGM.