

**DETAILED PUBLIC STATEMENT IN TERMS OF REGULATION 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA
(SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 TO THE PUBLIC SHAREHOLDERS OF
CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED
REG OFFICE: 6TH FLOOR, CG HOUSE, DR ANNIE BESANT ROAD,
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OPEN OFFER FOR ACQUISITION OF UP TO 162,953,997 (ONE HUNDRED AND SIXTY TWO MILLION NINE HUNDRED AND FIFTY THREE THOUSAND NINE HUNDRED AND NINETY SEVEN ONLY) FULLY PAID UP EQUITY SHARES OF FACE VALUE OF INR 2 (RUPEES TWO) EACH (“EQUITY SHARES”) OF CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED (“CGCEL” OR “TARGET COMPANY”) FROM THE PUBLIC SHAREHOLDERS OF THE TARGET COMPANY (THE “PUBLIC SHAREHOLDERS”) BY AMALFIACO LIMITED (“AMALFIACO” OR “ACQUIRER 1”) AND MACRITCHIE INVESTMENTS PTE. LTD. (“MIPL” OR “ACQUIRER 2”), COLLECTIVELY THE “ACQUIRERS”, TOGETHER WITH NIRSINIA LIMITED (“NIRSINIA” OR “PAC 1”) AND AI GLOBAL INVESTMENTS (CYPRUS) PCC LTD (“AI GLOBAL” OR “PAC 2”), COLLECTIVELY THE “PAC”, IN THEIR CAPACITY AS PERSONS ACTING IN CONCERT WITH THE ACQUIRERS (THE “OPEN OFFER”).

This detailed public statement (“**DPS**”) is being jointly issued by HSBC Securities and Capital Markets (India) Private Limited (“**HSCI**”) and Barclays Bank PLC, the joint managers to the Open Offer (the “**Managers**”), for and on behalf of the Acquirers and the PAC to the Public Shareholders, pursuant to and in compliance with Regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (hereinafter the “**SEBI (SAST) Regulations**”) and pursuant to the Public Announcement (“**PA**”) filed on 13 May 2016 with BSE Limited (“**BSE**”), National Stock Exchange of India Limited (“**NSE**”, and together with BSE the “**Stock Exchanges**”), the Securities and Exchange Board of India (“**SEBI**”) and the Target Company, in terms of and in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations by Acquirer 1 and PAC 1; and Regulation 3(1) of the SEBI (SAST) Regulations by Acquirer 2, read with other applicable Regulations of the SEBI (SAST) Regulations.

I. ACQUIRERS, PAC, SELLER, TARGET COMPANY AND OPEN OFFER

1. Details of Amalfiaco Limited (“Amalfiaco” or “Acquirer 1”)

- 1.1. Amalfiaco is a private company limited by shares. It was incorporated on 26 January 2015 under the laws of Cyprus (company registration number: 340143). There has been no change in the name of Acquirer 1 since its incorporation.
- 1.2. The registered office of Acquirer 1 is located at 3rd Floor, Globe House, 23 Kennedy Avenue, 1075 Nicosia, Cyprus. Tel: +357 2202 9420. Company Secretary: Omniserve Limited, 2 Diagorou, ERA House, 7-12 floor, 1097 Nicosia, Cyprus.
- 1.3. The principal activity of Amalfiaco is to carry on the business of an investment company and to undertake all kinds of investment business.

- 1.4. Amalfiaco is a wholly owned subsidiary of AI Cool Midco 1, a company incorporated in Cyprus, which is in turn a wholly owned subsidiary of AI Cool Limited incorporated in Cyprus (“**AI Cool**”). AI Cool is wholly owned by AI Global Investments (Cyprus) PCC Limited – Cool Cell (“**AI Global – Cool Cell**”).
- 1.5. AI Global – Cool Cell is one of the cells of AI Global Investments (Cyprus) PCC Limited (PAC 2) which is a protected cell company (“**PCC**”) registered in Cyprus as an overseas company on 8 September 2010 under Section 347 of the Cyprus Companies Law, Cap. 113. PAC 2 is the investment hub for Asia and Eastern Europe regions for funds managed by Advent International Corporation (“**AIC**”).
- 1.6. A PCC is one which legally segregates the assets and liabilities of different classes of shares from each other. A PCC may create one or more cells, the assets and liabilities of each cell being segregated from the non-cellular assets of the PCC (known as the core) and from the assets and liabilities of other cells. Accordingly, PAC 2 consists of more than one cell, each of which is owned by different entities which are ultimately owned by funds managed by AIC.
- 1.7. AI Global - Cool Cell is one such cell of PAC 2 which has been incorporated for the purpose of the Underlying Transactions and the Open Offer. The shares of AI Global – Cool Cell are owned by AI Cool (Cayman) Limited which is incorporated in Cayman Islands and is controlled and 100% (One hundred percent) owned by funds managed by AIC.
- 1.8. The non-cellular core assets of PAC 2 are wholly owned by AI Global Investments & CY S.C.A., which is incorporated in Luxembourg. AI Global Investments & CY S.C.A. is controlled and 100% (One hundred percent) owned by funds managed by AIC.
- 1.9. Acquirer 1 is therefore ultimately controlled and 100% (One hundred percent) owned by funds managed by AIC.
- 1.10. Acquirer 1 and PAC 1 are wholly owned by AI Global – Cool Cell. Acquirer 1 and Acquirer 2 have agreed to acquire the Equity Shares of the Target Company pursuant to the SPA more specifically detailed in paragraph 3 of Part II (*Background of the Open Offer*).
- 1.11. The issued and paid up capital of Amalfiaco is USD 1,795,153 (US Dollars one million seven hundred and ninety five thousand one hundred and fifty three only) comprising 1,602,815 (One million six hundred and two thousand eight hundred and fifteen) ordinary shares of USD 1.12 (US Dollar one point one two only) each.
- 1.12. The equity shares of Amalfiaco are not listed on any stock exchange in India or abroad.
- 1.13. The board of directors of Amalfiaco as on date of the DPS is comprised as under:

S.No	Name of the Director	Designation
1	Christakis Klerides	Director
2	Justin Alexander Nuccio	Director
3	Viktor Papadopoulos	Director

- 1.14. Other than the transactions detailed in Part II (*Background to the Open Offer*) below, which have triggered this Open Offer, pursuant to which Acquirer 1 shall acquire Equity Shares, as on the date of this DPS, Acquirer 1, its directors, and its key managerial employees do not hold any ownership / interest / relationship / shares in the Target Company except the pledge on 134,152,405 (One hundred and thirty four million one hundred and fifty two thousand four hundred and five only) Sale Shares (detailed explanation of which is provided below in paragraph 5 “*Background to the transaction (“Underlying Transactions”) ”*).
- 1.15. Amalfiaco has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992 as amended (“**SEBI Act**”) or under any other regulations made under the SEBI Act.
- 1.16. Amalfiaco was incorporated on 26 January 2015 and therefore there are no financial statements related to Amalfiaco for the financial years ended 31 March 2013, 31 March 2014 and 31 March 2015. For the purpose of this DPS, brief financials extracted from the audited special purpose financial statements of Amalfiaco for the period from 26 January 2015 to 31 December 2015 are summarized below. The special purpose financial statements have been audited by KPMG in accordance with International Financial Reporting Standards (“**IFRS**”) adopted by the European Union and the requirements of the Cyprus Companies Law, Cap 113.:

All figures other than per share data in ‘000

Particulars	As at and for the period from 26 January 2015 to ended 31 December 2015	
	(USD)	(INR)
Total revenue	-	-
Profit/(loss) after tax	(4,423)	(295,313)
Earnings/(loss) per share	(2.76)	(184)
Net worth/ Shareholder Funds	174,870	11,674,478

Note: Since the financial statements of Acquirer 1 are prepared in US DOLLARS (“USD”), the functional currency of Acquirer 1, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 66.7609 as on 13 May 2016, the date of the PA (Source: RBI reference rate).

2. Details of MacRitchie Investments Pte. Ltd. (“MIPL” or “Acquirer 2”)

- 2.1. MIPL is a private company limited by shares. It was incorporated on 30 May 2003 under the laws of Singapore (company registration number: 200304983Z). There has been no change in the name of Acquirer 2 since its incorporation.

- 2.2. The registered office of Acquirer 2 is located at 60B, Orchard Road, #06-18, The Atrium@Orchard, Singapore 238891. Tel: +65 6828 6828, Fax: +65 6821 1188. Company Secretaries: Kang Mary, Chee Oi Phin and Chua Heng Neo Sharon.
- 2.3. The principal activity of MIPL is to act as an investment holding company. Its ultimate parent company is Temasek Holdings (Private) Limited (“**THL**”).
- 2.4. Acquirer 2 is a 100% (One hundred percent) owned indirect subsidiary of THL. THL is 100% (One hundred percent) owned by the Minister for Finance (Incorporated) of Singapore.
- 2.5. Acquirer 1 and Acquirer 2 have agreed to acquire the Equity Shares of the Target Company pursuant to the SPA more specifically detailed in paragraph 3 of Part II (*Background of the Open Offer*).
- 2.6. The issued and paid up capital of MIPL is SGD 2 (Singapore Dollars two only) comprising 2 (Two) ordinary shares.
- 2.7. The equity shares of MIPL are not listed on any stock exchange in India or abroad.
- 2.8. The board of directors of MIPL as on date of the DPS is comprised as under:

S.No	Name of the Director	Designation
1	Cheong Kok Tim	Director
2	Rohit Sipahimalani	Director

- 2.9. Other than the transactions detailed in Part II (*Background to the Open Offer*) below, which have triggered this Open Offer, pursuant to which Acquirer 2 shall acquire Equity Shares, as on the date of this DPS, Acquirer 2, its directors, and its key managerial employees do not hold any ownership / interest / relationship / shares in the Target Company except the pledge on 134,152,405 (One hundred and thirty four million one hundred and fifty two thousand four hundred and five only) Sale Shares (detailed explanation of which is provided below in paragraph 5 “*Background to the transaction (“Underlying Transactions”)*”).
- 2.10. MIPL has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 2.11. MIPL’s key financial information based on its audited financial statements as of and for the financial years ended 31 March 2013, 31 March 2014 and 31 March 2015 audited by KPMG LLP, the auditors for MIPL, and its interim unaudited financial statements as of and for 9 (Nine) months ended 31 December 2015, which have been reviewed by KPMG LLP in accordance with the Singapore Standard on Review Engagements (“**SSRE**”) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, are as follows:

All figures in '000

Particulars	As at and for 12 months period ended 31 March 2013		As at and for 12 months period ended 31 March 2014		As at and for 12 months period ended 31 March 2015		As at and for 9 months period ended 31 December 2015	
	(SGD)	(INR)	(SGD)	(INR)	(SGD)	(INR)	(SGD)	(INR)
Total revenue	5,050	246,095	3,833	186,789	5,799	282,595	6,879	335,225
Profit/(loss) after tax	(494,485)	(24,097,095)	52,781	2,572,108	31,595	1,539,678	(11,373)	(554,226)
Earnings/(loss) per share	(247,243)	(12,048,547)	26,391	1,286,054	15,798	769,839	(5,687)	(277,137)
Total Equity	(1,649,241)	(80,370,318)	(1,589,948)	(77,480,869)	(1,330,452)	(64,835,188)	(1,521,333)	(74,137,143)

Note: Since the financial statements of Acquirer 2 are prepared in Singapore Dollars (“SGD”), the functional currency of Acquirer 2, they have been converted into INR for purpose of convenience of translation. INR to SGD conversion has been assumed at a rate of 1 SGD = INR 48.7317 as on 13 May 2016, the date of the PA (Source: Bloomberg).

3. Details of Nirsinia Limited (“Nirsinia” or “PAC 1”)

- 3.1. Nirsinia is a private company limited by shares. It was incorporated on 26 January 2015 under the laws of Cyprus (company registration number: 340144). There has been no change in the name of PAC 1 since its incorporation.
- 3.2. The registered office of PAC 1 is located at 3rd Floor, Globe House, 23 Kennedy Avenue, 1075 Nicosia, Cyprus. Tel: +357 2202 9420. Company Secretary: Omniserve Limited, 2 Diagorou, ERA House, 7-12 floor, 1097 Nicosia, Cyprus.
- 3.3. The principal activity of Nirsinia is to carry on the business of an investment company and to undertake all kinds of investment business.
- 3.4. Nirsinia is a wholly owned subsidiary of AI Cool Midco 2, a company incorporated in Cyprus, which is in turn a wholly owned subsidiary of AI Cool. AI Cool is wholly owned by AI Global – Cool Cell.
- 3.5. AI Global – Cool Cell is one of the cells of AI Global Investments (Cyprus) PCC Limited (PAC 2) which is a PCC registered in Cyprus as an overseas company on 8 September 2010 under Section 347 of the Cyprus Companies Law, Cap. 113. PAC 2 is the investment hub for Asia and Eastern Europe regions for funds managed by AIC.
- 3.6. A PCC is one which legally segregates the assets and liabilities of different classes of shares from each other. A PCC may create one or more cells, the assets and liabilities of each cell being segregated from the non-cellular assets of the PCC (known as the core) and from the assets and liabilities of

other cells. Accordingly, PAC 2 consists of more than one cell, each of which is owned by different entities which are ultimately owned by funds managed by AIC.

- 3.7. AI Global - Cool Cell is one such cell of PAC 2 which has been incorporated for the purpose of the Underlying Transactions and the Open Offer. The shares of AI Global – Cool Cell are owned by AI Cool (Cayman) Limited which is incorporated in Cayman Islands and is controlled and 100% (One hundred percent) owned by funds managed by AIC.
- 3.8. The non-cellular core assets of PAC 2 are wholly owned by AI Global Investments & CY S.C.A., which is incorporated in Luxemburg. AI Global Investments & CY S.C.A. is controlled and 100% (One hundred percent) owned by funds managed by AIC.
- 3.9. PAC 1 is therefore ultimately controlled and 100% (One hundred percent) owned by funds managed by AIC.
- 3.10. Acquirer 1 and PAC 1 are wholly owned by AI Global – Cool Cell. Acquirer 1 and Acquirer 2 have agreed to acquire the Equity Shares of the Target Company pursuant to the SPA more specifically detailed in paragraph 3 of Part II (*Background of the Open Offer*).
- 3.11. The issued and paid up capital of Nirsinia is USD 125,001 (US Dollars one hundred and twenty five thousand and one only) comprising 111,608 (One hundred and eleven thousand six hundred and eight only) ordinary shares of USD 1.12 (US Dollar one point one two only) each.
- 3.12. The equity shares of Nirsinia are not listed on any stock exchange in India or abroad.
- 3.13. The board of directors of Nirsinia as on date of the DPS is comprised as under:

S.No	Name of the Director	Designation
1	Christakis Klerides	Director
2	Justin Alexander Nuccio	Director
3	Viktor Papadopoulos	Director

- 3.14. Other than the transactions detailed in Part II (*Background to the Open Offer*) below, which have triggered this Open Offer, pursuant to which PAC 1 shall acquire equity shares in the Target Company, as on the date of this DPS, PAC 1, its directors, and its key managerial employees do not hold any ownership/ interest / relationship / shares in the Target Company.
- 3.15. Nirsinia has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 3.16. Nirsinia was incorporated on 26 January 2015 and therefore there are no financial statements related to Nirsinia for the financial years ended 31 March 2013, 31 March 2014 and 31 March 2015. For the purpose of this DPS, brief financials extracted from the audited special purpose financial statements

of Nirsinia for the period from 26 January 2015 to 31 December 2015 are summarized below. The special purpose financial statements have been audited by KPMG in accordance with International Financial Reporting Standards (“IFRS”) adopted by the European Union and the requirements of the Cyprus Companies Law, Cap 113.:

All figures other than per share data in ‘000

Particulars	As at and for the period from 26 January 2015 to ended 31 December 2015	
	(USD)	(INR)
Total revenue	-	-
Profit/(loss) after tax	(59)	(3,947)
Earnings/(loss) per share	(0.53)	(35)
Net worth/ Shareholder Funds	66	4,398

Note: Since the financial statements of PAC 1 are prepared in USD, the functional currency of PAC 1, they have been converted into INR for purpose of convenience of translation. INR to USD conversion has been assumed at a rate of 1 USD = INR 66.7609 as on 13 May 2016, the date of the PA (Source: RBI reference rate).

4. Details of AI Global Investments (Cyprus) PCC Ltd (“AI Global” OR “PAC 2”)

- 4.1. AI Global is a private company limited by shares, incorporated in Guernsey on 28 May 2010 (company registration number (Guernsey): 51941). PAC 2 is a PCC registered in Cyprus as an overseas company on 8 September 2010 under section 347 of the Cyprus Companies Law, Cap. 113 (company registration number (Cyprus): AE2555). PAC 2 is the investment hub for Asia and Eastern Europe regions for funds managed by AIC.
- 4.2. A PCC is one which legally segregates the assets and liabilities of different classes of shares from each other. A PCC may create one or more cells, the assets and liabilities of each cell being segregated from the non-cellular assets of the PCC (known as the core) and from the assets and liabilities of other cells. Accordingly, PAC 2 consists of more than one cell, each of which is owned by different entities which are ultimately owned by funds managed by AIC.
- 4.3. AI Global - Cool Cell is one such cell of PAC 2 which has been incorporated for the purpose of the Underlying Transactions and the Open Offer. The shares of AI Global – Cool Cell are owned by AI Cool (Cayman) Limited which is incorporated in Cayman Islands and is controlled and 100% (One hundred percent) owned by funds managed by AIC.
- 4.4. The non-cellular core assets of PAC 2 are wholly owned by AI Global Investments & CY S.C.A., which is incorporated in Luxembourg. AI Global Investments & CY S.C.A. is controlled and 100% (One hundred percent) owned by funds managed by AIC.
- 4.5. PAC 2 is therefore ultimately controlled and 100% (One hundred percent) owned by funds managed by AIC.

- 4.6. The registered office of PAC 2 in Guernsey is located at 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW 3 and the registered office of AI Global Cyprus branch is 3rd Floor, Globe House, 23 Kennedy Avenue, 1075 Nicosia, Cyprus. Tel: +357 2202 9420. Company Secretary: Omniserve Limited, 2 Diagorou, ERA House, 7-12 floor, 1097 Nicosia, Cyprus.
- 4.7. The principal activity of AI Global is to carry on the business of an investment company and to undertake all kinds of investment business.
- 4.8. Acquirer 1 and PAC 1 are wholly owned subsidiaries of AI Global – Cool Cell. Acquirer 1 and Acquirer 2 have agreed to acquire the Equity Shares of the Target Company pursuant to the SPA more specifically detailed in paragraph 3 of Part II (*Background of the Open Offer*).
- 4.9. AI Global has the right to issue unlimited number of shares of EUR 1.00 (Euro one only) each which can be designated as either shares of the core (“**Core shares**”) or of the cells (“**Cell shares**”). The issued and paid up capital of AI Global core is EUR 1.00 (Euro one only) comprising of 1 (One) Core share. The issued and paid up capital of AI Global – Cool Cell is USD 1,803,051 (US Dollars one million eight hundred and three thousand and fifty one only) comprising 1,803,051 (One million eight hundred and three thousand and fifty one only) ordinary shares of USD 1.00 (US Dollar one only) each.
- 4.10. The equity shares of AI Global are not listed on any stock exchange in India or abroad.
- 4.11. The board of directors of AI Global as on date of the DPS is comprised as under:

S.No	Name of the Director	Designation
1	Christakis Klerides	Director
2	Justin Alexander Nuccio	Director
3	Viktor Papadopoulos	Director

- 4.12. Other than the transactions detailed in Part II (*Background to the Open Offer*) below, which have triggered this Open Offer, as on the date of this DPS, PAC 2, its directors, and its key managerial employees do not hold any ownership/ interest/relationship/shares in the Target Company.
- 4.13. AI Global has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 4.14. AI Global’s key financial information based on its audited financial statements as of and for the financial year ended 31 December 2015 audited by KPMG Limited, the statutory auditor for AI Global, are summarized below. AI Global is not required to prepare annual financial statements as per local regulations in Cyprus and hence, the audited financials for years ending 31 December 2013 and 31 December 2014 are not available.

All figures other than per share data in ‘000

Particulars	As at and for 12 months period ended 31 December 2015	
	(EUR)	(INR)
Total revenue	198	14,971
Profit/(loss) after tax	(77,633)	(5,878,371)
Earnings/(loss) per share	(3.82)	(289)
Net worth/ Shareholder Funds	517,092	39,154,327

Note: Since the financial statements of PAC 2 are prepared in Euro (“EUR”), the functional currency of PAC 2, they have been converted into INR for purpose of convenience of translation. INR to EUR conversion has been assumed at a rate of 1 EUR = INR 75.7202 as on 13 May 2016, the date of the PA (Source: RBI reference rate).

5. Background to the transaction (“Underlying Transactions”)

- 5.1 Crompton Greaves Limited (“CGL” or “**ParentCo**”) is a company incorporated in India with its shares listed on the Stock Exchanges. CGL conducted its business under three divisions – power systems, industrial systems and consumer products. CGL by its letter dated 9 March 2015 filed a scheme of arrangement (“**Scheme**”) with the Stock Exchanges to demerge its consumer products division into its wholly owned subsidiary, CGCEL. The appointed date under the Scheme for the purpose of the demerger is 1 October 2015 (“**Appointed Date**”). The Scheme received all necessary regulatory approvals including approvals from the Hon’ble High Court of Bombay, SEBI and the relevant stock exchanges and consequently, on 1 January 2016 i.e. the effective date of the completion of the demerger under the Scheme, the consumer products division of CGL was transferred to CGCEL, the Target Company.
- 5.2 All the shareholders of the ParentCo, who were shareholders of the ParentCo as of 16 March 2016 (“**Record Date**”), have been allotted Equity Shares of the Target Company on 22 March 2016 (“**Allotment Date**”) in the same proportion as their shareholding in the ParentCo on the basis of 1 (One) Equity Share for every equity share of CGL held by them.
- 5.3 Avantha Holdings Limited, a company incorporated in India under the provisions of the Companies Act, 1956, having its registered office at Thapar House, 124, Janpath, New Delhi 110001 and the promoter of CGL (“**Seller**”) held 215,442,496 (Two hundred and fifteen million four hundred and forty two thousand four hundred and ninety six only) equity shares of CGL constituting 34.37% (Thirty four point three seven percent) of the issued and fully paid up equity shareholding of CGL as of the Record Date. Consequently, the Seller was allotted 215,442,496 (Two hundred and fifteen million four hundred and forty two thousand four hundred and ninety six only) Equity Shares constituting 34.37% (Thirty four point three seven percent) of the total issued share capital of the Target Company on a fully diluted basis on the Allotment Date (“**Sale Shares**”).
- 5.4 Pending approval of the Scheme by the relevant authorities, on 23 April 2015, the Acquirers and the Seller entered into a share purchase agreement as amended (“**SPA**”), whereby, (i) Acquirer 1 agreed to acquire 140,037,623 (One hundred and forty million thirty seven thousand six hundred and twenty three only) Equity Shares from the Seller, which in the aggregate constitutes 22.34% (Twenty two point three four percent) of the total share capital of the Target Company on a fully diluted basis, along with the acquisition of control of the Target Company, and (ii) Acquirer 2 has agreed to acquire

75,404,873 (Seventy five million four hundred and four thousand eight hundred and seventy three only) Equity Shares from the Seller, which in the aggregate constitute 12.03% (Twelve point zero three percent) of the total share capital of the Target Company on a fully diluted basis. In addition to the SPA, the Acquirers and PAC 1 have amongst themselves also executed an inter-se agreement dated 23 April 2015 (“**Inter-se Agreement**”), which *inter alia* includes certain inter- se rights and obligations amongst the Acquirer 1 and PAC 1 on one hand and Acquirer 2 on another vis-à-vis their shareholding in the Target Company as further detailed in paragraph 6 of Part II (*Background to the Open Offer*) below. The SPA, the Inter-se Agreement and other ancillary documents such as security trustee agreement, share pledge agreement, refund security escrow agreement entered into *inter alia* between the Acquirers and the Seller for the purpose of the Underlying Transactions shall be hereinafter referred to as the “**Transaction Documents**”. The aggregate consideration payable by the Acquirers to the Seller under the SPA is INR 20,000,000,000 (Rupees twenty billion only) (“**Sale Consideration**”).

- 5.5 Further, in relation to the Scheme, the ParentCo and the Target Company have entered into certain agreements such as transition services agreement, brand transfer agreement and non-compete agreement.
- 5.6 Pending acquisition of the Sale Shares, the Acquirers have, pursuant to the SPA, an approval dated 26 June 2015 received from the Reserve Bank of India (“**RBI**”) and an approval letter dated 17 June 2015 received from the Competition Commission of India (“**CCI**”), paid an advance amount of INR 20,000,000,000 (Rupees twenty billion only) to the Seller on 23 July 2015 (“**SPA Advance Amount**”). The SPA Advance Amount paid by the Acquirers to the Seller has been secured by a first ranking and exclusive pledge over 134,152,405 (One hundred and thirty four million one hundred and fifty two thousand four hundred and five only) equity shares of the ParentCo (“**Pledged Shares**”) held by the Seller (“**Pledge**”). Further, after the allotment of the Sale Shares by the Target Company to the Seller pursuant to the demerger under the Scheme, there has been an automatic creation of pledge on 134,152,405 (One hundred and thirty four million one hundred and fifty two thousand four hundred and five only) Sale Shares in favour of the Security Trustee (as defined below) for the benefit of the Acquirers, which are equivalent to the number of Pledged Shares, due to the filing of the auto corporate action form by the Target Company with the depositories pursuant to the demerger under the Scheme. If certain event(s) (as further detailed in the Part II (*Background to the Open Offer*) below) occur(s) prior to the transfer of the Sale Shares, the SPA Advance Amount would be required to be refunded by the Seller to the Acquirers together with interest, in which event the SPA shall be terminated and this Open Offer shall stand withdrawn.
- 5.7 Upon completion of the Underlying Transactions, after the completion of the demerger under the Scheme and the listing of the Equity Shares on the Stock Exchanges, the Acquirers have agreed to acquire the Sale Shares from the Seller free from all encumbrances (other than any encumbrance created by way of the Refund Security (as defined below)). It was agreed that at the time of completion under the SPA i.e. the working day falling immediately after the expiry of 21 (Twenty one) Working Days (as defined in the SEBI (SAST) Regulations) from the date of this DPS or such other date that is mutually agreed between the Acquirers and the Seller, not be later than 2 (Two) business days prior to the expiry of a period of 26 (Twenty six) weeks from the expiry of the offer period under the SEBI (SAST) Regulations (“**Completion**”), the SPA Advance Amount shall be appropriated towards the Sale Consideration and the Acquirers shall not be required to pay any additional amount to the Seller for the Sale Shares.
- 5.8 In addition, pursuant to a letter dated 15 July 2015, the Acquirers agreed to pay an aggregate fees of INR 158,500,000 (Rupees one hundred and fifty eight million five hundred thousand only) to the Seller as exclusivity fees for the transactions proposed in the SPA (“**Exclusivity Fees**”). Of this amount, INR 103,025,000 (Rupees one hundred and three million twenty five thousand only) was paid by Acquirer 1 and INR 55,475,000 (Rupees fifty five million four hundred seventy five thousand only) was paid by Acquirer 2 in the proportion of 65:35. The Exclusivity Fees was paid by the Acquirers to

the Seller at the time of payment of the SPA Advance Amount. It was agreed between the Seller and the Acquirers that the Exclusivity Fees shall be included in the 'negotiated price' for this Open Offer under Regulation 8(2)(a) of the SEBI (SAST) Regulations, since it is a contemporaneous payment under Regulation 8(7) of the SEBI (SAST) Regulations.

- 5.9 There is no separate non-compete fee in the Underlying Transactions.
- 5.10 Acquirer 1 has fully drawn a term loan facility of USD 36,000,000 (US Dollars thirty six million only) (the “**Facility**”). The Facility has been advanced by Standard Chartered Bank, Singapore branch, Siemens Financial Services, Inc. and CTC Bank Co. Ltd., Singapore, *inter alia*, for the purposes of making payment of part of the SPA Advance Amount. The obligations arising under the Facility are *inter alia* secured by share pledges granted by the respective holding companies of Acquirer 1 and PAC 1 over the shares in Acquirer 1 and PAC 1 and charges granted by each of Acquirer 1 and PAC 1 over their assets. The security granted by Acquirer 1 and PAC 1 however, expressly excludes any interest in the shares of CGL or the Target Company that is or will be held by Acquirer 1 and PAC 1.
- 5.11 This Open Offer is being made as a consequence of the execution of the SPA by the Acquirers and the Seller in compliance with Regulation 13(1) of the SEBI (SAST) Regulations and upon the listing of the Equity Shares on the Stock Exchanges following the completion of the demerger in accordance with the Scheme.
- 6. Details of Avantha Holdings Limited (“AHL” or the “Seller”)**
- 6.1 AHL, is a public company incorporated in India under the provisions of the Companies Act, 1956, with corporate identification number U67120DL1998PLC198627.
- 6.2 AHL was originally incorporated as BILT Investments Limited on 29 May 1998, and thereafter its name was changed to BILT Trading and Infrastructure Limited on 19 July 2001, and was further changed to NewQuest Corporation Limited on 18 July 2002. AHL was converted into a private limited company with effect from 02 September 2002, and its name was changed to NewQuest Corporation Private Limited, and thereafter it was re-converted into a public limited company, and its name was changed to NewQuest Corporation Limited on 4 March 2005, and finally its name was changed to Avantha Holdings Limited on 28 July 2009.
- 6.3 The Seller has its registered office at Thapar House, 124, Janpath, New Delhi 110001.
- 6.4 The Seller is the promoter of the Target Company and a part of Avantha Group.
- 6.5 The Seller has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 6.6 The equity shares of the Seller are not listed on any stock exchange in India.

6.7 The Seller holds 215,442,496 (Two hundred and fifteen million four hundred and forty two thousand four hundred and ninety six only) Equity Shares comprising 34.37% (Thirty four point three seven percent) of total share capital of the Target Company on a fully diluted basis.

7. Details of Crompton Greaves Consumer Electricals Limited (“CGCEL” or the “Target Company”)

7.1. The Target Company is a public limited company, incorporated on 25 February 2015 in India under the provisions of the Companies Act, 2013 with corporate identification number U31900MH2015PLC262254. There has been no change in the name of the Target Company since its incorporation.

7.2. The Target Company has its registered office at 6th floor, CG House, Dr Annie Besant Road, Worli, Mumbai - 400030. Tel: +91 22 2423 7777, Fax: +91 22 2423 7788 and its corporate office at Equinox Business Park, 1st floor, Tower 3, LBS Marg, Kurla (W), Mumbai 400070, Tel +91 22 6167 8499, Fax: +91 22 6167 8383

7.3. The Target Company is engaged in the business of manufacturing, distribution, marketing and selling consumer products such as fans, pumps, lighting and consumer appliances. The Target Company employs approximately 1,500 (One thousand five hundred) permanent employees and has 8 (Eight) manufacturing facilities.

7.4. The Equity Shares are listed on the BSE (Scrip ID: CROMPTON; Scrip Code: 539876) and NSE (Symbol: CROMPTON; ISIN: INE299U01018).

7.5. Since the Equity Shares did not trade on the BSE and / or the NSE during the 12 (Twelve) calendar months preceding the calendar month in which the PA was made, the Equity Shares are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

7.6. The board of directors of the Target Company as on date of the DPS is comprised as under:

S.No	Name of the Director	Designation
1	D. Sundaram	Independent Director
2	P M Murthy	Independent Director
3	Shantanu Khosla	Managing Director
4	Hemant Madhusudan Nerurkar	Additional Independent Director
5	Sonia Niranjana Das	Non-Executive Additional Director

7.7. As of the date of the DPS, the authorized share capital of the Target Company is INR 1,300,000,000 (Rupees one billion three hundred million only) comprising 650,000,000 (Six hundred and fifty million only) Equity Shares.

- 7.8. The subscribed and fully paid-up equity share capital of the Target Company is INR 1,253,492,284 (Rupees one billion two hundred and fifty three million four hundred ninety two thousand two hundred and eighty four only) comprising 626,746,142 (Six hundred twenty six million seven hundred forty six thousand one hundred and forty two only) fully paid-up Equity Shares, which includes 882,329 (Eight hundred and eighty two thousand and three hundred and twenty nine only) Equity Shares issued by the Target Company to BNY Mellon (the depository), on behalf of 882,329 (Eight hundred and eighty two thousand and three hundred and twenty nine only) global depository receipt holders of the ParentCo.
- 7.9. The Target Company does not have partly paid-up Equity Shares.
- 7.10. The Target Company was incorporated on 25 February 2015. Hence, there are no financial statements related to the Target Company for the financial years ended 31 March 2013 and 31 March 2014. For the purpose of this DPS, brief financials extracted from the audited financial statements of the Target Company for the period ended 31 March 2015 and 9 (nine) months ended 31 December 2015 are summarized below:

Particulars	For period ended 31 March 2015	As at and for 9 months period ended 31 December 2015
	<i>All figures in INR million except per share data</i>	<i>All figures in INR million except per share data</i>
Total revenue	-	8,123
Profit/(loss) after tax	(19)	386
Earnings/(loss) per share	(75)	1.85
Net worth/ Shareholder Funds	(18)	1,621

Note: Consumer products business of CGL was transferred to and vested with the Target Company as of the Appointed Date. Consequently, the above financial figures include results of the consumer products business of CGL for the period between 1 October 2015 and 31 December 2015.

8. Details of the Open Offer

- 8.1. This Open Offer is a mandatory offer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations in relation to Acquirer 1 and PAC, pursuant to the substantial acquisition of shares and voting rights and control of and over the Target Company and Regulation 3(1) of the SEBI (SAST) Regulations in relation to Acquirer 2, pursuant to the substantial acquisition of shares and voting rights of the Target Company.
- 8.2. The Acquirers and the PAC are making this Open Offer to acquire up to 162,953,997 (One hundred and sixty two million nine hundred and fifty three thousand nine hundred and ninety seven only) Equity Shares (“**Offer Shares**”), constituting 26.00% (Twenty six percent) of the total share capital of the Target Company on a fully diluted voting equity share capital basis, as of the 10th (Tenth) working day from the closure of the tendering period

(“**Voting Share Capital**”) at an offer price of INR 104.00 (Rupees one hundred and four only) per Offer Share (the “**Offer Price**”), which is higher than the price determined in accordance with Regulation 8(2) of the SEBI (SAST) Regulations i.e. INR 96.00 (Rupees ninety six only), aggregating to a maximum consideration of INR 16,947,215,688 (Rupees sixteen billion nine hundred and forty seven million two hundred and fifteen thousand six hundred and eighty eight only), assuming full acceptance of the Open Offer (“**Offer Consideration**”). If the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer are more than the size of the Open Offer, the Acquirers and the PAC shall proportionately accept the Equity Shares received from the Public Shareholders in the Agreed Proportion, as more specifically detailed in paragraph 6 of Part II (*Background of the Open Offer*).

8.3. As of the date of this DPS, the Voting Share Capital is as follows:

Particulars	Number of shares	% of Voting Share Capital
Fully paid up Equity Shares	626,746,142	100%
Partly paid up Equity Shares	-	-
Voting Share Capital	626,746,142	100%

8.4. The Offer Price will be payable in cash by the Acquirers and the PAC, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.

8.5. To the best of the knowledge of the Acquirers and the PAC, there are no statutory or other approvals required to complete the acquisition of the Sale Shares under the SPA (*details of which are set out in Part II (Background to the Open Offer)*) and/or acquire the Offer Shares that are validly tendered pursuant to the Open Offer or to complete this Open Offer other than as indicated in Part VI (Statutory and Other Approvals) below. However, in case any statutory approvals are required by the Acquirers and the PAC at a later date before the closure of the tendering period, this Open Offer shall be subject to such further approvals being obtained.

8.6. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.

8.7. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that (i) the approvals (whether in relation to the acquisition of Equity Shares under the SPA or in relation to the Offer Shares) specified in this DPS as set out in Part VI (*Statutory and Other Approvals*) below or those which become applicable prior to completion of the Open Offer are not received; or (ii) any Refund Event occurs, as set out in paragraph 3 (m) of Part II (*Background to the Open Offer*); or (iii) if the Seller fails to transfer 215,442,496 (Two hundred and fifteen million four hundred and forty two thousand four hundred and ninety six only) Sale Shares free and clear of all encumbrances (other than any encumbrance created by way of Refund Security (as defined below)) to the Acquirers, (all of which are outside the reasonable control of the Acquirers and the PAC), then the Acquirers and the PAC shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirers and the PAC (through the Managers)

shall, within 2 (Two) Working Days (as defined in the SEBI (SAST) Regulations) of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

- 8.8. The Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 8.9. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- 8.10. The Offer Shares will be acquired by the Acquirers and the PAC fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 8.11. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirers have no intention to restructure or alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company during the period of 2 (Two) years following the completion of the Open Offer except in the ordinary course of business; or as provided in the PA, this DPS or the letter of offer; or on account of regulatory approvals or conditions, or compliance with any law that is binding on or applicable to the operations of the Target Company.
- 8.12. Other than as set out in paragraph 8.11 above, if the Acquirers intend to alienate any material asset of the Target Company or its subsidiaries, within a period of 2 (Two) years from completion of the Open Offer, the Target Company shall seek the approval of its shareholders as required under the proviso to Regulation 25(2) of the SEBI (SAST) Regulations.
- 8.13. The acquisition of the Offer Shares shall not result in the public shareholding in the Target Company falling below the minimum public shareholding required in accordance with Rule 19 and Rule 19A of the Securities Contract (Regulation) Rules, 1957 read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended (“**LODR Regulations**”).
- 8.14. The Managers to the Open Offer shall not deal, on their own account, in the Equity Shares during the offer period.

II. BACKGROUND TO THE OPEN OFFER

- 1. The Open Offer is being made by the Acquirers and the PAC to the Public Shareholders in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations *vis-à-vis* Acquirer 1 and PAC 1 pursuant to the substantial acquisition of shares, voting rights and control of and over the Target Company and in compliance with Regulation 3(1) of the SEBI (SAST) Regulations *vis-à-vis* Acquirer 2 pursuant to the substantial acquisition of shares and voting rights of the Target Company. Acquirer 1 and the PAC belong to the same group and their cumulative post Open Offer shareholding (including the Offer Shares and the Equity Shares acquired under the Underlying Transactions) assuming full acceptance of the Open Offer will be 245,957,721 (Two hundred forty five million nine hundred and fifty seven thousand seven hundred and twenty one only) Equity Shares constituting 39.24% (Thirty nine point two four percent) of the Voting Share Capital. Acquirer 2 belongs to a different group and its cumulative post Open Offer shareholding (including the Offer Shares and the Equity Shares acquired under the Underlying Transactions) assuming full acceptance of the Open Offer will be

132,438,772 (One hundred and thirty two million four hundred thirty eight thousand seven hundred and seventy two only) Equity Shares constituting 21.13% (Twenty one point one three percent) of the Voting Share Capital. Acquirer 1 and Acquirer 2 do not belong to the same group and are persons acting in concert only for the purpose of the Open Offer and should not be deemed to be “person acting in concert” for any other purpose or other transaction. After the consummation of the SPA (including the completion of the Open Offer formalities) Acquirer 1, who shall have control over the Target Company, shall be designated and disclosed as the promoter of the Target Company.

2. The Acquirers and the Seller have entered into the SPA pursuant to which Acquirer 1 has agreed to acquire 140,037,623 (One hundred and forty million thirty seven thousand six hundred and twenty three only) Equity Shares, which in the aggregate constitute 22.34% (Twenty two point three four percent) of the Equity Shares along with the acquisition of control of the Target Company, and (ii) Acquirer 2 has agreed to acquire 75,404,873 (Seventy five million four hundred and four thousand eight hundred and seventy three only) Equity Shares, which in the aggregate constitute 12.03% (Twelve point zero three percent) of the Target Company. The details of the shares being sold under the SPA is:

Seller	Number of shares	Percentage of issued and paid up share capital of the Target Company
Avantha Holdings Limited	215,442,496	34.37%
Total	215,442,496	34.37%

3. In addition to the features of the SPA provided in paragraph 5 “*Background to the transaction (“Underlying Transactions”)*” above, please note the following:
 - (a) As provided in paragraph 5 “*Background to the transaction (“Underlying Transactions”)*” above, the Acquirers have entered into the SPA with the Seller to acquire the Sale Shares.
 - (b) It was agreed between the Acquirers and the Seller that the SPA Advance Amount shall be secured by the creation of the pledge on such number of existing shares of CGL held by the Seller as would cover at least 1.25 (One point two five) times the SPA Advance Amount (“**Refund Security**”) by the Seller in favour of the security trustee appointed by the Acquirers (“**Security Trustee**”). Accordingly, it has been agreed that the Seller would open a non-lien bank account into which the SPA Advance Amount shall be deposited by the Acquirers (“**Refund Security Bank Account**”). Similarly, a new non-lien depository participant account was opened by the Seller for the purpose of the creation of the Refund Security (“**Refund Security DP Account**”). The withdrawal of the SPA Advance Amount from the Refund Security Bank Account could take place in one or more tranches subject to the Seller procuring Refund Security to the extent of at least 1.25 (One point two five) times amount withdrawn from the Refund Security Bank Account. The Seller has created a Pledge over Pledged Shares towards Refund Security amounting to approximately 1.26 (One point two six) times the SPA Advance Amount and has accordingly withdrawn the SPA Advance Amount from the Refund Security Bank Account.
 - (c) Further, after the allotment of the Sale Shares by the Target Company to the Seller pursuant to the demerger under the Scheme, there has been an automatic creation of pledge on 134,152,405 (One hundred and thirty four million one hundred and fifty two thousand four hundred and five

only) Sale Shares in favour of the Security Trustee for the benefit of the Acquirers, which are equivalent to the number of Pledged Shares, due to the filing of the auto corporate action form by the Target Company with the depositories pursuant to the demerger under the Scheme.

- (d) The SPA further provides that within 10 (Ten) business days from the issue and allotment of the Sale Shares by the Target Company to the Seller, the Seller may, at its option, ensure that the Sale Shares that are not already pledged to the Security Trustee for the benefit of the Acquirers (“**NDU Shares**”) are kept in a separate dematerialized securities account (“**Designated DP Account**”) and the Seller shall issue an irrevocable power of attorney in favour of a person nominated by the Acquirers for the sole operation of such account. Upon allotment of Sale Shares under the Scheme, creation of a pledge in favour of the Acquirers over such Sale Shares equivalent to the number of shares of CGL constituting the Refund Security and the deposit of the NDU Shares in the Designated DP Account (in a manner that is to the sole satisfaction of Acquirer 1, acting reasonably) in the manner provided above, the Acquirers have agreed to release such portion of the Refund Security, such that the portion of the Sale Shares pledged and the remaining Refund Security amount to 1 (One) times the SPA Advance Amount in value (“**Partial Release Date**”). The remaining portion of the Refund Security is to be released upon the Completion date or date of repayment of the SPA Advance Amount together with interest to the Acquirers (as provided in paragraph (n) below). After the Partial Release Date, the Seller shall ensure that the NDU Shares are not disposed or alienated in any manner by the Seller other than by transferring the NDU Shares to the Acquirers on Completion. The Partial Release Date has not occurred till the date of this DPS and the aforementioned period of 10 (Ten) business days from the date of issuance of the Sale Shares by the Target Company to the Seller has expired.
- (e) Subject to the compliance of the provisions of the SPA, the Completion of the transaction under the SPA will take place on the working day falling immediately after the expiry of the 21 (Twenty one) Working Days from the date of the DPS or such other date as may be mutually decided between the Acquirers and the Seller not be later than 2 (Two) business days prior to the expiry of a period of 26 (Twenty six) weeks from the expiry of the offer period under the SEBI (SAST) Regulations. In terms of Regulation 17 read with Regulations 18(5) and 22(2) of the SEBI (SAST) Regulations, the Acquirers have agreed jointly and severally to deposit 100% (One hundred percent) of the consideration payable under the Open Offer assuming full acceptance in an escrow account.
- (f) The Seller has agreed to comply with certain standstill provisions relating to the consumer products business till the earlier of the Completion date or the date of repayment of the SPA Advance Amount together with interest to the Acquirers (as provided in paragraph (n) below).
- (g) CGL was required to transfer the brands “*Crompton*” and “*Crompton Greaves*” (“**Brands**”) registered under the Trade Marks Act, 1999 and the rules framed thereunder; as well as outside India (other than in relation to transmission and distribution, power systems and transformers, automation and industrial goods to the extent not a part of the consumer products business), to the Target Company with effect from the date of effectiveness of the Scheme, free and clear of all encumbrances (other than the encumbrance created on the Brands in favour of Axis Bank Limited for a loan Rs. 7,000,000,000 (Rupees seven billion only) loan). CGL and the Target Company have executed a brand transfer agreement (“**Brand Transfer Agreement**”) in this regard. The SPA requires that the Target Company shall not, at any time (i) assign or transfer the Brands to any person, provided that a sale of interest in the Target Company by the Acquirers whether in whole or in part shall not constitute a transfer of the Brands; (ii) use the Brands at any time in respect of any of the businesses/products in which Avantha Group is engaged in, as set out in the SPA; and (iii) use the Brands for a period of 3 (three) years from the date of assignment and transfer of the Brands to the Target Company for any products / purposes other than in relation to the consumer products business.

- (h) The obligation of the Acquirers and the Seller to consummate the transaction under the SPA is subject to each party having complied with certain conditions precedent (or such conditions precedent having been waived), which are customary to a transaction of this nature on or 2 (Two) days prior to the Completion date.
- (i) *Transfer Restrictions* - The Seller has agreed to not acquire itself or through any ‘persons acting in concert’ or deemed to be acting in concert with it any shares or any interest in the shares, or any voting rights in relation to the Target Company, after allotment of Sale Shares by the Target Company pursuant to the demerger and during the term of the SPA, without the prior written consent of the Acquirers. The Seller has also agreed not to sell any shares of CGL or the Target Company, except in accordance with the SPA and any such purported sale or attempt to sell in violation of the SPA shall be null and void *ab initio*. Notwithstanding anything contained in the SPA or any other Transaction Document, the Seller is not entitled to create an encumbrance on the Sale Shares, other than (i) the lock-in obligations imposed by the Stock Exchanges on the Sale Shares pursuant to the demerger until the receipt of listing and trading approval by the Target Company in, (ii) as contemplated under the Transaction Documents, or (iii) as created automatically under the depository system, including as security for any loans or other financing facilities availed by the Seller, without the prior written consent of the Acquirers.
- (j) *Board composition* - On the Completion date the Acquirers shall nominate such number of people as may be required to replace the existing nominee directors of the Seller on the board of the Target Company (“**Board**”) and on all committees of the Board (the “**Acquirers Nominee Directors**”). Provided however that Acquirer 2 is entitled to nominate no more than 1 (One) nominee director on the Board.
- (k) Under the SPA, the SPA Advance Amount together with interest (as provided in paragraph (n) below) is refundable upon the occurrence of certain situations *inter alia* set out in paragraph (m) below (“**Refund Events**”).
- (l) *Refund Security* - The Seller has agreed to ensure that the Acquirers have security to secure the refund of the Refund Amount as provided below:
- (i) The Seller is required to pledge, in one or more tranches, in the manner provided in the Transaction Documents, on such number of unencumbered equity shares of CGL owned by the Seller, the value of which, on the date of payment of the SPA Advance Amount (“**Payment Date**”) is at least equal to 1.25 (One point two five) times the aggregate SPA Advance Amount (“**Refund Security**”). The value of the Refund Security is based on the volume weighted average price of the shares of CGL appearing on the National Stock Exchange of India Limited for the 15 (Fifteen) days preceding the Payment Date.
- (ii) The Seller has created a first ranking and exclusive pledge over 134,152,405 (One hundred and thirty four million one hundred and fifty two thousand four hundred and five only) equity shares of CGL held by the Seller towards Refund Security. Further, there has been an automatic creation of pledge on 134,152,405 (One hundred and thirty four million one hundred and fifty two thousand four hundred and five only) Equity Shares in favour of the Security Trustee for the benefit of the Acquirers, due to the filing of the auto corporate action form by the Target Company with the depositories pursuant to the demerger under the Scheme.

- (iii) The Acquirers have a right to conduct a valuation of the Refund Security in accordance with the share pledge agreement (“**Refund Security Valuation**”) at periodic intervals (“**Valuation Intervals**”). If the value of the Refund Security (on any date on which a valuation is required to be undertaken) is less than 1.25 (One point two five) times the SPA Advance Amount until the occurrence of the Partial Release Date or less than 1 (One) time the SPA Advance Amount after the occurrence of the Partial Release Date, then the Seller is required to provide or procure the provision of additional security in the form and manner such that the value of the Refund Security (together with the additional security provided by the Seller) is not less than 1.25 (One point two five) times or 1 (One) time, as the case may be, of the SPA Advance Amount.
- (m) *Refund Events* - The parties have agreed and acknowledged that unless otherwise agreed in writing, the occurrence of *inter alia* any of the following events will constitute a Refund Event as referred to in sub- paragraph (k) above:
 - (i) Any alteration or revocation or breach by CGL of the agreement assigning the Brands entered into between CGL and the Target Company.
 - (ii) Any change in the composition of the Board including any change of the independent directors on the Board of the Target Company, which is contrary to the SPA, except with the prior written consent of the Acquirers. Provided that a change in composition of the Board due to fraud by such persons, permanent disability of such persons, resignation by such persons or death of such persons shall not be a Refund Event provided a substitute (to the satisfaction of the Acquirers) of such person is appointed by the Target Company within 60 (Sixty) days of such change.
 - (iii) If the value of the Refund Security pursuant to any Refund Security Valuation is less than 1.1 (One point one) times the SPA Advance Amount and the same has not been remedied in accordance with sub-paragraph (l) (iii) above by the Seller within 10 (Ten) business days (or such other extended time period as may be agreed between the Acquirers and the Seller in writing) of the Acquirers having notified the same to the Seller. Acquirer 1 has vide its letter dated 30 March 2016 (“**Notice**”), notified the Seller that upon the expiry of 7 (Seven) months from the date of creation of the last tranche of the Refund Security, the Refund Security Valuation was less than 1.1 (One point one) times the SPA Advance Amount and accordingly the Seller should remedy the same within 10 (Ten) business days from the date of the Notice (“**Notice Period**”). As on the date of this DPS, the Seller has not remedied its default under the Notice and the Acquirers are entitled to send a Refund Event Notice (as defined below) which, if sent, will lead to a re-payment of the SPA Advance Amount together with interest by the Seller to the Acquirers and withdrawal of this Open Offer.
 - (iv) If the Seller *inter alia* fails to comply with the following obligations under Clauses 3.2.3 (II), 3.2.3 (III), 3.2.3 (IV) and 3.2.4 of the SPA in respect of the Target Company after the demerger i.e. (1) either prior approval of Acquirer 1 is not obtained before the exercise of voting rights or bringing, *inter alia*, the following matters on the agenda either at a meeting of the board of the Target Company (by the directors appointed by the Seller) or at a meeting of the shareholders of the Target Company by the Seller; or (2) the directors appointed by the Seller on the board of the Target Company in case of a board meeting or the Seller itself in case of a shareholders

meeting, have not abstained from voting on, *inter alia*, the following matters, when requested by Acquirer 1:

- (A) any action resulting in negative net worth of the Target Company after the completion of the demerger;
- (B) any action for the winding up or dissolution or composition, or other similar or related actions in relation to the Target Company after the completion of the demerger;
- (C) any amendment to the charter documents of the Target Company after the completion of the demerger, in a manner which may adversely affect (1) the rights of the Acquirers under the Transaction Documents; or (2) the obligations of the Seller under the Transaction Documents;
- (D) any related party transactions proposed to be entered into by the Target Company after the completion of the demerger, in relation to the consumer products business in excess of INR 25,000,000 (Rupees twenty five million only), other than in the ordinary course of its business or on arm's length basis;
- (E) any capital expenditure by the Target Company after the completion of the demerger in excess of INR 100,000,000 (Rupees one hundred million only);
- (F) termination, alteration or breach of the terms of the employment agreements entered into by the interim consultants, chief operating officer, chief executive officer and the chief finance officer of the Target Company, except with the prior written consent of Acquirer 1 (other than due to fraud by such persons, permanent disability of such persons, resignation by such persons or death of such persons), provided an appointment letter is issued to a substitute (to the satisfaction of Acquirer 1) of such person by the ParentCo within 60 (Sixty) days from the date of such termination;
- (G) any (1) mergers or acquisitions; or (2) sale of assets in excess of INR 10,000,000 (Rupees ten million only), which relate to or will impact the Target Company, after the completion of the demerger;
- (H) any issue of equity or change of equity capital structure of the Target Company, if such change is in excess of INR 10,000,000 (Rupees ten million only), other than any issuance by the Target Company pursuant to the Scheme; and
- (I) any debt or change of debt structure of the Target Company, after the completion of the demerger, once the aggregate debt of the Target Company, after the completion of the demerger is above INR 7,000,000,000 (Rupees seven billion only) including the term loan of INR 7,000,000,000 (Rupees seven billion only) availed from Axis Bank Limited pursuant to a facility agreement dated 18 February 2015.

- (v) If the Seller fails to create, perfect and maintain the Refund Security in accordance with the SPA.
- (vi) Any legal proceedings in relation to bankruptcy, dissolution, insolvency, liquidation or winding up of the Seller is filed and admitted in a court of competent jurisdiction, (a) where the Seller has admitted its inability to pay its debts; or (b) where the Seller has not admitted its inability to pay its debts but such proceeding (excluding a voluntary winding-up petition) is not dismissed or stayed within 90 (Ninety) days of the date of commencement of the same.
- (vii) Any alteration or revocation or breach by CGL of the transition services agreement(s) entered into between CGL and the Target Company in accordance with the SPA, which results in an increase in the cost payable by the Target Company for the transition services.
- (viii) Breach of any transfer restrictions (in paragraph 3(i) above) without the prior written approval of the Acquirers.
- (ix) Breach of any of seller warranties provided in Paragraph 4 (a) of Part A (only to the extent it refers to the Sale Shares) and Paragraph 2(e) of Part B of Annexure 7 of the SPA.
- (x) If it is or becomes unlawful for the Seller to perform any of its material obligations under any of the Transaction Documents.
- (xi) Occurrence of any material adverse effect in relation to the Seller which has not been remedied by the Seller within 30 (Thirty) days of the Acquirers having notified the same to the Seller.
- (xii) Any material litigation against the Seller or the Seller fails to comply with or pay any sum due from it, arising from a non-appealable final order of a relevant court pursuant to which the Seller is required to make payment in excess of INR 500,000,000 (Rupees five hundred million only).
- (xiii) Seller suspends or ceases to carry on or disposes of (or threatens to suspend or cease to carry on or to dispose of) all or a material part of its business.
- (xiv) Any material contract entered into by the Seller being terminated or materially amended, such that the ability of the Seller to fulfill its obligations under the transaction documents is adversely affected.
- (xv) The Seller ceases to be directly or indirectly controlled by Mr. Gautam Thapar.

(n) *Consequences of Refund Events:*

- (i) Upon the occurrence of any Refund Event (if the same is not resolved mutually within a 15 (Fifteen) day discussion period between the parties), the Acquirers shall have a right to notify the Seller by a written notice of the Refund Event (“**Refund Event Notice**”) and the Seller shall within 7 (Seven) days of the Refund Event Notice be required to repay the Advance Amount to the Acquirers together with interest at the rate of 18% (Eighteen percent) per annum from the Payment Date until 15 March 2016 and after that at the rate of 20% (Twenty percent) per annum till the entire amount accrued is recovered or paid in full (“**Refund Amount**”). In the event the Seller fails to pay the Refund Amount within 7 (Seven) days of the Refund Event Notice, the Acquirers shall have the right to enforce the Refund Security to recover the Refund Amount and charge additional interest at the rate of 2% (Two percent) per annum from the completion of 7 (Seven) days from the date of issuance of the Refund Event Notice till the entire amount accrued is paid in full or recovered by the Acquirers.
 - (ii) In the event the Seller fails to pay the complete Refund Amount to the Acquirers within 7 (Seven) days of the issuance of the Refund Event Notice and the Refund Security has not been enforced by the Acquirers to receive the entire Refund Amount and the value of the Refund Security falls below the Advance Amount, then the Seller has agreed to certain standstill provisions in relation to CGL to prevent the devaluation of the Refund Security.
- (o) The Seller has given certain representations, warranties and indemnities customary to a transaction of this nature to the Acquirers relating to the Seller, the Target Company and the consumer products business. Similarly, the Acquirers too have provided certain customary representations and warranties to the Seller.
- (p) The SPA is subject to the laws of India and all disputes are subject to arbitration in accordance with rules prescribed by the Singapore International Arbitration Centre. The venue and seat of arbitration shall be Singapore and the arbitration shall be conducted by an arbitral tribunal comprising a sole arbitrator. An award passed by the arbitral tribunal shall be final and binding. However, in the event recourse to courts is necessary, courts in New Delhi shall have exclusive jurisdiction.
- (q) The Seller has undertaken an obligation to not use or disclose any confidential information relating to the Target Company or the consumer products business for a period of 3 (Three) years from Completion. Further, the Seller has also undertaken to ensure the Seller itself, Varun Prakashan Private Limited, Avantha Realty Limited do not, and shall, to the extent of its voting rights in its capacity as a shareholder of the ParentCo or to the extent of the voting rights of the directors nominated by the Seller on the board of directors of ParentCo (subject to the legal and fiduciary duties of such directors), the ParentCo does not *inter alia* compete with the Target Company or the consumer products business for a period of 3 (Three) years from Completion, other than where the ParentCo its affiliates makes any passive investment in any business competing with the consumer products business or the Target Company to the extent of 5% (Five percent) (without acquiring control or management rights).

- (r) All actions and rights under the SPA that are to be exercised by the Acquirers under the SPA shall be exercised by Acquirer 1, to the exclusion of Acquirer 2. Acquirer 2 has authorized Acquirer 1 to act as its exclusive representative and agent in the exercise of powers, privileges and rights under the SPA granted to the Acquirers, to the exclusion of Acquirer 2.
 - (s) The SPA shall terminate on the earlier of (i) non-receipt of the approval of the RBI or non-receipt of the approval of the CCI on or prior to 22 July 2015, i.e. the payment longstop date provided for in the SPA; (ii) if the Acquirers send a Refund Event Notice to the Seller and the Seller pays them the Refund Amount in full; (iii) completion of sale and purchase of Sale Shares; or (iv) as mutually decided between the parties.
 - (t) There have been 6 (Six) amendments to the SPA for (i) extensions of the payment longstop date; (ii) reduction of the period of non-compete from 5 (Five) years to 3 (Three) years; and (iii) revising the condition for the appointment of independent directors on the board of the Target Company to reflect the issuance of appointment letters and passing the necessary board resolutions for the appointment of independent directors on the board of the Target Company and to require the actual appointment of these independent directors within 30 (Thirty) business days from the date of the payment of the SPA Advance Amount. Unless such appointment is made in breach of provisions of the SPA, the SPA does not require these independent directors to be appointed with the consent of the Acquirers.
4. The transaction proposed under the SPA was approved by the CCI vide its approval letter dated 17 June 2015.
 5. The approval of the RBI ("**RBI Approval**") *inter alia* approving the receipt of the Advance Amount from the Acquirers, refund of the Refund Amount upon occurrence of certain circumstances as provided in the SPA and creation of Refund Security was received on 26 June 2015. The RBI Approval was however, *inter alia*, subject to (i) the Scheme being approved by the High Court of Bombay; and (ii) the SPA and the payment of Advance Amount is not a temporary accommodation.
 6. The salient features of the Inter-se Agreement are as follows:
 - (a) The parties have agreed that Acquirer 1 shall acquire 65% (Sixty five percent) of the Sale Shares and Acquirer 2 shall acquire 35% (Thirty five percent) of the Sale Shares under the SPA. For the Offer Shares, (i) Acquirer 1 and PAC 1 shall first acquire 3.67% (Three point six seven percent) of the share capital of the Target Company tendered in the Open Offer; (ii) thereafter Acquirer 2 shall acquire 1.98% (One point nine eight percent) of the share capital of the Target Company tendered in the Open Offer; and (iii) after these acquisitions, the remaining Equity Shares tendered in the Open Offer shall be acquired by Acquirer 1 and PAC 1 on one hand and Acquirer 2 on another in the ratio of 65:35 (rounded off to the nearest whole number) ("**Agreed Proportion**").
 - (b) Acquirer 1 is required to take all actions under the SPA, including all exercise of rights after consultation with Acquirer 2 and after having taken into account or having given due consideration to the concerns and requirements of Acquirer 2, except while taking any decision in respect of Clauses 2.4.1(a), 2.4.1(b), 3.2.3 and 3.2.4 of the SPA.
 - (c) Acquirer 1 and PAC 1 on one hand and Acquirer 2 on another have customary pro-rata tag along rights for any transfer of the Equity Shares acquired under the transactions to any third party. Further, Acquirer 1 and PAC 1 have the customary drag along right against Acquirer 2 for

any transfer of Equity Shares acquired under the transactions to any third party. Acquirer 2 also has certain transfer restrictions, which *inter alia* restricts Acquirer 2 from transferring certain shares held by it in the Target Company which has been acquired by it under the Underlying Transactions or the Open Offer.

- (d) Acquirer 1 and PAC 1 on one hand and Acquirer 2 on another have agreed that as they will be considered 'persons acting in concert' under the SEBI (SAST) Regulations, they shall not without the prior written consent of the other party, acquire Equity Shares in any given financial year in the proportion that Acquirer 1 and PAC 1 shall be entitled to acquire only up to 3.24% (Three point two four percent) of the voting rights and Acquirer 2 shall be entitled to acquire 1.74% (One point seven four percent) of the voting rights.
 - (e) Acquirer 2 shall be entitled to only nominate 1 (One) director on the Board, committees of the Board and on the board of all material subsidiaries of the Target Company.
 - (f) The parties have certain customary information rights vis-à-vis the Target Company. Further, the parties have given mutual representations and warranties and indemnities to each other which are customary to a transaction of this nature.
 - (g) Acquirer 1 and PAC 1 on one hand and Acquirer 2 on another have agreed that Acquirer 2 shall exercise its voting rights in relation to any matter concerning the declaration of dividend by the Target Company at any shareholders meeting as per the instructions of Acquirer 1 and PAC 1.
 - (h) Acquirer 2 shall not be classified as a 'promoter' of the Target Company as it is not acquiring control of the Target Company and Acquirer 1, PAC 1 and their affiliates or 'persons acting in concert' with them shall not make any statement or declaration to that effect. However, Acquirer 2 shall be disclosed as a 'person acting in concert' of Acquirer 1 and PAC 1 in their disclosures relating to voting rights/ shareholding in the Company of Acquirer 1 and PAC 1 and the disclosures of 'persons acting in concert' with Acquirer 1 and PAC 1.
 - (i) This Inter-se Agreement may be terminated in the event of (i) termination of SPA prior to Completion; (ii) at the election of a party if the other party breaches the Inter-se Agreement and does not remedy the breach within 15 (Fifteen) business days; (iii) mutually by all parties; (iv) if either party together with its affiliates holds less than 5% (Five percent) of the share capital of the Target Company; (v) prohibition of the transactions by any governmental authority; or (vi) liquidation, bankruptcy, insolvency etc. of any party.
 - (j) This Inter-se Agreement is subject to the laws of India and all disputes are subject to arbitration by a sole arbitrator in accordance with LCIA Arbitration Rules, with the seat of arbitration being London.
7. The Offer Price will be payable in cash by the Acquirers and the PAC, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.
8. CGCEL operates in several fast growing product categories, has a strong brand name, and extensive distribution capabilities.

III. SHAREHOLDING AND ACQUISITION DETAILS

1. The current and proposed shareholding of the Acquirers and the PAC in the Target Company and the details of the acquisition are as follows:

Particulars	Amalfiaco / Acquirer 1		MIPL / Acquirer 2		Nirsinia / PAC 1		AI Global / PAC 2	
	No of shares	%age	No of shares	%age	No of shares	%age	No of shares	%age
Shares as on PA date	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Shares acquired between PA and DPS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Shareholding as on DPS date	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Shareholding after completion of acquisition under the SPA (based on Voting Share Capital)	140,037,623	22.34%	75,404,873	12.03%	NIL	NIL	NIL	NIL
Post offer shareholding (Assuming full acceptance on a fully diluted basis, as on 10th working day after closing of tendering period)	140,037,623	22.34%	132,438,772	21.13%	105,920,098	16.90%	NIL	NIL

2. None of the members of the board of directors of the Acquirers or the PAC hold any Equity Shares of the Target Company.

IV. OFFER PRICE

1. The Equity Shares of the Target Company are listed on BSE and NSE.
2. The Equity Shares of the Target Company were allotted on 22 March 2016 and received listing and trading approval from the Stock Exchanges on 11 May 2016. The Equity Shares started trading on BSE and NSE on 13 May 2016. As such, there is no trading history for the Target Company, as on the date of the PA. Since the Equity Shares of the Target Company, during the twelve calendar months preceding the calendar month in which the PA was made, have trading turnover of less than 10.00% (Ten percent) of total number of shares of the Target Company, the Equity Shares of the Target Company are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations. Accordingly, the minimum offer price is calculated in terms of Regulation 8(2) of the SEBI (SAST) Regulations:

S.No	Particulars	INR / Equity Share
A	The highest negotiated price per Equity Share (including the Exclusivity Fees) for any acquisition under an agreement attracting the obligation to make a public announcement of an open offer i.e. the price per share under the Transaction Documents	93.57
B	The volume weighted average price paid or payable per Equity Share for acquisitions by the Acquirers during the fifty two weeks immediately preceding the date of the PA	Not applicable
C	The highest price per Equity Share paid or payable for any acquisition by the Acquirers during the twenty six weeks immediately preceding the date of the PA	Not applicable
D	The volume weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the PA as traded on the BSE , being the only stock exchange on which the Equity Shares were listed during such period and such shares being frequently traded	Not applicable as the Equity Shares are not frequently traded
E	Given the Equity Shares are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Acquirers and the PAC appointed two (2) independent Chartered Accountant firms to undertake a valuation exercise under the provisions of Regulation 8(2)(e) of SEBI (SAST) Regulations	Bansi S. Mehta & Co.: 96.00 SSPA & Co.: 92.09 <i>Detailed valuation parameters are given below</i>

Bansi S. Mehta & Co., Chartered Accountant, (Firm Registration Number: 100991W) has undertaken an independent valuation exercise and issued a valuation report dated 12 May 2016 under the provisions of Regulation 8(2)(e) of SEBI (SAST) Regulations. They have used Earnings methods and Turnover multiple approaches to arrive at a fair value of INR 96.00 (Rupees ninety six only) per Equity Share of the Target Company.

SSPA & Co., Chartered Accountant, (Firm Registration Number: 128851W) has undertaken an independent valuation exercise and issued a valuation report dated 12 May 2016 under the provisions of Regulation 8(2)(e) of SEBI (SAST) Regulations. They have used Income approach to arrive at a fair value of INR 92.09 (Rupees ninety two and nine paise only) per Equity Share of the Target Company.

- In view of the parameters considered and set forth presented in the table in paragraph 2 above, the minimum offer price under Regulation 8(2) of the SEBI (SAST) Regulations is the higher of item numbers A to E above i.e. INR 96.00 (Rupees ninety six only). The Offer Price of INR 104.00 (Rupees one hundred and four only) is justified as it is higher than the minimum offer price calculated under Regulation 8(2) of the SEBI (SAST) Regulations.
- There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.

5. As on the date of this DPS, there is no revision in the Offer Price or size of the Open Offer. In case of any revision in the Offer Price or size of the Open Offer, the Acquirers and the PAC shall comply with Regulation 18 of the SEBI (SAST) Regulations and all the provisions of the SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the Offer Price or size of the Open Offer.
6. The Offer Price is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirers and the PAC at any time prior to 3 (Three) Working Days before the commencement of the tendering period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirers and the PAC are required to (i) make corresponding increases to the amount kept in the escrow account, as set out in paragraph 4 of Part V (Financial Arrangements) of this DPS; (ii) make a public announcement in the newspapers where this DPS is published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

V. FINANCIAL ARRANGEMENTS

1. The total funding requirement for the Open Offer, assuming full acceptance, i.e. for the acquisition of 162,953,997 (One hundred and sixty two million nine hundred and fifty three thousand nine hundred and ninety seven only) Equity Shares, at the Offer Price of INR 104.00 (Rupees one hundred and four only) is INR 16,947,215,688 (Rupees sixteen billion nine hundred and forty seven million two hundred and fifteen thousand six hundred and eighty eight only).
2. The Acquirers and the PAC have also agreed that Equity Shares tendered in the Open Offer shall be acquired by them such that Equity Shares representing the first 3.67% (Three point six seven percent) of the share capital of the Target Company tendered in the Open Offer shall be acquired by PAC 1, and subsequently shares representing 1.98% (One point nine eight percent) of the share capital of the Target Company tendered in the Open Offer shall be acquired by Acquirer 2 and thereafter the remaining shares tendered in the Open Offer shall be acquired by PAC 1 and Acquirer 2 in the Agreed Proportion i.e. 65% (Sixty five percent) of the balance tendered shares shall be acquired by PAC 1 and 35% (Thirty five percent) of the balance tendered shares shall be acquired by Acquirer 2.
3. In accordance with Regulation 17(4) of the SEBI (SAST) Regulations, Acquirer 2, PAC 1 and the Managers *inter alia* have entered into an escrow agreement with The Hongkong and Shanghai Banking Corporation Limited (“**Escrow Agent**”) acting through its office at 11th Floor, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063 on 13 May 2016 (“**Escrow Agreement**”). Pursuant to the Escrow Agreement, the Acquirers and the PAC have established an escrow account – “**Crompton Greaves Consumer Electricals Limited - HSBC – Open Offer Escrow Account**”. The Acquirers and the PAC have also opened a special rupee account – “**Crompton Greaves Consumer Electricals Limited – HSBC Open Offer Special Rupee Account**” for the purpose of Regulation 21 of SEBI (SAST) Regulations.
4. The Acquirers have deposited INR 2,444,721,570 (Rupees two billion four hundred and forty four million seven hundred twenty one thousand and five hundred and seventy only) in Crompton Greaves Consumer Electricals Limited – HSBC – Open Offer Escrow Account. The amount deposited in the Escrow Account is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of the SEBI (SAST) Regulations i.e. 25% (Twenty five percent) of the first INR 5,000,000,000 (Rupees five billion only) and 10% (Ten percent) thereafter.

5. The Acquirers and the PAC have adequate financial resources to meet their respective portion of the Offer Consideration.
6. The source of funds for PAC 1 is foreign funds.
7. KPMG Limited, Chartered Accountant, 11, June 16th 1943 Street, 3022 Limassol, Cyprus, Tel no: +357 2586 9000, Fax no: +357 2536 3842, Registration Number 132822 has, vide its report dated 5 May 2016 reported that basis the equity commitment letter dated 25 April 2016 given by Investors (as defined in paragraph 9 below) to PAC 1 and the Managers to the Open Offer, the PAC 1 will have firm financial arrangements through verifiable means to meet its payment obligations under this Open Offer.
8. The equity commitment letter has been signed by Advent International GPE VII Limited Partnership, Advent International GPE VII-A Limited Partnership, Advent International GPE VII-B Limited Partnership, Advent International GPE VII-C Limited Partnership, Advent International GPE VII-D Limited Partnership, Advent International GPE VII-E Limited Partnership, Advent International GPE VII-F Limited Partnership, Advent International GPE VII-G Limited Partnership, Advent International GPE VII-H Limited Partnership, Advent Partners GPE VII Limited Partnership, Advent Partners GPE VII Cayman Limited Partnership, Advent Partners GPE VII - A Limited Partnership, Advent Partners GPE VII - A Cayman Limited Partnership, Advent Partners GPE VII - B Cayman Limited Partnership, Advent Partners GPE VII-A 2014 Limited Partnership, Advent Partners GPE VII-A 2014 Cayman Limited Partnership, Advent Partners GPE VII 2014 Cayman Limited Partnership, Advent Partners GPE VII 2014 Limited Partnership (each an “**Investor**” and collectively the “**Investors**”) in favour of PAC 1 and the Managers to the Open Offer where each Investor has agreed to provide its respective equity commitment aggregating to USD 195,000,000 (US Dollars one hundred and ninety five million) to fund Advent's share of the Offer Consideration.
9. Source of funds for Acquirer 2 will be cash available in its bank account outside India with DBS Bank Ltd.
10. KPMG LLP, Public Accountants and Chartered Accountants, GST No: M90366973G, Reg. No. T08LL1267L, having its office at 16 Raffles Quay, #22-00, Hong Leong Building, Singapore 048581, Tel: + 65 6213 3388, Fax: +65 6225 0984 have, vide their letter dated 12 May 2016, confirmed that they have sighted the bank confirmation of MIPL for the bank account number 003-374864-04 with DBS Bank Ltd, Singapore Branch (the “**Account**”) as at 12 May 2016 which shows SGD 135,000,000 (Singapore Dollars one hundred and thirty five million only) of cash deposits held and obtained management’s representation that the cash deposits in the Account have been earmarked solely to pay for the proposed Offer Consideration payable under the Open Offer by MIPL to the Public Shareholders of CGCEL.
11. The Acquirer 2 has undertaken, by letter dated 12 May 2016, that the cash deposit in the Account will be utilized solely towards fulfilling the obligations of the Acquirer 2 for the Open Offer under the SEBI (SAST) Regulations (including any interest payment obligations under the SEBI (SAST) Regulations) in the Agreed Proportion and that there are no circumstances which would prevent Acquirer 2 from doing so. In case of any upward revision in the Offer Price or the Offer Size or any additional consideration to be paid to the Public Shareholders under the SEBI (SAST) Regulations, the additional amounts required per the Agreed Proportion will be funded in the Account by Acquirer 2 prior to effecting such revision.

12. Based on the above, the Managers are satisfied as to the ability of the Acquirers and the PAC to implement the Open Offer in accordance with the SEBI (SAST) Regulations as firm arrangements for funds through verifiable means have been made by the Acquirers and the PAC to meet the payment obligations under the Open Offer.
13. In case of any upward revision in the Offer Price or the size of the Open Offer, the corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirers and/or PAC in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

VI. STATUTORY AND OTHER APPROVALS

1. To the best of the knowledge of the Acquirers and the PAC, there are no statutory or other approvals required to complete the acquisition of the Equity Shares under the Transaction Documents and the Open Offer as on the date of this DPS, except as set out below. If, however, any statutory or other approval becomes applicable prior to completion of such acquisitions, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.
2. As provided in paragraph 5.6 of Part I (*Acquirers, PAC, Seller, Target Company and Open Offer*) above, the CCI approved the Underlying Transactions in its approval letter dated 17 June 2015.
3. The RBI Approval *inter alia* for the payment of the SPA Advance Payment to be applied towards the Sale Consideration as more specifically mentioned in paragraph 5 of Part II (*Background to the Open Offer*) above was received on 26 June 2015.
4. The Acquirers and the PAC do not require any approvals from financial institutions or banks for this Open Offer.
5. If the holders of the Equity Shares who are not persons resident in India (including non-resident Indians (“**NRI**s”), overseas corporate bodies (“**OCBs**”) and registered foreign portfolio investors) require any approvals (including from RBI, the Foreign Investment Promotion Board or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirers and the PAC reserve the right to reject such Equity Shares tendered in this Open Offer.
6. The NRIs and OCBs holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept the Open Offer. The Acquirers and the PAC will be making an application to the RBI seeking approval to purchase the Equity Shares tendered by the NRI and OCB Public Shareholders in the Open Offer. While the aforesaid application remains pending with the RBI, NRI and OCB shareholders may also approach the RBI independently to seek approval to tender the Equity Shares in the Open Offer.

7. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirers and the PAC shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
8. The Open Offer is further subject to the receipt of the statutory approvals stated in this Part VI (*Statutory and Other Approvals*) and non-occurrence of any Refund Events, as specified in paragraph 3 of Part II (*Background of the Open Offer*), for the purpose of the acquisition of the Sale Shares.
9. In case of delay/non-receipt of any approval which may be required by the Acquirers and/or PAC at a later date, as per Regulation 18(1) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirers or the PAC to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirers and the PAC to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(11) of the SEBI (SAST) Regulations. Provided, the statutory approvals extend to such holders of the Shares in respect of whom no statutory approvals are presently required in order to complete this Open Offer.
10. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that (i) the approvals (whether in relation to the acquisition of Equity Shares under the SPA or in relation to the Offer Shares) specified in this DPS as set out in Part VI (*Statutory and Other Approvals*) above or those which become applicable prior to completion of the Open Offer are not received; or (ii) any Refund Event occurs, as set out in paragraph 3 (m) of Part II (*Background to the Open Offer*); or (iii) if the Seller fails to transfer all the Sale Shares to the Acquirers, free and clear of all encumbrances (other than any encumbrance created by way of Refund Security (as defined above)), (all of which are outside the reasonable control of the Acquirers and the PAC), then the Acquirers and the PAC shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirers and the PAC (through the Managers) shall, within 2 (Two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

VII. TENTATIVE SCHEDULE OF ACTIVITIES

No.	Activity	Schedule (Date and Day)
1.	PA	Friday, 13 May 2016
2.	Publication of this DPS	Thursday, 19 May 2016
3.	Filing of the draft letter of offer with SEBI	Thursday, 26 May 2016
4.	Last date for public announcement for competing offer(s)	Thursday, 9 June 2016
5.	Last date for receipt of SEBI observations on the draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Managers to the Open Offer)	Thursday, 16 June 2016
6.	Identified Date [#]	Monday, 20 June 2016

No.	Activity	Schedule (Date and Day)
7.	Last date by which the letter of offer (“ Letter of Offer ”) is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	Monday, 27 June 2016
8.	Last date for upward revision of the Offer Price / the size of the Open Offer	Wednesday, 29 June 2016
9.	Date by which the committee of the independent directors of the Target Company shall give its recommendation to the Public Shareholders for this Open Offer	Thursday, 30 June 2016
10.	Date of publication of opening of Open Offer public announcement in the newspapers in which this DPS has been published	Friday, 01 July 2016
11.	Date of commencement of the tendering period (“ Offer Opening Date ”)	Monday, 04 July 2016
12.	Date of closure of the tendering period (“ Offer Closing Date ”)	Monday, 18 July 2016
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	Monday, 01 August 2016
14.	Last date for publication of post-Open Offer public announcement in the newspapers in which this DPS has been published	Monday, 08 August 2016

Identified Date is only for the purpose of determining the names of the Public Shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all holders (registered or unregistered) of Equity Shares (except the Acquirers, the PAC and the Seller) are eligible to participate in the Open Offer any time before the Offer Closing Date.

VIII. PROCEDURE FOR TENDERING THE EQUITY SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER

1. All the Public Shareholders (other than the Acquirers, the PAC and the Seller) whether holding the Equity Shares in dematerialized form or physical form, registered or unregistered, or holding locked-in shares are eligible to participate in this Open Offer any time during the tendering period.
2. The Acquirers and PAC being non-resident entities not having control over the Target Company as on the date of the PA, are not permitted to acquire the Equity Shares of the Target Company on the floor of the recognized stock exchanges in India as per the existing exchange control regulations in India. Therefore, in accordance with paragraph 3(c) of the SEBI circular on ‘Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting’ dated 13 April 2015, the Open Offer will follow the existing ‘tender offer method’ as prescribed by SEBI.
3. The process for tendering the Equity Shares by Public Shareholders holding Equity Shares in physical form and the manner in which the Equity Shares held by such Public Shareholders holding physical Equity Shares in physical form can be tendered in the Open Offer, will be enumerated in the Letter of Offer.

4. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the Equity Shares after the Identified Date or those who have not received the Letter of Offer, may also participate in this Open Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their consent to participate in this Open Offer as per the terms and conditions of the Open Offer as set out in this DPS and in the Letter of Offer. In the alternate, such holders of Equity Shares may apply on the Form of Acceptance-cum-Acknowledgement in relation to the Open Offer annexed to the Letter of Offer which may also be obtained from the SEBI website (<http://www.sebi.gov.in/>) or from Karvy Computershare Private Limited (the “**Registrar to the Open Offer**”). The application is to be sent to the Registrar to the Open Offer at the address mentioned below so as to reach the Registrar to the Open Offer on or before Monday, 18 July 2016 (i.e. the Offer Closing Date), together with:
- In the case of Equity Shares held in physical form, the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers and folio number together with the original Equity Share certificate/s and valid transfer deeds. Persons who have acquired Equity Shares of the Target Company should send to the Registrar to the Open Offer, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Equity Shares were acquired and / or such other documents as may be specified; or
 - In the case of Equity Shares held in dematerialized form, Depository Participant (“**DP**”) name, DP ID, account number together with photocopy or counterfoil of the delivery instruction slip in “off-market” mode duly acknowledged by the DP for transferring the Equity Shares as per the instructions given below:

Name of the Depository Participant	Karvy Stock Broking Limited
DP ID	IN300394
Client ID	19352135
Account Name	KCPL Escrow Account – CGCEL Open Offer
Depository	National Securities Depository Limited (“ NSDL ”)
Mode of Instruction	Off-market

*Note: Public Shareholders having their beneficiary account with Central Securities Depository Limited (“**CDSL**”) must use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account.*

- A copy of the Letter of Offer will be sent to BNY Mellon.
- As on the date of this DPS, no Equity Shares of the Target Company are under lock-in. The Equity Shares to be acquired under the Open Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.
- The detailed procedure for tendering the Offer Shares in this Open Offer will be available in the Letter of Offer.

IX. OTHER INFORMATION

1. In terms of the Inter-se Agreement, after the consummation of the SPA (including the completion of the Open Offer formalities) only Acquirer 1, who shall have control over the Target Company shall be disclosed as the promoter of the Target Company. Acquirer 2, who shall not have control over the Target Company, shall not form part of “promoter or promoter group” of the Target Company.
2. In terms of the SPA, Acquirer 1 shall take all steps as are necessary to declassify the Seller, Varun Prakashan Private Limited and Avantha Realty Limited as promoters of the Target Company. The Seller, Varun Prakashan Private Limited and Avantha Realty Limited are currently classified as the promoters of the Target Company holding 215,442,496 (Two hundred and fifteen million four hundred and forty two thousand four hundred and ninety six only); 5,022 (Five thousand and twenty two only) and 3,552 (Three thousand five hundred and fifty two only) Equity Shares, respectively.
3. The Acquirers, the PAC and their directors in their capacity as the directors, accept full responsibility for the information contained in the PA, and this DPS (other than such information as has been obtained from public sources or provided or confirmed by the Seller and/or the Target Company) and shall be jointly and severally responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Open Offer.
4. The information pertaining to the Target Company and/or the Seller contained in the PA or DPS or LoF or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or Seller, as the case may be, or publicly available sources. The Acquirers and the PAC do not accept any responsibility with respect to any misstatement by the Target Company and/or the Seller in relation to such information.
5. In this DPS, all references to “Rupees” or “INR” are references to the Indian National Rupee(s) (“**INR**”). Certain financial details contained in the DPS are denominated in Euro (“**EUR**”), United States Dollars (“**USD**”) or Singapore Dollars (“**SGD**”). The INR equivalent quoted in each case for EUR is calculated based on the reference rate of INR 75.7202 per EUR as on the date of the PA (Source: Reserve Bank of India – <http://www.rbi.org.in>). The INR equivalent quoted in each case for USD is calculated based on the reference rate of INR 66.7609 per USD as on the date of the PA (Source: Reserve Bank of India – <http://www.rbi.org.in>). The INR equivalent quoted in each case for SGD is calculated based on the reference rate of INR 48.7317 per SGD as on the date of the PA (Source: Bloomberg).
6. This DPS and the PA shall also be available on SEBI’s website (<http://www.sebi.gov.in>).

Issued on behalf of the Acquirers and the PAC by the Managers



HSBC Securities and Capital Markets (India) Private Limited

52 / 60, MG Road, Fort,
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Fax: +91 22 6653 6207

Email: cgcel.open.offer@hsbc.co.in

Contact Person: Ms. Archa Jain / Mr. Rishabh Rajesh Garg

SEBI Registration Number: INM000010353



Barclays Bank PLC

801 / 808 Ceejay House, Shivsagar Estate, Dr. A. Besant Road, Worli,
Mumbai 400 018, India

Tel : +91 22 6719 6265

Fax : +91 22 6719 6187

Email : cgcelopenoffer@barclays.com

Contact Person: Mr. Hetul Sumra

SEBI Registration Number: INM000002129

Registrar to the Open Offer

Karvy Computershare Private Limited

Karvy Selenimum Tower B, Plot Number 31 and 32
Financial District, Gachibowli, Hyderabad, 500 032

Tel: +91 40 6716 2222

Fax: +91 40 2343 1551

Email: murali.m@karvy.com

Website: www.karvycomputershare.com

Contact Person: M. Murali Krishna / Williams R

SEBI Registration No.: INR000000221

Place: Mumbai

Date: 19 May 2016