



POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

Dear Member(s),

NOTICE is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with the Companies (Management and Administration) Rules, 2014, ("Rules") and other applicable laws and regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), to transact the special businesses set out below and proposed to be passed by the members of C&S Electric Ltd ("Company"), by means of Special Resolution(s) through the process of Postal Ballot.

An Explanatory Statement under Section 102(1) of the Act setting out the required material facts relating to the resolutions mentioned in this Postal Ballot Notice is annexed.

The Board of Directors of the Company have appointed Ms. Ashu Gupta of M/s Ashu Gupta & Co., Company Secretaries, Delhi as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions indicated in the Notice and return the Postal Ballot Form in original duly filled in and signed along with your vote, as Assent (FOR) or Dissent (AGAINST) for the said resolutions in the enclosed postage prepaid self-addressed envelope, so as to reach the Scrutinizer on or before 5.00 p.m. (IST) on Wednesday, 21 October, 2020. If any Postal Ballot Form is received after 5.00 p.m. on Wednesday, 21 October, 2020, it will be considered that no reply from such member has been received and such Postal Ballot Form would not be considered. In compliance with the provisions of Section 110 of the Act, read with Rules 22 of the Companies (Management and Administration) Rules, 2014, members are requested to follow the procedure as stated in the Notes to this Postal Ballot Notice for casting of votes.

The Scrutinizer will submit her report to the Chairman of the Company or any authorised person of the Company after completion of the scrutiny of the Postal Ballot Forms and the results of the Postal Ballot will be announced on Saturday, 21 October, 2020 at the Company's Registered Office. The said results would be displayed at the Registered Office of the Company. Additionally, the results will also be uploaded on the Company's website www.cselectric.co.in.

SPECIAL BUSINESS

1. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT, pursuant to the provisions of Sections 180(1)(a), 188 and other applicable provisions, if any, of the Companies Act, 2013 including any modification(s) thereto or re-enactment(s) thereof for the time being in force, and the provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, sanctions, consents and permissions as may be necessary to be obtained, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include a Committee thereof), for the sale and transfer by the Company of the business undertaking, comprising the following:

C&S Electric Limited

Registered Office: 222, Okhla Industrial Estate, Phase-III, New Delhi - 110 020 (India) Tel.: +91 11 3384 9000-09

Fax: +91 11 2684 7342 info@cselectric.co.in www.cselectric.co.in

CIN NO. U31909DL1971PLC005672

(i) the business of manufacturing and distribution of the following products:

Division	Product Cluster	Product Group
Lighting	Domestic and Retail	LED Lights
	Lamps & Tubes	LED Lights
	Professional	Commercial
		Street Lights
		Industrial Lights
		Flood Lights
		Landscape Lights
MV Switchgear	Air Insulated Switchgear	11KV Panel
		22KV Panel
		33KV Panel
		Vacuum Circuit Breaker
	Ring Main Units	Outdoor Ring Main Unit
		Indoor Ring Main Unit
		Outdoor Kiosk
	Package Sub-Station	Package Sub-Station
Diesel Gensets	Immobile Gensets	DG Sets
	Mobile Gensets	Trolley Carried Genset
		Mobile Lighting Tower

(ii) the business of owning, maintaining and/or operating solar plants;

(iii) the business of providing end-to-end solutions and services in relation to engineering, procurement and construction for projects, from design and engineering to project execution and maintenance,

together with all assets (movable and immovable) and liabilities including employees, contracts, licences, permits, rights, obligations, consents and approvals relating to the said undertaking ("Business Undertaking"), to **Neeru Holding Private Limited** ('related party') a company in which Mr. Ravinder Nath Khanna, Mr. Ashok Khanna, Mr. Anuj Khanna, Mr. Rishi Nath Khanna, Mr. Aditya Khanna, and Mrs. Radhika Kapoor are concerned or interested as owning and controlling Neeru Holding Private Limited ("the Buyer"), as a going concern by way of slump sale (as defined in Section 2(42C) of the Income-tax Act, 1961) and at such consideration, with effect from such date, in such manner and on such terms and conditions as may be provided in the Business Transfer Agreement dated February 18, 2020, or any amendment thereof between the Company and the buyer."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to execute any documents, deeds or writings as may be necessary to be executed in relation to the transfer and vesting of the Business Undertaking and to make applications to the regulatory and governmental authorities for the purpose of obtaining all approvals and sanctions as required to be obtained by the Company in this regard."

"FURTHER RESOLVED THAT the Board be and is hereby authorized to do all acts and deeds as may be necessary, proper, desirable and/or expedient to give effect to this resolution, to settle any questions, difficulties or doubts that may arise in regard to such sale/disposal and transfer of the Business Undertaking as they may in their absolute discretion deem fit and as may be necessary for the completion of the transaction as aforesaid in the best interest of the Company."

RESOLVED FURTHER THAT Mr. Anuj Khanna, Mr. Rishi Nath Khanna and Mr. Aditya Khanna, directors of the Company, Mr. Lalit K. Khanna, Company Secretary and Mr. Ashish Trisal, Senior Vice President, Corporate Finance, be and are hereby severally authorized to apply for and obtain any approvals or consents from any governmental authorities or third parties and file any documents, forms or returns that may be required to be filed with the Registrar of Companies, the Reserve Bank of India, Competition Commission of India or any other governmental or regulatory authorities in relation to the sale and transfer by the Company of the Business Undertaking to Neeru Holding Private Limited, or any matters connected therewith, and to appear in person before any of such authority and make any oral or written representation or submission as they may deem fit and proper.

2. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

(i) **RESOLVED THAT**, pursuant to the provisions of Sections 180(1)(a), 188 and other applicable provisions, if any, of the Companies Act, 2013 including any modification(s) thereto or re-enactment(s) thereof for the time being in force, and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, sanctions, consents and permissions as may be necessary to be obtained, the consent of the members of the Company be and is hereby accorded to the Board for the sale and transfer of the entire shareholding held by the Company in C&S Electric International B.V., Netherlands to Neeru Holding Private Limited ("related party"), and in accordance with the terms and conditions as set out in the Share Purchase Agreement dated February 18, 2020 between the Company and Neeru Holding Private Limited or any amendment thereof (the "Eta-Com Share Purchase Agreement").

(ii) **RESOLVED FURTHER THAT** the Company do hereby severally authorize Mr. Anuj Khanna, Mr. Rishi Nath Khanna and Mr. Aditya Khanna, directors of the Company, to negotiate, finalize, sign and execute any ancillary and incidental agreements, annexures, schedules, exhibits, certificates and documents that are contemplated under, or relate to, or pursuant to the Eta-com Share Purchase Agreement and to approve any variation, amendment or modification to the Eta-com Share Purchase Agreement and the ancillary and incidental agreements, certificates and documents contemplated therein and affix the Common seal of the Company, if so required to be affixed, in the presence of any of the above directors and Mr. Lalit K. Khanna, Company Secretary.

(iii) **RESOLVED FURTHER THAT** the Company do, and hereby, acknowledge that C&S Electric International B.V., Netherlands shall have the right to retain and undertake the business of manufacturing, distribution or marketing of cast resin busbars, and distribution, marketing or limited fabrication (e.g. tap-off boxes and components and not the entire manufacturing) of metal clad bus bars, by itself or through its subsidiaries under the trademark "ETAcOm", including "betobar" and "betobar-r", including all assets and liabilities pertaining to such business.

(iv) **RESOLVED FURTHER THAT** Mr. Anuj Khanna, Mr. Rishi Nath Khanna and Mr. Aditya Khanna, directors of the Company, Mr. Lalit K. Khanna, Company Secretary and Mr. Ashish Trisal, Senior Vice President, Corporate Finance, be and are hereby severally authorized to apply for and obtain any approvals or consents from any governmental authorities or third parties and file any documents, forms or returns that may be required to be filed with the Registrar of Companies, the Reserve Bank of India, Competition Commission of India or any other governmental or regulatory authorities in relation to the sale and transfer by the Company of its entire shareholding in C&S Electric International B.V., Netherlands to Neeru Holding Private Limited, or any matters connected therewith, and to appear in

person before any of such authority and make any oral or written representation or submission as they may deem fit and proper.

By order of the Board of C&S Electric Ltd.

Sd/-

Lalit Krishan Khanna

Company Secretary

Membership No.FCS 3184

PLACE: NEW DELHI

DATED: 24.08.2020

NOTES

1. Explanatory statement pursuant to section 102 of the Companies Act, 2013, in respect of item no. 1 and 2 is enclosed hereto.
2. The Postal Ballot Notice is being sent by registered post to all the Members, whose names appear on the Register of Members maintained with Registrar and Share Transfer Agent ("RTA"), Alankit Assignments Limited, as on Friday, September 11, 2020 (being the 'cut-off date').
3. Voting period will commence on and from Tuesday, 22 September, 2020 at **(9.00 a.m. 1ST)** and end on Wednesday, 21 October, 2020 at **(5.00 p.m. 1ST)** (inclusive of both the days).
4. Members who have not received the Postal Ballot Notice alongwith the Postal Ballot Form, may download the same from the Company's website: www.cselectric.co.in where the Postal Ballot Notice is displayed or may send an email to the Company Secretary at lalit.khanna@cselectric.co.in. The Registrar and Share Transfer Agent/Company shall forward the same along with the postage prepaid self-addressed envelope to the Shareholder.
5. The voting shall be reckoned in proportion to a Member's share of voting rights on the paid-up share capital of the Company as on the cut-off date. Any recipient of the Postal Ballot Notice who was not a Member of the Company as on the cut-off date should treat this Postal Ballot Notice for information purpose only.
6. Resolutions, if passed by the Members through postal ballot are deemed to have been duly passed on the last date specified for receipt of the completed Postal Ballot Forms i.e. 21 October, 2020 in terms of Secretarial Standard – 2 on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.
7. A member cannot exercise his vote by proxy on Postal Ballot.
8. As required by Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars, the details pertaining to this Postal Ballot will be published in one English national daily newspaper circulating throughout India (in English language) and one regional daily newspaper circulating in Delhi (in vernacular language, i.e. Hindi).
9. The Board has appointed Ms. Ashu Gupta (Membership No. FCS 4123), of M/s Ashu Gupta & Co., Company Secretaries, as the Scrutinizer to conduct the Postal Ballot in a fair and transparent manner. After completion of scrutiny of the votes, the Scrutinizer will submit her Report to the Chairman, Managing Director or Company Secretary of the Company. The results of the voting conducted through postal ballot will be announced by the Chairman/Company Secretary on or before Saturday, 24 October, 2020, 5:00 p.m (IST).
10. The results of the postal ballot will be placed on the Company's website at www.cselectric.co.in in accordance with the provisions of Companies Act, 2013. In the event that the national lockdown on account of COVID-19 situation is eased-off and the Company's offices are open for business, the Company will also display the results of the postal ballot at its registered office.
11. The last date specified by the Company for voting shall be the date on which the Resolution shall be deemed to have been passed, if approved by the requisite majority.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act)

ITEM NO. 01

The Company proposes to sell and transfer by way of slump sale to Neeru Holding Private Limited (“**NHPL**”) a Company which is owned and controlled directly and / or indirectly by Mr. Ravinder Nath Khanna, Mr. Ashok Khanna, Mr. Anuj Khanna, Mr. Rishi Nath Khanna, Mr. Aditya Khanna, and Mrs. Radhika Kapoor, Directors of the Company, the business undertaking of the Company as described in the proposed resolution. In this regard, the Company has entered into a Business Transfer Agreement dated February 18, 2020 with NHPL, (the “**Business Transfer Agreement**”). The implementation of such Business Transfer Agreement shall be carried out upon the receipt of the relevant approvals from the shareholders of the Company and any other regulatory authority, if applicable.

Section 180(1)(a) of the Companies Act, 2013 (“**the Act**”) requires that the Board of Directors shall not, without the consent of the members obtained by special resolution, sell, lease or otherwise dispose of the whole or substantially the whole of undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. Having regard to the definition to the term “undertaking” and the term “substantially the whole of the undertaking” contained in Section 180(1)(a) of the Act, this proposed transaction would attract the provisions of Section 180(1)(a) of the Act.

Since the investment in the aforesaid business undertaking proposed to be sold and transferred to NHPL exceeds 20% of the net worth of the Company as per the last audited accounts for the year ended 31st March 2020 it is proposed to obtain consent of the Shareholders by way of Special Resolution pursuant to Section 180(1)(a) of the Companies Act, 2013 for the proposed sale and transfer of the aforesaid Business Undertaking to and in favour of NHPL.

Further, members are also informed that NHPL is a related party and the transfer of the business undertaking is a related party transaction constituting sale or disposal of property amounting to 10% or more of the net worth of the Company under the audited accounts for the financial year ended 31st March 2020. Accordingly, the consent of the shareholders is required to be obtained pursuant to Section 188(1) of the Companies Act, 2013 and the relevant rules framed thereunder.

Set forth below is the additional information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014:

a)	Name of the Related Party	Neeru Holding Private Limited
b)	Name of the director or key managerial personnel who is related, if any;	<ul style="list-style-type: none">• Mr. Anuj Khanna, Mr. Rishi Nath Khanna and Mr. Aditya Khanna, directors and shareholders of the Company, may be deemed interested as they are also directors and shareholders of the Related Party.• Mrs. Radhika Kapoor a director and shareholder of the Company, may be deemed interested as she is also a shareholder of the Related Party• Mr. Ravinder Nath Khanna and Mr. Ashok Khanna, directors and shareholders of the Company, are related to directors and shareholders of the Related Party
c)	Nature of the Relationship	The company and Neeru Holding Private Limited are having common directors and shareholders.

d)	Nature of Transaction as per Section 188 of the Companies Act, 2013	Sale and transfer by the Company of the business undertaking, comprising inter-alia of Lighting Division, MV Switchgear Division and Diesel Genset Division as described in the proposed Resolution.
e)	Material Terms and Particulars of the Contract or Arrangement	The Company will transfer to Neeru Holding Private Limited the Business Undertaking by way of a slump sale for a mutually agreed lump sum consideration. The slump sale shall be implemented pursuant to the Business Transfer Agreement.
f)	Monetary Value of the Contract or Arrangement	INR 1,482,790,985, which may be revised prior to the Completion Date (as defined in the Business Transfer Agreement) with the mutual agreement of the parties
g)	Any other information relevant or important for the members to take decision on the proposed resolution	None

Except as disclosed above, none of the directors or key managerial personnel of the Company or their relatives are related or concerned or interested, financially or otherwise in the resolution. By virtue of the second proviso to Section 188(1) of the Companies Act, 2013, Neeru Holding Private Limited shall not vote on the resolution proposed to be adopted.

The documents referred to in the proposed resolution are available for inspection during business hours at the registered office of the Company.

The Directors commend the resolution to be passed.

ITEM NO. 02

The Company proposes to sell and transfer its entire shareholding held in C&S Electric International B.V., Netherlands to Neeru Holding Private Limited (NHPL) being related party, a Company which is owned and controlled directly and / or indirectly by Mr. Ravinder Nath Khanna, Mr. Ashok Khanna, Mr. Anuj Khanna, Mr. Rishi Nath Khanna, Mr. Aditya Khanna, and Mrs. Radhika Kapoor Directors of the Company, the business undertaking of the Company as described in the proposed resolution. In this regard, the Company has entered into a Share Purchase Agreement dated February 18, 2020 with NHPL, (the “**Eta-com Share Purchase Agreement**”). The implementation of the Eta-com Share Purchase Agreement shall be carried out upon the receipt of the relevant approvals from the shareholders of the Company and any other regulatory authority, if applicable.

Section 180(1)(a) of the Companies Act, 2013 (“**the Act**”) requires that the Board of Directors shall not, without the consent of the members obtained by special resolution, sell, lease or otherwise dispose of the whole or substantially the whole of undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings. Having regard to the definition to the term “undertaking” in which the investment of the company exceeds 20% of the net worth as contained in Section 180(1)(a) of the Act, this proposed transaction would attract the provisions of Section 180(1)(a) of the Act.

Since this investment together with the investment in the aforesaid business undertaking proposed to be sold and transferred to NHPL exceeds 20% of the net worth of the Company as per the last audited accounts for the year ended 31st March 2020, it is proposed to obtain consent of the Shareholders by way of Special Resolution pursuant to Section 180(1)(a) of the Companies Act, 2013 for the proposed sale and transfer of the aforesaid shareholding to and in favour of NHPL.

Further, members are also informed that NHPL is a related party and the transfer of the Company’s shareholding in C&S Electric International, B.V., Netherlands is a related party transaction constituting sale or disposal of property amounting to 10% or more of the net worth of the Company under the audited accounts

for the financial year ended 31st March 2020. Accordingly, the consent of the shareholders is required to be obtained pursuant to Section 188(1) of the Companies Act, 2013 and the relevant rules framed thereunder.

Set forth below is additional information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014:

a)	Name of the Related Party	Neeru Holding Private Limited
b)	Name of the director or key managerial personnel who is related, if any;	<ul style="list-style-type: none"> • Mr. Anuj Khanna, Mr. Rishi Nath Khanna and Mr. Aditya Khanna, directors and shareholders of the Company, may be deemed interested as they are also directors and shareholders of the Related Party. • Mrs. Radhika Kapoor a director and shareholder of the Company, may be deemed interested as she is also a shareholder of the Related Party • Mr. Ravinder Nath Khanna and Mr. Ashok Khanna, directors and shareholders of the Company, are related to directors and shareholders of the Related Party
c)	Nature of the Relationship	The company and Neeru Holding Private Limited are having common directors and shareholders.
d)	Nature of Transaction as per Section 188 of the Companies Act, 2013	Sale and transfer of the entire shareholding held by the Company in C&S Electric International B.V., Netherlands, a wholly owned foreign subsidiary to Neeru Holding Private Limited
e)	Material Terms and Particulars of the Contract or Arrangement	The Company will transfer to Neeru Holding Private Limited its entire shareholding in C&S Electric International B.V., a wholly owned foreign subsidiary, for a mutually agreed consideration. The transfer of C&S Electric International B.V. shall be implemented in accordance with the Eta-com Share Purchase Agreement dated 18/02/2020.
f)	Monetary Value of the Contract or Arrangement	INR 250,000,000, which may be revised prior to the Closing Date (as defined in the Eta-com Share Purchase Agreement) with the mutual agreement of the parties
g)	Any other information relevant or important for the members to take decision on the proposed resolution	None

Except as disclosed above, none of the directors or key managerial personnel of the Company or their relatives are related or concerned or interested, financially or otherwise in the resolution. By virtue of the second proviso to Section 188(1) of the Companies Act, 2013, Neeru Holding Private Limited shall not vote on the resolution proposed to be adopted.

The documents referred to in the proposed resolution are available for inspection during business hours at the registered office of the Company.

The Directors commend the resolution to be passed.

By order of the Board of C&S Electric Ltd.

Sd/-

Lalit Krishan Khanna

Company Secretary

Membership No. FCS 3184

PLACE: NEW DELHI

DATED: 24.08.2020