

Date: June 13, 2023

To, BSE Limited ("BSE") , Corporate Relationship Department, 2 nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001.	To, National Stock Exchange of India Limited ("NSE") , "Exchange Plaza", 5 th Floor, Plot No. C/1, G Block, Bandra- Kurla Complex Bandra (East), Mumbai – 400 051.
BSE Scrip Code: 539876	NSE Symbol: CROMPTON
ISIN: INE299U01018	ISIN: INE299U01018
Our Reference: 48/2023-24	Our Reference: 48/2023-24

Dear Sir/Madam,

Sub: Notice of the 9th Annual General Meeting to be held on Saturday, July 22, 2023 at 11:00 a.m. (IST) and Integrated Annual Report for the Financial Year 2022-23 – Intimation under Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in continuation of our earlier intimated dated June 12, 2023, we would like to clarify that the date of Annual General Meeting ("AGM") of Crompton Greaves Consumer Electricals Limited ("**the Company**") is to be read as **Saturday, July 22, 2023** which will be convened at **11.00 A.M.** through Video Conferencing ("**VC**")/ Other Audio-Visual Means ("**OAVM**") and the deemed venue of the meeting shall be the Registered Office of the Company situated at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070.

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the SEBI Listing Regulations**") read with General Circular Nos. 20/2020 dated May 5, 2020, 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("**MCA Circulars**"), and Circular Nos. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circulars No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023, issued by the Securities and Exchange Board of India ("**SEBI Circulars**"), the AGM will be held through VC/OAVM without the physical presence of the Shareholders at a common venue.

Accordingly, in pursuance of Regulation 30 and Regulation 34(1) of the SEBI Listing Regulations, as amended from time to time, please find enclosed Notice of the AGM and the Integrated Annual Report of the Company for the Financial Year 2022-23, which will be sent to the Members through electronic mode to those Members whose email addresses are registered with the Company/ Depository Participants.

In terms of Regulation 46 of the SEBI Listing Regulations, the said Notice of 9th AGM and Integrated Annual Report is also available on the website of the Company and can be accessed at: <https://www.crompton.co.in/investors/annual-report/>

Please note that the Integrated Annual Report also contains the Business Responsibility and Sustainability Report of the Company published for the financial year 2022-23.

Further, in terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations, the Company is providing the facility to its Members to exercise their right to vote by electronic means on any or all of the businesses specified in the Notice convening the 9th AGM of the Company, through remote e-Voting services of National Securities Depository Limited ("**NSDL**") as

well as e-Voting during the AGM. The e-Voting instructions and the process to join meeting through VC/ OAVM is set out in the AGM Notice.

Further, in accordance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of AGM along with the Integrated Annual Report is being sent by electronic mode today i.e. June, 12, 2023 to only those Shareholders whose email addresses are registered with the Company/ Depository Participants.

Information at a glance:

Particulars	Details
Mode	Video conference and other audio-visual means
Time and date of AGM	Saturday, July 22, 2023, at 11:00 a.m.
Participation through video conferencing	https://www.evoting.nsdl.com
Helpline number for VC participation	1800 22 55 33
Video recording and transcripts	https://www.crompton.co.in/investors/annual-report/
Dividend record date	Friday, July 7, 2023
Dividend payment date	On or after Tuesday, July 25, 2023 but within 30 days of AGM
Cut-off date for e-Voting	Saturday, July 15, 2023
Remote e-Voting start time and date	Monday, July 17, 2023, from 9:00 a.m. (IST)
Remote e-Voting end time and date	Friday, July 21, 2023, till 5:00 p.m. (IST)
Remote e-Voting website of NSDL	https://www.evoting.nsdl.com

You are requested to take the above information on record.

Thanking you,

For **Crompton Greaves Consumer Electricals Limited**

**Rashmi
Khandelwal**

Rashmi Khandelwal
Company Secretary & Compliance Officer
ACS - 28839

Digitally signed by Rashmi Khandelwal
DN: c=IN, o=Personal, title=6571,
pseudoym=133092525669964848ndUPGYWFT9a887,
2.5.4.20=5da9433664eaf9d23a314f5c20da45b8c4392b45
6b9f2d4dc3b398bc9f9d9, postalCode=400079,
st=Maharashtra,
serialNumber=847b14bd4041d6dbf9751936328f8a2af
6887468475886c3b398bc9f9d9, cn=Rashmi Khandelwal
Date: 2023.06.13 09:15:57 +05'30'

Crompton Greaves Consumer Electricals Limited

CIN: L31900MH2015PLC262254

Registered Office & Corporate Office:

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

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

Email: crompton.investorrelations@crompton.co.in

Website: www.crompton.co.in

NOTICE OF THE 9th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **9th Annual General Meeting** (the “**AGM**”) of the Members of Crompton Greaves Consumer Electricals Limited (the “**Company**”) will be held on **Saturday, July 22, 2023 at 11:00 A.M. (IST)** through Video Conferencing (“**VC**”) / Other Audio Visual Means (“**OAVM**”) for which purpose the Registered Office of the Company situated at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070 shall be deemed as the venue for the Meeting and the proceedings of the AGM shall be deemed to be made thereat, to transact the following businesses:

ORDINARY BUSINESS

1. Adoption of financial statements

To consider and adopt

- a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023 together with the Reports of the Board of Directors (“**the Board**”) and the Auditors thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Report of the Auditors thereon.

2. Declaration of Dividend

To declare a dividend of ₹3.00 per equity share of the face value of ₹2.00 each for the Financial Year ended March 31, 2023.

3. Appointment of Mr. Shantanu Khosla (DIN:00059877) as a Director liable to retire by rotation

To appoint a Director in place of Mr. Shantanu Khosla (DIN:00059877) who retires by rotation and being eligible offers himself for re-appointment.

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the Members of the Company be and is hereby accorded to reappoint Mr. Shantanu

Khosla (DIN:00059877) as Director, who is liable to retire by rotation.”

SPECIAL BUSINESS

4. Ratification of remuneration payable to M/s. Ashwin Solanki & Associates, Cost Auditors of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹6,00,000 (Rupees Six Lakhs) (exclusive of applicable taxes and reimbursement of out of pocket expenses) payable to M/s. Ashwin Solanki & Associates, Cost Accountants (Firm Registration Number 100392), who have been appointed by the Board of Directors basis the recommendation of the Audit Committee, as Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending March 31, 2024;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and are hereby severally authorised to do all such act(s), deed(s), matter(s) & thing(s) and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Re-appointment of Ms. Smita Anand (DIN:00059228) as an Independent Director for a Second Term

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV, Companies (Appointment and Qualification of Directors) Rules,

2014, and other applicable provisions of the Companies Act, 2013 ("the Act"), and the rules framed thereunder, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force) and Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Articles of Association of the Company, and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Ms. Smita Anand (DIN:00059228), who holds office as a Non-Executive Independent Director of the Company, up to December 9, 2023 and in respect of whom the Company has received a notice from a Member proposing her candidature for the office of Director under Section 160 of the Act, and who has submitted a declaration that she meets the criteria of independence as prescribed under the Act and the Listing Regulations and being eligible for re-appointment as an Independent Director, be and is hereby re-appointed as an Non-Executive Independent Director of the Company for a second term of Five (5) consecutive years commencing from December 10, 2023 to December 9, 2028 (both days inclusive), not subject to retirement by rotation;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149 and other applicable provisions of the Act and the Rules made thereunder and the Listing Regulations, Ms. Smita Anand shall be entitled to receive the remuneration/ fees/ commission as permitted to be received in a capacity of Non-Executive Independent Director under the Act and the Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time;

RESOLVED FURTHER THAT the Board of Director(s) of the Company (including any Committee thereof) be and are hereby severally authorised to do all act(s), deed(s), matter(s) & thing(s) and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Appointment of Mr. Promeet Ghosh (DIN:05307658) as Managing Director & Chief Executive Officer of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 (the "Act"), and the Companies (Appointment and Remuneration of Managerial Personnel), 2014, Securities and Exchange Board of India ("SEBI") (Listing

Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended and rules made thereunder, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), subject to the provisions of the Articles of Association ("AoA") of the Company, approval of the Members of the Company, be and is hereby accorded for appointment of Mr. Promeet Ghosh (DIN:05307658) as the Managing Director & Chief Executive Officer ("MD & CEO") and Key Managerial Personnel of the Company for a period of Five (5) years commencing from May 1, 2023 up to April 30, 2028, liable to retire by rotation, on such terms and conditions as specified in the Explanatory Statement pursuant to Section 102(1) of the Act;

RESOLVED FURTHER THAT in his capacity as MD & CEO, Mr. Promeet Ghosh is entitled to exercise all powers as are exercisable by the MD & CEO of the Company as permissible under the provisions of the Act, and any other statutes in order to manage the affairs of the Company.

RESOLVED FURTHER THAT any one of the Director(s) be and are hereby severally authorized to sign and execute the appointment letter/ MD & CEO contract (and any other agreement relating to compensation and benefits) between the Company and Mr. Promeet Ghosh *inter-alia* containing terms and conditions of appointment;

RESOLVED FURTHER THAT the Board of Director(s) of the Company be and are hereby authorised to alter and vary the terms and conditions as may deem appropriate in relation to the said appointment on the recommendations of Nomination & Remuneration Committee of the Company subject to terms as specified in explanatory statement, and in compliance with the applicable provisions of the Act including but not limited to Section 197 read with Section 198 of the Act read with the rules made thereunder and other applicable laws;

RESOLVED FURTHER THAT the Board of Director(s) of the Company be and are hereby further authorised to do all such act(s), deed(s), matter(s) and thing(s) and to execute any agreement(s), document(s), instrument(s) and writing(s) as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said appointment as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any Director(s) and/ or officer(s) of the Company to give effect to this resolution."

7. Payment of Remuneration to Mr. Promeet Ghosh (DIN:05307658) as Managing Director & Chief Executive Officer of the Company

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

“RESOLVED THAT subject to the provisions of Section 197, Schedule V of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the provisions of the Articles of Association of the Company, the approval of the Members of the Company, be and is hereby accorded for payment of remuneration to Mr. Promeet Ghosh (DIN:05307658), MD & CEO, for a term of five (5) years with effect from May 1, 2023 to April 30, 2028 (as detailed out in the Explanatory Statement) and with an annual increment as may be approved by the Nomination & Remuneration Committee (“N&RC”) of the Board/ Board of Directors, subject to a maximum of 15% (Fifteen Percent) every year, during the tenure of his term of Five (5) years as the MD & CEO of the Company;

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profits in any Financial Year, the remuneration payable to the MD & CEO shall be governed by Section II of Part II of the Schedule V of the Act or any modifications thereof or if so permitted, by the Board or any Committee thereof;

RESOLVED FURTHER THAT the Board of Directors/ N&RC of the Company be and is hereby authorized to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine the amount of salary, the type and amount of perquisites, bonus and other benefits payable to Mr. Promeet Ghosh), in such manner as may be agreed to between the Company and Mr. Promeet Ghosh, within the limits approved by the Members and to the extent the Board may consider appropriate;

RESOLVED FURTHER THAT Mr. Promeet Ghosh, MD & CEO, shall also be entitled to an annual performance bonus as may be determined by the N&RC/ Board of Directors in terms of the Remuneration Policy of the Company and as per the details specified in the Explanatory Statement pursuant to Section 102(1) of the Act to the resolution as per Item Nos. 6, 7 & 8 annexed to this Notice;

RESOLVED FURTHER THAT the Board of Director(s) of the Company be and are hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to the aforesaid resolution including delegation of all or any of the powers conferred on it by or under this resolution to N&RC/ Board of Directors of and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

8. Grant of Employee Stock Options to Mr. Promeet Ghosh (DIN:05307658) as Managing Director & Chief Executive Officer of the Company

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

“RESOLVED THAT subject to the provisions of Section 197, Schedule V of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable rules, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the provisions of the Articles of Association of the Company, the approval of the Members of the Company, be and is hereby accorded for grant of 20,00,000 stock options (Twenty Lakh) to Mr. Promeet Ghosh (DIN:05307658), to the MD & CEO, under Crompton Employee Stock Option Plan 2019 of the Company, as approved by the Nomination & Remuneration Committee and the Board of Directors;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty, or doubt, that may arise in giving effect to the aforesaid resolution including delegation of all or any of the powers conferred on it by or under this resolution to the Nomination & Remuneration Committee / Board of Directors and to do all such acts and take all such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

9. To approve the amendment in Crompton Employee Stock Option Plan, 2019 (“ESOP 2019”)

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

“RESOLVED THAT in addition to the Special Resolution passed by the Members of the Company by way of Postal Ballot on January 19, 2020 and January 6, 2021

and pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEB-SE Regulations**"), the Securities and Exchange Board of India ("**SEBI**") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the circulars/ guidelines issued by the "**SEBI**", the Articles of Association of the Company and all other applicable regulations, rules and circulars/ guidelines in force, from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, permissions and sanctions, as may be necessary and such condition(s) and modification(s) as may be prescribed or imposed while granting such approvals, permissions and sanctions and subject to acceptance of such condition(s) and modification(s) by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include the Nomination and Remuneration Committee constituted by the Board or any other Committee which the Board may constitute to act as "**Compensation Committee**" to exercise its powers, including the powers conferred by this resolution), consent of the Members of the Company be and is hereby accorded to make the amendment(s) in the Crompton Employee Stock Option Plan 2019 ("**ESOP 2019**") as mentioned in the explanatory statement;

RESOLVED FURTHER THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Companies (Share Capital and Debenture) Rules, 2014 read with Regulation 7(4) of the SEBI SBEB-SE Regulations, 2021, the variation to the terms of the ESOP 2019 of

the Company as detailed in the explanatory Statement thereto, be and is hereby approved;

RESOLVED FURTHER THAT the revised ESOP 2019 Scheme covering the above amendments be and is hereby approved and adopted by the Members;

RESOLVED FURTHER THAT it is hereby noted that the amendments to the ESOP 2019 are not prejudicial to the interests of the eligible employees and option holders;

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

RESOLVED FURTHER THAT the Board be and is hereby authorised subject to the compliance with the applicable laws and regulations:

- (i) To administer, implement and supervise the ESOP 2019;
- (ii) To delegate all or any of the powers conferred by this resolution to any Committee of Directors, Director, Officer, or Authorised Representative of the Company; and
- (iii) To do all such act(s), deed(s), thing(s) and matter(s) as may be considered necessary or expedient and settle any questions, difficulties or doubts that may arise in this regard (including to amend or modify any of the terms thereof within the contours of the ESOP 2019 Scheme) and to do all other things incidental and ancillary thereof in conformity and subject to compliance with the provisions of the Companies Act, 2013, the SEBI SBEB-SE Regulations and any other applicable laws in force without requiring the Board to secure any further consent or approval of the Members of the Company."

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

Rashmi Khandelwal
Company Secretary & Compliance Officer
Membership No. A28839

Registered Office:
Tower 3, 1st Floor, East Wing,
Equinox Business Park, LBS Marg,
Kurla (West), Mumbai - 400 070

Date: May 19, 2023
Place: Mumbai

NOTES

1. Ministry of Corporate Affairs ("MCA") has vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021 and General Circular 2/2022 dated May 5, 2022 followed by Circular No. 10/2022 and 11/2022 dated **December 28, 2022** (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular SEBI/HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022 followed by Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated **January 5, 2023** (collectively referred to as "SEBI Circulars") and all other relevant circulars issued from time to time, permitted the holding of AGM through VC/ OAVM, without physical presence of the Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/ OAVM without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
 2. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") relating to special business as stated under Item Nos. 4 to 9 of the Notice dated **Friday, May 19, 2023** are annexed hereto.
 3. A statement providing additional details of the Directors seeking appointment/ re-appointment as set out in Item No. 3, 5, 6, 7 & 8 of the Notice dated **Friday, May 19, 2023** is annexed herewith as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time and Secretarial Standard-2 (SS-2) on General Meetings issued by Institute of Company Secretaries of India ("ICSI").
 4. Since this AGM is being conducted through VC/ OAVM, physical attendance of Members has been dispensed with in line with the MCA Circulars. Accordingly, the facility for appointment of proxy(ies) by the Members will not be available for the AGM and hence the proxy form and attendance slip are not annexed to this notice.
 5. Institutional/ Corporate Shareholders (i.e. other than individuals/ HUF/ NRI, etc.) intending to authorize their representatives to attend the AGM through VC/ OAVM on its behalf and to vote through e-voting, are requested to send a certified scanned copy (PDF/ JPG Format) of its Board or governing body resolution/ authorisation letter to the Scrutinizer by e-mail through its registered e-mail address at scrutinisers@mmjc.in with a copy marked at evoting@nsdl.co.in.
 6. The voting rights of Members shall be proportionate to their share of the paid-up equity share capital of the Company as on the Record Date.
 7. The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/ AGM through VC/ OAVM will be made available for 1000 members on first come first serve basis. This will not include large shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson(s) of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/ AGM without restriction on account of first come first serve basis.
 8. Participation of Members attending AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 9. In accordance with the aforesaid MCA Circulars and SEBI Circulars, the financial statements including Report of Board of Directors, Auditor's report or other documents required to be attached therewith and the Notice of AGM are being sent in electronic mode to Members whose e-mail addresses are registered with the Company or the Depositories/ Depository Participant(s) ("DPs"). In case any Member is desirous of obtaining physical copy of the Integrated Annual Report for the F.Y. 2022-23, he/ she may send a request to the Company by writing at crompton.investorrelations@crompton.co.in mentioning their Folio No./ DP ID and Client ID.

The Notice calling the AGM has been uploaded on the website of the Company at www.crompton.co.in. The Notice can also be accessed from the websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of National Securities Depository Limited ("NSDL") (agency for providing the Remote e-Voting facility), i.e. www.evoting.nsdl.com.
 10. Members seeking any information with regard to the Accounts or any matter to be placed at the AGM, Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and relevant documents referred to in the accompanying Notice and in the Explanatory Statement are requested to write to the Company on or before **Saturday, July 22, 2023** through e-mail on crompton.investorrelation@scrompton.co.in. The same will be replied by the Company suitably.
- All documents referred to in the Notice will also be available electronically for inspection, without any fee, by the Members from the date of circulation of

this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to crompton.investorrelations@crompton.co.in

11. To support the “Green Initiative”, Members who have not registered their email addresses are requested to register the same with the Company’s Registrar and Share Transfer Agent (“RTA”)/ their DPs, in respect of shares held in physical/ electronic mode, respectively.
12. Since the AGM will be held through VC/ OAVM, the Route Map is not annexed with this Notice.
13. In compliance with Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by listed companies, the Company has provided a facility to its members to exercise their votes electronically through electronic voting (“e-voting”) facility provided by National Securities Depository Limited (“NSDL”), on all resolutions set forth in this Notice.
14. As per the provisions of Section 72 of the Act, the facility for making a nomination is available for the Members in respect of the shares held by them. Members holding shares in physical form who have not yet registered their nominations are requested to register the same by submitting Form No. SH13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form SH-14. The said form can be downloaded from the Company’s website at <https://www.crompton.co.in/investors/share-related-info/>. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Company or KFin Technologies Limited (“RTA/ Kfin”) in case the shares are held in physical form, quoting their folio numbers.
15. Members are requested to check that the correct account number has been recorded with the depository. Members holding shares in electronic form are requested to intimate any change in their address, email id, signature or bank mandates to their respective DP with whom they are maintaining their Demat accounts. Members holding shares in physical form are requested to intimate such changes to the RTA of the Company by furnishing form ISR-1 and ISR-2. The said forms are available on the website of the Company at <https://www.crompton.co.in/investors/share-related-info/>
16. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form. Further, the transmission and transposition of securities shall also be effected only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease

of portfolio management, Members holding shares in physical form are requested to consider converting their holdings into dematerialized form. Members can contact the Company or Company’s RTA for assistance in this regard.

DIVIDEND AND IEPF RELATED INFORMATION

17. Members may note that the Board, at its meeting held on **Friday, May 19, 2023**, has recommended a final dividend of ₹3.00 per share for the Financial Year ended March 31, 2023, which if approved at the ensuing AGM, will be paid, subject to deduction of tax at source (“TDS”) on or after **Tuesday, July 25, 2023** but within 30 days from the date of AGM to those Members or their mandates who holds shares:
 - i. In dematerialised (“**demat**”) mode, based on the beneficial ownership details to be received from National Securities Depository Limited (“**NSDL**”) and Central Depository Services (India) Limited (“**CDSL**”) as at the close of business hours of Record Date;
 - ii. In physical mode, after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Record Date.
18. The Company has fixed **Friday, July 7, 2023** as the “**Record date**” for the purpose of determining the Members eligible to receive final dividend for the Financial Year ended **March 31, 2023**.
19. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, July 8, 2023** to **Saturday, July 22, 2023** (both days inclusive) for the purpose of AGM and for the payment of final Dividend.
20. Payment of final dividend shall be made electronically through various online transfer modes to those Members who have updated their bank account details. For those Members who have not updated their bank account details, demand drafts will be dispatched to their registered address. To avoid delay in receiving dividend, Members are requested to register/ update their complete bank details and/ or KYCs with their DPs with which they maintain their demat accounts (where the shares are held in demat mode) and with the Company’s RTA (where the shares are held in physical mode) to receive dividend directly into their bank account on the pay-out date.
21. Pursuant to the Income Tax Act, 1961, (“**the IT Act**”), as amended by the Finance Act, 2020, dividend paid or distributed by the Company on or after **April 1, 2020** shall be taxable in the hands of Members. For the prescribed rates for various categories the Members are requested to refer to the Finance Act, 2020 and amendments thereof. The TDS / withholding tax rate would vary depending on

the residential status of the shareholder and documents submitted by shareholder with the Company/ KFinTech/ DP. The Members are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) by furnishing from ISR-1 and with the DPs (in case of the shares held in Demat mode). The Company shall therefore be required to withhold/ deduct TDS, at the prescribed rates on the dividend paid to its Members.

22. In case of resident individual shareholders, no TDS shall be deducted if the total dividend to be received by them during F.Y. 2023-24 does not exceed ₹5000. However, where the PAN is not updated in Company/ KFinTech/ DP records or in case of an invalid PAN and cumulative dividend payment to individual shareholder is more than ₹5000, the Company shall deduct TDS/ Withholding tax u/s 194 with reference to Section 206AA of the IT Act.
23. SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to its Members electronically. Accordingly, the Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS)/ Automated Clearing House (ACH)/ Real Time Gross Settlement (RTGS)/ Direct Credit/ IMPS/ NEFT etc. In order to receive the dividend without any delay, the Members holding shares in physical form are requested to submit particulars of their bank accounts in 'Form ISR – 1' along with the original cancelled cheque bearing the name of the Member to KFinTech/ Company to update their bank account details and all the eligible shareholders holding shares in demat mode are requested to update with their respective DPs before **Friday, July 7, 2023**, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and mobile no(s). Members holding shares in physical form may communicate these details to RTA having address at KFin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032, before **Friday, July 7, 2023** by quoting the reference folio number and attaching photocopy of the cheque leaf of their active bank account and a self-attested copy of their PAN card.

Transfer of Unclaimed/ Unpaid amounts to the Investor Education and Protection Fund ("IEPF")

24. In terms of the provisions of Section 124 and Section 125 of the Act, the declared dividends which remains unpaid/ unclaimed a period of Seven (7) years from the date of declaration is required to be transferred to the Investor Education and Protection Fund ("IEPF").

25. Further, in terms of the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), equity shares, in respect of which dividend has not been paid or claimed for Seven (7) consecutive years from the date of declaration, are also required to be transferred to an account, viz. IEPF Suspense Account, which is operated by the IEPF Authority pursuant to the IEPF Rules. Further, all equity shares of the company on which dividend has not been paid or claimed for Seven (7) consecutive years or more, shall be transferred by the company to the IEPF from time to time.
26. Members holding shares in electronic form are requested to ensure that correct bank particulars are registered against their respective depository accounts which will be used by the Company for any payment of dividend in future. The Company or its RTA cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the Members. However, Seven (7) years has not been elapsed from the 1st dividend paid by the Company, hence there was no amount to be transferred to IEPF during the F.Y. 2022-23.
27. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at crompton.investorrelations@crompton.co.in

28. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING THE AGM ARE AS UNDER

The remote e-voting period commences from **Monday, July 17, 2023 at 9:00 A.M.** and ends on **Friday, July 21, 2023 at 5:00 P.M.** During this period, Members holding shares either in physical or dematerialized form, as on **Saturday, July 15, 2023** being the cut-off date, may cast their votes electronically through e-voting system from any place ("**remote e-voting**"). The remote e-voting module shall be disabled by NSDL for voting thereafter. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Saturday, July 15, 2023**.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to the NSDL e-voting system

Step 2: Cast your votes electronically on NSDL e-voting system.

Step 1: Access to NSDL e-Voting system

A) Login method for e-voting and joining virtual meeting for individual Members holding shares in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies and as a part of increasing the efficiency of the e-voting process, Individual Members holding shares in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual Members holding shares in demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL.	- Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider, i.e. NSDL, and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store   Google Play 

Type of Members	Login Method
Individual Members holding shares in demat mode with CDSL	1. Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/ Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN card from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members (holding shares in demat mode) login through their DPs	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 2. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on company name or e-Voting service provider, i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding shares in demat mode for any technical issues related to login through Depository, i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Members holding shares in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022 - 4886 7000 and 022 - 2499 7000
Individual Members holding shares in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 1800 22 55 33.

B) Login Method for e-voting and joining virtual meeting for Members other than Individual Members holding shares in demat mode and Members holding securities in physical mode

Step1: How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “**Login**” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices, i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2, i.e. Cast your vote electronically.

4. Your User ID details are given below:

Login type	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
a) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
a) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Members other than Individual Members are given below:

- a) If you are already registered for e- Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your ‘initial password’?

- i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

- ii. If your email ID is not registered, please follow steps mentioned below in **process for those Members whose email ids are not registered.**

1. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/ Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
2. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

3. Now, you will have to click on “Login” button.
4. After you click on the “Login” button, the home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system

1. After successful logging in following Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/ OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options, i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for procuring user id and password for e-voting for those Members whose email IDs are not registered with the depositories/ Company and registration of e-mail ids for e-voting on all the resolutions set out in this notice

1. In case shares are held in physical mode and have not updated their e-mail addresses with the company, please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card and Aadhar Card by email to crompton.investorrelations@crompton.co.in for registering e-mail address.
2. In case shares are held in demat mode, please provide DPID and Client ID (16 digit DP ID + Client ID or 16-digit beneficiary ID), Name of member, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card and Aadhar Card to crompton.investorrelations@crompton.co.in.

3. Alternatively, Shareholders/ Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated **December 9, 2020** on e-Voting facility provided by listed companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Members are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

General Guidelines for Members

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five (5) unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and the e-voting user manual for shareholders available in the download section of www.evoting.nsdl.com or call on toll free number: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Anubhav Saxena, Deputy Manager- NSDL at evoting@nsdl.co.in

29. THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members who will be present in the AGM through VC/ OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

30. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER

- i. Member will be provided with a facility to attend the AGM through VC/ OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/ OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/ OAVM will be available in Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. Members are encouraged to join the AGM through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Members connecting from Mobile devices or tablets or through laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- v. Members who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at crompton.investorrelations@crompton.co.in The same will be replied by the company suitably.
- vi. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered Email ID mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at crompton.investorrelations@crompton.co.in from **Friday, July 14, 2023 (from 9.00 A.M.) to Monday, July 19, 2023 (up to 5.00 P.M.)**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- vii. Members who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at crompton.investorrelations@crompton.co.in The same will be replied by the Company suitably.
- viii. Any Member holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date, i.e. **Saturday, July 15, 2023**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ RTA. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 22 55 33. In case of Individual Members holding shares in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, i.e. **Saturday, July 15, 2023**, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
- ix. A person who is not a Member as on the Record Date is requested to treat this Notice for information purposes only.
- x. A Member will not be allowed to vote again on any resolution on which vote has already been cast.
- xi. Members attending the AGM who have not cast their votes on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to cast their votes through e-Voting during the AGM. The Members who have casted their votes prior to the AGM may also attend/ participate in the AGM through VC/ OAVM but shall not be entitled to cast their votes again.
- xii. The remote e-voting module on the day of the AGM shall be disabled by NSDL for voting after 15 minutes of the conclusion of the AGM.
- xiii. Any person holding shares in physical form, and non-individual Members, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the Record Date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in However, if he/ she is already registered with NSDL for remote e-voting, then he/ she can use his/ her existing user ID and password for casting the vote.
- xiv. In case of individual Members holding shares in demat mode, who acquires the shares of the Company and becomes a Member of the Company after the Notice is sent and holding shares as of the

cut-off date, may follow steps mentioned below under 'Instructions for e-Voting'.

31. SCRUTINISER'S REPORT AND DECLARATION OF RESULTS

- i. The Board of Directors of the Company has appointed Mr. Saurabh Agarwal (Certificate of Practice No. 20907) and or failing him, Ms. Deepti Kulkarni (Certificate of Practice No. 22502), Designated Partners of M/s. MMJB & Associates LLP, Practicing Company Secretaries (ICSI Unique Code: 2826/2022), as the Scrutiniser to scrutinize the e-Voting process during the AGM and remote e-voting in a fair and transparent manner.
- ii. The Scrutiniser shall, immediately after the conclusion of the e-Voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-Voting in the presence of at least two (2) witnesses not in the employment of the Company and provide, not later than forty eight (48) hours of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- iii. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.crompton.co.in and on the website of NSDL, i.e. www.evoting.nsdl.com immediately after the submission with the Stock Exchanges, where the shares of the Company are listed. Subject to receipt of the requisite number of votes, the resolutions shall be deemed to have been passed on the date of the AGM, i.e. **Saturday, July 22, 2023**.

32. NOTE TO SHAREHOLDERS

- i. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialised form are, therefore, requested to submit their PAN to the DPs with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company/ RTA.
- ii. Members are requested to intimate changes, if any, pertaining to their name, postal address, Email ID, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, bank details (such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.), with necessary documentary evidence, to their DPs in case the shares are held by them in dematerialised form and to the Company/ RTA.

- iii. Members are requested to quote their Folio No. or DP ID - Client ID, as the case may be, in all correspondence with the Company or the KFin Technologies Limited.

- iv. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ("DP") and holdings should be verified from time to time.

The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. Attention of the Members holding shares of the Company in physical form is invited to go through the said important communication.

- v. We hereby inform that SEBI vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated **November 3, 2021** has mandated:
 - a. Furnishing of PAN, email address, mobile number, bank account details, signature and nomination by holders of physical shares.
 - b. Freezing of folios in cases where PAN is not linked with Aadhaar by March 31, 2022 (or any other date as may be specified by the Central Board of Direct Taxes).
 - c. Folios wherein any one of the said document(s)/ detail(s) are not available on or after April 1, 2023, shall be frozen. Such Members shall not be eligible to lodge grievance(s) or avail service request(s) from the RTA and shall not be eligible for receipt of dividend in physical mode.
 - d. After December 31, 2025, the frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002.
- vi. Further, in compliance to the SEBI Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, if the service requests are received by RTA (like Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Renewal/ Exchange, Endorsement, Sub-division/ Splitting, Consolidation of securities certificates/ folios, Transmission and Transposition of securities) from those Members whose details, as mentioned in

SEBI Circular dated November 3, 2021, are duly updated in the system, the RTA/ Company shall verify and process the service requests and issue a 'Letter of Confirmation' in lieu of physical securities certificate(s), to the securities holder/ claimant within 30 (thirty) days of its receipt of such request after removing objections, if any, which shall be valid for a period of 120 (One Hundred and Twenty) days from the date of its issuance, within which the securities holder/ claimant shall make a request to the DP for dematerializing the said securities.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed Companies to issue securities in demat form only while processing service requests, viz. Issue of

duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the weblink at <https://www.crompton.co.in/investors/share-related-info/> Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/ electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/ issuance of equity shares in physical form have been disallowed by SEBI.

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

Rashmi Khandelwal

Company Secretary & Compliance Officer
Membership No. A28839

Registered Office:

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

Date: May 19, 2023

Place: Mumbai

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

Item No. 4

Ratification of remuneration payable to M/s. Ashwin Solanki & Associates, Cost Auditors of the Company

The Company is required to have its cost records audited by a Cost Accountant in practice. Accordingly, the Board of Directors of the Company on the recommendation of the Audit Committee, at their Meeting held on **Friday, May 19, 2023**, had approved the appointment of M/s. Ashwin Solanki & Associates, Cost Accountants (Firm Registration No. 100392) as the Cost Auditors to conduct the audit of the cost records maintained by the Company for the Financial Year ending March 31, 2024 at a remuneration ₹6,00,000 (Rupees Six Lakhs) (excluding all taxes and reimbursement of out of pocket expenses, if any at actuals).

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors needs to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors Financial Year ending March 31, 2024.

The Board recommends the resolution as set out at item no. 4 of the Notice for the approval of the Members of the Company as an Ordinary Resolution.

None of the Directors or Key Managerial Personnels or their relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

Re-appointment of Ms. Smita Anand (DIN:00059228) as an Independent Director

Ms. Smita Anand ("**Ms. Smita**") is a Non-Executive Independent Director of the Company and a Member of Nomination and Remuneration Committee ("**N&RC**") and Corporate Social Responsibility Committee. She was appointed as a Non-Executive Independent Director to hold office for period of five (5) consecutive years for a term with effect from **December 10, 2018** up to **December 9, 2023**, by the Members of the Company in the 5th Annual General Meeting of the Company held on **July 24, 2019**. Accordingly, her first term as Independent Director expires on **December 9, 2023**.

The "**N&RC**" considered her diverse skills, leadership capabilities, expertise in governance, human resources and

vast global business experience, among others, as being key requirements for this role. In view of the same, the N&RC and the Board are of the view that Ms. Smita possesses the requisite skills and capabilities, which would be of immense benefit to the Company. Considering the performance evaluation of Ms. Smita, her knowledge, acumen, expertise, experience and substantial contribution and time commitment made by Ms. Smita during her tenure, the Board considers that the continued association of Ms. Smita will add value and will be in the interest the Company. Accordingly, it is desirable to continue to avail her services and re-appoint Ms. Smita as an Non-Executive Independent Director in terms of the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("**Act**") and SEBI (Listing Obligation & Disclosure Requirements), 2015 ("**the Listing Regulations**").

Ms. Smita holds MBA degree in Human Resources from Allahabad University. She has almost four decades of experience. Since 2016 she has been an Independent Leadership advisor & Executive coach. Prior, over two decades were in global management consulting and human resources firms. She has served as the Managing Director at KornFerry's Leadership & Talent Consulting India and as Asia head of Board/CEO Succession. She worked for almost a decade (2002-2011) at Aon Hewitt. Her last stint was as the Greater China Market leader based at Shanghai and then Regional Leader of Consulting for the Asia Pacific region. Earlier in her career, she held consulting roles at EY and at PwC, as Head of the Human Capital Services. She spent her initial career in internal HR roles in marquee Indian companies.

In terms of the Company's N&RC, Ms. Smita will be entitled to receive remuneration by way of sitting fees as may be approved by the Board for attending Board/ Committee(s) meetings, reimbursement of expenses for participation in meetings and such commission as may be approved by the Board from time to time based on recommendation of the N&RC, within the overall limits.

In terms of Section 149(10) of the Act, an Independent Director shall hold office for a term up to five (5) consecutive years on the Board of a company and shall be eligible for re-appointment for another term of up to five (5) consecutive years on passing of a special resolution by the Company.

Accordingly, it is proposed to re-appoint Ms. Smita as an Non-Executive Independent Director of the Company, not liable to retire by rotation, for a second term of Five (5) consecutive years from **December 10, 2023** to **December 9, 2028**.

The Company has received a declaration of Independence from Ms. Smita. In the opinion of the Board, Ms. Smita is independent of the Management of the Company and fulfils the conditions as prescribed in Section 149(6) and Schedule IV of the Act and the Listing Regulations for being eligible for her re-appointment and she is not disqualified from being appointed as an Independent Director.

The Company has also received notice from a Member under Section 160 of the Act proposing her candidature for re-appointment as an Non-Executive Independent Director.

A brief profile of Ms. Smita and other requisite details, pursuant to the provisions of the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are annexed to this statement.

None of the Directors or Key Managerial Personnels or their relatives, except Ms. Smita Anand and/ or her relatives, are in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution as set out at item no. 5 of the Notice for the approval of the Members of the Company as a Special Resolution.

Item Nos. 6,7 & 8

Item No 6: Appointment of Mr. Promeet Ghosh (DIN:05307658) as Managing Director & Chief Executive Officer of the Company

Item No. 7: Payment of Remuneration to Mr. Promeet Ghosh (DIN:05307658) as Managing Director & Chief Executive Officer of the Company

Item No. 8: Grant of Employee Stock Options to Mr. Promeet Ghosh (DIN:05307658) as Managing Director & Chief Executive Officer of the Company

Mr. Shantanu Khosla, currently aged 63 years, was reappointed as Managing Director ("MD") of the Company for a period of 5 years, effective from January 1, 2021 till December 31, 2025. Mr. Mathew Job, currently aged 53 years, was appointed as Chief Executive Officer ("CEO") of the Company on January 1, 2016 and was made Executive Director & CEO effective from January 22, 2021 and resigned from the said position to pursue opportunities outside the organisation. Since, Mr. Khosla's remaining tenure as Managing Director is only about 2.5 years, the Nomination & Remuneration Committee ("N&RC") and Board of Directors ("Board") in the meetings held on April 24, 2023, as a part of its periodic evaluation of leadership succession planning for Mr. Khosla, elevated him as Executive Vice Chairman of the Board for a period of 1 year effective from May 1, 2023 till April 30, 2024 and thereafter Mr. Khosla will assume

Non-Executive position on the Board of the Company till December 31, 2025. This would enable continuity and smooth transition for the new the MD & CEO.

Also, N&RC and the Board resolved to merge both the positions of the MD & CEO into a combined role and appoint one person as the MD & CEO of the Company to ease the organizational hierarchy and thereby drive better execution.

In order to identify the candidate, N&RC and the Board had defined candidate evaluation process with weightage to various parameters, to ensure organization's success both on short term and long-term basis, including but not limited to:

- leadership capabilities;
- industry experience for providing strategic & operational direction;
- understanding of the emerging competitive landscape;
- familiarity with Company's current challenges and opportunities; and
- expertise in having a breadth of experience across industries.

The "N&RC" and the Board also noted that over the last few years, the industry and the Company went through unprecedented crisis driven by pandemic and there by impacting demand coupled with heightened competition in the durables sector.

The business environment of Crompton is rapidly evolving with influences, competition as well opportunities arising from non-traditional quarters. The N&RC was focussed on building capabilities within the organisation that would position it well for the next phase of growth.

Accordingly, N&RC of the Company had evaluated internal and external candidates from various industry backgrounds. The N&RC also factored the extended timelines that would be involved in hiring an external candidate and the requirement to have adequate knowledge about the Company, its People, Culture and Strategic direction which would enable ease of transition.

Taking into consideration the size of the Company, the complex nature of its operations, and keeping in mind Mr. Promeet Ghosh's broad functional and general management skills, his rich global experience of being closely involved with a wide range of industries and scale of businesses and in helping grow these and develop new markets for these organizations, the N&RC/ Board identified Mr. Promeet Ghosh to be appointed as the MD & CEO of the Company. A major factor in this decision of the N&RC was Mr. Ghosh's close familiarity and deep insights into the operations of the Company by virtue of leading Temasek's investments into the Company and having been an active Board member since 2016.

Being a member of N&RC, Mr. Ghosh had recused himself from the process as soon as he became a potential candidate.

In line with good corporate governance practices, N&RC commissioned an independent background check on Mr. Ghosh by a reputed global organization which positively affirmed his credentials and market standing.

Arising from the above, and as recommended by N&RC, the Board at its meeting held on April 24, 2023, has appointed Mr. Promeet Ghosh, aged 54, who was a Non-Executive Non Independent Director on the Board of the Company since 2016, to take over as the MD & CEO subject to the approval of the members of the Company. Also, Mr. Khosla was concurrently elevated as Executive Vice Chairman by the Board to provide continuity and to enable a smooth transition.

Mr. Ghosh is a graduate in Engineering (Electrical & Electronics) from National Institute of Technology, Trichy and an MBA from Indian Institute of Management, Calcutta. He has served as director on boards of various companies across sectors and very closely involved in designing the strategic and operational priorities of these companies along with driving performance and delivery. He was with DSP Merrill Lynch for 18 years and helped build its business in India. Thereafter, Mr. Ghosh was Deputy Head, Temasek India, leading the team on the ground for nearly a decade. During his tenure, Temasek's direct India exposure grew significantly. After leaving the full-time role at Temasek in March 2022, he served as an advisor to Temasek India until March 2023.

Mr. Ghosh was appointed as Non-Executive Non Independent Director of the Company initially in the year 2016, representing Temasek Group. After the sell down of shareholding by the Temasek Group, he continued on the Board of the Company.

The Board of the Company is of the view that Mr. Ghosh's expertise coming from his varied leadership roles in different industries and his continued active engagement with Crompton position him well to lead the Company as the MD & CEO underpinned by strong second line leadership with industry domain expertise and the excellent continuity and mentorship from Mr. Khosla as Executive Vice Chairman. The Board strongly recommends to the members the appointment of Mr. Promeet Ghosh as the MD & CEO of the Company.

Below are the broad particulars of the appointment and remuneration payable to Mr. Ghosh, MD & CEO, as may be approved by Board/ N&RC of the Board from time to time and in accordance with the Remuneration Policy of the Company:

Remuneration details

A summary of the proposed remuneration terms and conditions on annual remuneration are as follows.

(In Rupees Lakhs)

Sr. No	Category & Performance Metrics	Proposed terms	Remarks
(A)	Fixed Compensation		
a.	Basic Salary	105.0	NIL
b.	Other Allowances/ Perquisites	297.4	As per Company's Policy applicable to all employees
c.	Retiral Benefits	17.6	As per applicable laws
	Total Fixed Compensation (a + b + c)	420.0	
(B)	Variable Compensation		
d.	Variable Compensation (at 100% payout)	640.0	Payout based On operating metrics and such other parameters as determined by N&RC; maximum payout capped at 125%
(A)+(B)	Total Fixed and Variable Cash Compensation	1,060.0	

A. Fixed Compensation

An annual salary of ₹4,20,00,000 (Rupees Four Crores Twenty Lakhs only) will be payable as remuneration and it includes retiral benefits and perquisites as valued by Income Tax rules. The payment will be made in accordance with the Company's normal payroll practices.

B. Variable Compensation

(i) Variable Compensation: An annual variable pay of ₹6,40,00,000 (Rupees Six Crores Forty Lakhs only) shall be payable at the end of every Financial Year, during the proposed term of his appointment, subject to the Company's achievement of certain targets as determined by the Board from time to time (the "Target Variable Pay"). The actual Variable Pay for a particular Financial Year shall not exceed 125% of the Target Variable Pay. The achievement targets cover revenue growth, operating margin, cash flow from operations, performance vs peers, and/or such other parameters as decided by the N&RC.

Annual increments to the Fixed and Variable Compensation will be determined by the Board/ N&RC on an annual basis at its sole discretion subject to maximum of 15% depending upon factors like inflation, general increases recommended for other executives and the business context.

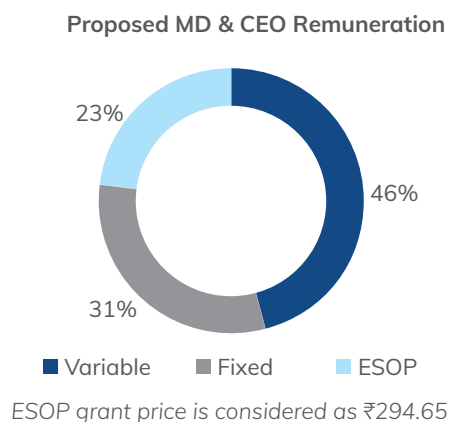
All taxes arising from the above compensation will be borne by Mr. Ghosh.

(ii) Long Term Incentives

Under Crompton Employee Stock Option Plan 2019 ("ESOP 2019"): A grant of 20,00,000 (Twenty Lakhs) stock options under the ESOP 2019. These shares will vest annually in equal tranche of 4,00,000 (Four Lakhs) stock options each year subject to the Company's achievement of strategic goals and metrics, and other parameters like total shareholders returns, revenue from new products, process & quality improvements, capability building & people engagement, market share and/ or any other parameters as determined by the Board/ N&RC in its sole discretion and any options that do not vest as a result of not meeting the vesting criteria shall be forfeited and added back to the ESOP 2019 Pool. As per Black-Scholes method the total Estimated Fair Value of 20,00,000 (Twenty Lakhs) ESOPs will be ₹18.12 Crores and Annualized Fair Value of 20,00,000 ESOPs will be ₹3.62 Crores assuming that entire 4,00,000 (Four Lakhs) stock options will vest at each tranche.

Note: The N&RC granted 20,00,000 (Twenty Lakhs) stock options to Mr. Ghosh on April 28, 2023 at a price of ₹259.80 per share (being the closing price one day prior to the approval of grant, i.e. April 27, 2023). However, at the time of appointment of Mr. Ghosh, the closing price of the stock of the Company was ₹294.65 per share (being the closing price of April 21, 2023, the last trading day prior to the appointment of Mr. Ghosh). In keeping with principles of good governance, the Company has decided to propose an amendment in the ESOP 2019 to empower N&RC of the Company to reprice the grant already made to Mr. Ghosh, to a higher price which will be ₹294.65, being the closing price of the day prior to the appointment of Mr. Ghosh as MD & CEO, i.e. April 21, 2023. The details of the proposed amendment are set out in Resolution No. 9 and explanatory statement thereof of this AGM Notice.

The proposed compensation structure of the MD & CEO is largely performance driven with variable compensation at 69% of total compensation as depicted in the below chart:



C. Comparative Remuneration including Long Term Incentives with respect to the industry, size of the Company, profile of the position and person

Remuneration of Mr. Ghosh commensurate with the remuneration of the MD & CEO levels of similar sized organizations taking into consideration the responsibilities shouldered by him. N&RC has also factored in market comparables from a study conducted independently by a reputed global organisation. The table below illustrates the requisite comparative data of the MD & CEO remuneration in the industry at the time of appointment:

(in Rupees Lakhs)					
10th percentile	25th percentile	Median	Proposed terms	75th percentile	90th percentile
593.4	938.8	1,315.3	1,422.0*	2,121.6	2,617.0

*It comprises of Fixed pay of ₹420.0 Lakhs, Variable Compensation of ₹640.0 Lakhs and Long Term incentives of ₹362.0 Lakhs adding to ₹1,422.0 Lakhs.

Being a non-promoter organisation coupled with the fact that 69% of the proposed remuneration is performance based, the Board believes that the proposed remuneration commensurates with the roles and responsibilities to be carried out by the MD & CEO.

Also, with the MD & CEO role combined into a single role, and Mr. Khosla moving into the role of Non-Executive Director w.e.f. May 1, 2024, the total Executive Director remuneration will come down significantly.

Other Key Terms

1. Tenure of Appointment

Mr. Ghosh is appointed as the MD & CEO of the Company for a period of five (5) years commencing from May 1, 2023 up to April 30, 2028 subject to the approval of Members.

2. Notice Period

Either the Company or the MD & CEO may give the other three (3) months' notice in writing, prior to terminating the agreement for reasons other than cause or for good reasons.

3. Retirement

The MD & CEO shall be liable to retire by rotation.

4. Insurance

Insurance will be covered under the Company's Health Insurance Scheme; Personal Accident Insurance Scheme and Term Insurance as applicable to the employees of the Company. The premium for this will not form part of Fixed Compensation.

5. Non-Compete

The MD & CEO will not work with the named competitors for a period of five (5) years from date of separation with the Company.

6. Employee Benefits

During the term of employment, the MD & CEO is entitled to participate in the employee benefit plans currently and hereafter maintained by the Company of general applicability to other employees of the Company.

7. Vacation

The MD & CEO shall be entitled for paid vacation as per the policies of the Company.

8. Expenses

The Company will reimburse Mr. Ghosh's for reasonable travel, entertainment or other expenses incurred by him in accordance with the Company's expense reimbursement policy for the MD & CEO.

9. Minimum Remuneration

The MD & CEO failing to achieve minimum performance targets, his remuneration will be ₹4,20,00,000 (Rupees Four Crore Twenty Lakhs). In the event of loss or inadequacy of profits in any Financial Year during the currency of the tenure of service of the MD & CEO, shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 ("Act") as may for the time being in force.

10. Maximum Remuneration

Except with the permission of the shareholders, the remuneration to the MD & CEO shall not exceed the limits specified under the provisions of Section 197 and other applicable provisions of the Act read with Schedule V to the Act.

11. Qualification

The MD & CEO's employment is conditioned on his representation that he is not disqualified or prevented from acting as a director and/ or MD on the Board of the Company, under applicable law including the Companies Act, 2013; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

12. Disentitlements

The MD & CEO shall not be entitled to any sitting fees and/ or commission for attending the meetings of the Board of Directors of the Company or any Committee(s) thereof.

13. Duties

The MD & CEO shall perform such duties as shall from time to time be entrusted to him by the Board, subject to superintendence, guidance and control of the Board.

14. Variation

Any variation to the terms and conditions of his appointment and remuneration, including Fixed Cash Compensation and Variable Compensation, will be subject to review and approval of the

Board (or its Committee) and the shareholders (if applicable) in accordance with the applicable law, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received all statutory disclosures/ declarations from Mr. Ghosh, including (i) consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ("the Appointment Rules"), (ii) intimation in Form DIR-8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act. Mr. Ghosh satisfies all the conditions as set out in Section 196(3) of the Act and Part-I of Schedule V of the Act, for being eligible for appointment.

If at any time the MD & CEO ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the MD & CEO. Similarly, if at any time the MD & CEO ceases to be in the employment of the Company for any cause/ reason whatsoever, he shall cease to be a Director of the Company.

The detailed profile of Mr. Ghosh and other requisite details, pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provisions of the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are annexed to this statement along with an Annexure on the MD & CEO Roles & Responsibilities.

The Board of Directors, recommend the appointment of Mr. Ghosh, as the MD & CEO of the Company and payment of remuneration, as set forth in Item Nos. 6, 7 & 8 of this Notice, for approval by the Members of the Company as an Ordinary Resolution.

Save and except Mr. Ghosh and his relatives, none of the Directors or Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set forth in Item Nos. 6, 7 & 8 of this Notice.

Item Nos. 9

To approve the amendment in Crompton Employee Stock Option Plan 2019 ("ESOP 2019")

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

vide special resolution passed by way of postal ballot on January 19, 2020 and January 6, 2021 amended the ESOP 2019 scheme of the Company in order to increase the number of options to the 98,00,000 (Ninety Eight Lakh) stock options.

Based on the approval of the Nomination & Remuneration Committee ("N&RC") and the Board of Directors of the Company ("Board") and subject to the approval of the Members, it is proposed to make the following amendment(s) in the ESOP 2019.

Clause No.	Existing provision	Proposed changes
2.1(xv)	"Exercise Price" means the price payable by an Employee for exercising the Options granted to him in pursuance of the ESOP 2019.	"Exercise Price" means the price payable by an Employee for exercising the Options granted to him in pursuance of the ESOP 2019, which shall be the Market Price.
2.1(xviii)	"Market Price" means the latest available closing price, prior to the date of grant of Options by the Nomination & Remuneration Committee, on the recognized Stock Exchange on which the Shares of the Company are listed. In case Shares are listed on more than one Stock Exchange, then the closing price on the Stock Exchange where the highest trading volume on the said date shall be considered.	"Market Price" means the latest available closing price, prior to the date of grant of Options by the Nomination & Remuneration Committee (N&RC), on the recognized Stock Exchange on which the Shares of the Company are listed OR in case of grant of options made to the MD&CEO, such other price as may be determined by N&RC from time to time, which shall be higher than the previous day closing market price. In case the Shares are listed on more than one Stock Exchange, then the closing price on the Stock Exchange where the highest trading volume on the said date shall be considered.
7.1(i)	Exercise Price: (i) Exercise Price shall be the closing market price on the day prior to the date on which the Nomination and Remuneration Committee approves the Grant.	Omitted.

In the existing ESOP 2019 scheme of the Company the price at which the options shall be granted is the market price which shall be the closing market price of the previous day of grant of options. There is no authority/ power being assigned to N&RC to modify the exercise price at their discretion.

Further, the N&RC has granted 20,00,000 (Twenty Lakhs) stock options to Mr. Promeet Ghosh, MD & CEO of the Company, on April 28, 2023 at a price of ₹259.80 per share. However, at the time of appointment of Mr. Ghosh on April 24, 2023, the closing price of the stock of the Company on April 21, 2023 (one day prior stock price of the stock exchange where trading volumes were higher) was ₹294.65. In keeping with principles of good governance, the Company

has decided to propose an amendment in the ESOP 2019 to empower N&RC of the Company to reprice the grant already made to Mr. Ghosh, to a higher price which will be ₹294.65, being the closing price of the day prior to the appointment of Mr. Ghosh as MD & CEO, i.e. April 21, 2023. The proposed amendment is not detrimental to the interests of the current grantees/ employees of the Company.

The Board of Directors recommends the amendment in ESOP 2019, as set forth in Item No. 9 of the Notice, for approval by members of the Company as Special Resolution.

None of the other Directors of the Company except Mr. Ghosh, or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

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

Rashmi Khandelwal
Company Secretary & Compliance Officer
Membership No. A28839

Registered Office:
Tower 3, 1st Floor, East Wing,
Equinox Business Park, LBS Marg,
Kurla (West), Mumbai - 400 070

Date: May 19, 2023
Place: Mumbai

Roles & Responsibilities as the MD & CEO:

- a) The MD & CEO will carry out such functions, exercise such powers and perform such duties as the Board shall from time to time in its absolute discretion determine and entrust to him, subject, nevertheless to the provisions of the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.
- b) The MD & CEO shall devote all of his working time to the duties of his office as the MD & CEO and shall faithfully and diligently perform such duties in the best interests of the Company, as may, from time to time, be assigned to him by the Board. In his capacity as the MD & CEO, he shall be responsible for the day-to-day management of the Company.
- c) The MD & CEO shall have and shall exercise all the powers and authorities that are consistent with his role as the MD & CEO of the Company, subject to the supervision, control and direction of the Board. He shall report to the Board and shall operate in accordance with the directions given by the Board at regularly scheduled Board meetings, which shall take place at least every quarter of a calendar year, or at such frequency as the Board may require him to report. It is expressly understood that to the extent the Company's articles of association require any action by or relating to the Company to be approved by the Board, he will seek and obtain such approval in writing before taking the action. He shall not have and shall not exercise the powers which are required by the Act to be exercised by the Board or by the shareholders of the Company in a meeting.

The MD & CEO will, to the best of his skill and ability, endeavour to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and also such orders and directions as may from time to time be given to him by the Board.

- d) If any claims are made against the Company (during Mr. Ghosh's tenure as the MD & CEO of the Company or any time after the Mr. Ghosh ceases to be the MD & CEO of the Company) which result in his capacity as current or former the MD & CEO also being made a party or being subjected to any legal proceedings or prosecution, then the Company acknowledges and agrees that for all acts done by him in good faith while discharging the duties assigned to him or as approved by the Board or Members of the Company, the Company shall provide for the costs of his legal defence (including any costs associated with the appointment of a reputed lawyer by the Company to represent the Executive), should the same ever be required.
- e) The MD & CEO shall have the power to sign contracts, deeds and documents proposed to be executed by and on behalf of the Company, to represent the Company in dealings with all Governmental Authorities and other authorities and to sign pleadings and applications required to be filed in any legal proceedings by or against the Company, subject, however, to such action having first been approved by the Board.
- f) The MD & CEO shall not at any time make any disparaging, untrue or misleading statement in relation to the Company. After the expiry or the cessation of his employment hereunder, the MD & CEO shall not represent himself as being directly or indirectly employed by the Company or connected with the Company (except as a shareholder or director, if applicable).
- g) The MD & CEO will not carry on any business or occupation for compensation or otherwise, or devote any part of his time in any capacity in the service of or be employed by any firm, company, organisation or Person other than the Company, except with the approval of the Board. The MD & CEO will devote his whole working time and attention and best efforts to his duties in his capacity as the MD & CEO of the Company to promote the interest of the Company and will not utilise or divulge any of the Company's trade secrets to any persons, during or after his association with the Company.
- h) The MD & CEO shall at all times perform all of his obligations as mentioned in his contract and shall on a best efforts basis cause the employees of the Company to perform their obligations in strict conformity with the Applicable Laws including in relation to bribery and corruption.

ANNEXURE A

Details of Director seeking appointment/ Re-appointment in the forthcoming Annual General Meeting

[In pursuance of Secretarial Standards on General Meetings (SS-2) and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015]



Director Identification Number	00059877
Category	Executive Vice Chairman*
Date of Birth	January 25, 1960
Age	63 years
Nationality	Indian
Date of first appointment on the Board	September 21, 2015
Relationship with Directors, Managers and KMPs	There is no relationship with other Directors on the Board, Managers and KMPs.

Brief Profile	Mr. Khosla holds a Bachelor's degree in Mechanical Engineering from Indian Institute of Technology, Bombay and MBA from Indian Institute of Management, Calcutta. Prior to joining CGCEL, he served as the Managing Director and Chief Executive Officer of Procter & Gamble from July 2002 to June 2015
Qualification	Bachelor's degree in Mechanical Engineering from Indian Institute of Technology, Bombay and MBA
Experience	37 years
Expertise in specific functional area	Wide managerial experience in Consumer Products Industry
Terms and Conditions of appointment or re-appointment	- To be appointed as a Director - Liable to retire by rotation - Eligible for re-appointment
Remuneration sought to be paid	As may be approved by N&RC and Board from time to time
Remuneration last drawn	Total amount paid in F.Y. 2022-23 is ₹9,67,52,774 out of which the variable pay is ₹5,43,09,408
Number of shares held in the Company (directly or as a beneficial owner)	16,99,593
Number of Meetings of the Board attended during the year	9
Membership/Chairmanship of Committees of the Company	- Corporate Social Responsibility Committee – Chairman - Stakeholders Relationship and Share Transfer Committee – Member
Directorships held in listed Companies	Butterfly Gandhimathi Appliances Limited
Listed companies from which resigned in the past three years	NIL
Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	NIL
Membership/Chairmanship of Committees across other Public Companies (listed as well as unlisted)	Butterfly Gandhimathi Appliances Limited - Audit Committee – Member - Nomination and Remuneration Committee – Member - Corporate Social Responsibility Committee – Chairperson - Risk Management Committee – Member

* Managing Director till April 30, 2023 and elected as Executive Vice Chairman w.e.f. May 1, 2023 to April 30, 2024 and then will assume position of Non-Executive Director till December 31, 2025.



Director Identification Number	05307658
Category	Managing Director & Chief Executive Officer ("MD & CEO") ^{\$}
Date of Birth	September 5, 1968
Age	54 years
Nationality	Indian
Date of first appointment on the Board	August 16, 2016
Relationship with Directors, Managers and KMPs	There is no relationship with other Directors on the Board, Managers and KMPs.

Brief Profile	Mr. Ghosh is a graduate in Engineering (Electrical & Electronics) from National Institute of Technology, Trichy and an MBA from Indian Institute of Management, Calcutta. He has served as director on boards of various companies across sectors and very closely involved in designing the strategic and operational priorities of these companies along with driving performance and delivery. He was with DSP Merrill Lynch for 18 years and helped build its business in India. Thereafter, Mr. Ghosh was Deputy Head, Temasek India, leading the team on the ground for nearly a decade. During his tenure, Temasek's direct India exposure grew significantly. After leaving the full-time role at Temasek in March 2022, he served as an advisor to Temasek India until March 2023
Qualification	Bachelor's degree in Engineering from Regional Engineering College, Trichy and MBA from the Indian Institute of Management, Calcutta
Experience	31 years
Expertise in specific functional area	Wide managerial experience across multiple industries
Terms and Conditions of appointment or re-appointment	- To be appointed as MD & CEO for a term of five (5) years - Liable to retire by rotation - Term with Tenure of Appointment - May 1, 2023 up to April 30, 2028 - Other terms and conditions - Available on the website of the Company www.crompton.co.in and open for inspection at the Registered Office of the Company on all working days, during business hours up to the date of AGM
Remuneration sought to be paid	As per the resolution at Item No. 6, 7 & 8 of this Notice read with explanatory statement thereto
Remuneration last drawn	Paid during F.Y. 2022-23 Sitting Fees – ₹0.07 crores *Commission – NIL *Members of the Company at the AGM held on July 22, 2022 approved the payment of commission to Non-Executive Directors w.e.f F.Y. 2022-23 which shall be paid in F.Y 2023-24
Number of shares held in the Company (directly or as a beneficial owner)	Nil
Number of Meetings of the Board attended during the year	9
Membership/Chairmanship of Committees of the Company	- Stakeholders Relationship and Share Transfer Committee – Member (w.e.f. May 1, 2023) - Environmental Social and Governance Committee – Member (w.e.f. May 1, 2023) - Corporate Social Responsibility Committee - Member
Directorships held in listed Companies	Butterfly Gandhimathi Appliances Limited (w.e.f. May 12, 2023)
Listed companies from which resigned in the past three years	NIL
Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	NIL
Membership/Chairmanship of Committees across other Public Companies (listed as well as unlisted)	Butterfly Gandhimathi Appliances Limited (w.e.f. May 12, 2023) - Stakeholder Relationship Committee - Chairman - Share Transfer Committee - Chairman

^{\$} Non-Executive Non independent Director till April 23, 2023. Appointed as Executive Director w.e.f. April 24, 2023 and as MD & CEO w.e.f. May 1, 2023 till April 30, 2028 subject to the approval of the Members at the AGM.



Director Identification Number	00059228
Category	Non-Executive Independent Director
Date of Birth	June 26, 1959
Age	63 years
Nationality	Indian
Date of first appointment on the Board	December 10, 2018
Relationship with Directors, Managers and KMPs	There is no relationship with other Directors on the Board, Managers and KMPs.

Brief Profile

Ms. Smita holds MBA degree in Human Resources from Allahabad University. She has almost four decades of experience. Since 2016 she has been an Independent Leadership advisor & Executive coach. Prior, over two decades were in global management consulting and human resources firms. She has served as the Managing Director at KornFerry's Leadership & Talent Consulting India and as Asia head of Board/CEO Succession. She worked for almost a decade (2002-2011) at Aon Hewitt. Her last stint was as the Greater China Market leader based at Shanghai and then Regional Leader of Consulting for the Asia Pacific region. Earlier in her career, she held consulting roles at EY and at PwC, as Head of the Human Capital Services. She spent her initial career in internal HR roles in marquee Indian companies.

Qualification

MBA degree in Human Resources from Allahabad University

Experience

39 years

Expertise in specific functional area

Human Resource Consultant, Leadership Coach and Advisor

Terms and Conditions of appointment or re-appointment

- To be re-appointed as Non-Executive Independent Director for second term of Five (5) years
- Not liable to retire by rotation
- Term of Appointment - 5 years from December 10, 2023 to December 9, 2028
- Other terms and conditions - Available on the website of the Company www.crompton.co.in and open for inspection at the Registered Office of the Company on all working days, during business hours up to the date of AGM

Remuneration sought to be paid

Sitting fees of ₹ 50,000 per Board Meeting and ₹ 30,000 per Committee Meeting with the authority to Nomination and Remuneration Committee and Board of Directors to increase the fees up to the maximum limit of ₹ 1,00,000 per meeting. She shall also be paid profit related commission not exceeding limits as stipulated under Section 197 of the Companies Act, 2013

Remuneration last drawn

Paid during F.Y. 2022-23
Sitting Fees – ₹0.03 crores
*Commission – ₹0.20 crores
*Commission is for the F.Y. 2021-22 paid in F.Y. 2022-23

Number of shares held in the Company (directly or as a beneficial owner)

Nil

Number of Meetings of the Board attended during the year

5

Membership/Chairmanship of Committees of the Company

- Nomination and Remuneration Committee - Member
- Corporate Social Responsibility Committee - Member

Directorships held in listed Companies

Butterfly Gandhimathi Appliances Limited

Listed companies from which resigned in the past three years

NIL

Directorships held in other Companies (excluding foreign, private and Section 8 Companies)

NIL

Membership/Chairmanship of Committees across other Public Companies (listed as well as unlisted)

- Butterfly Gandhimathi Appliances Limited
- Nomination and Remuneration Committee - Chairperson
 - Audit Committee - Member
 - Corporate Social Responsibility Committee – Member
 - Risk Management Committee - Member
 - Stakeholder Relationship Committee - Member
 - Share Transfer Committee - Member

There are no inter se relationships between the Directors and the Key Managerial Personnel of the Company.

Information at a glance

Mode	Video conference and other audio-visual means
Time and date of AGM	Saturday, July 22, 2023 at 11:00 A.M.
Participation through video-conferencing	https://www.evoting.nsdl.com
Helpline number for VC participation	1800 22 55 33
Webcast and transcripts	https://www.crompton.co.in/investors/annual-report/
Dividend record date	Friday, July 7, 2023
Dividend payment date	On or after Tuesday, July 25, 2023 but within 30 days of AGM
Cut-off date for e-voting	Saturday, July 15, 2023
E-voting start time and date	Monday, July 17, 2023 at 9:00 A.M.
E-voting end time and date	Friday, July 21, 2023 at 5:00 P.M.
E-voting website of NSDL	https://www.evoting.nsdl.com
Name, address and contact details of e-voting service provider	Contact details: Mr. Anubhav Saxena - Deputy Manager National Securities Depository Limited, 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013, India Email Id: anubhavs@nsdl.co.in ; evoting@nsdl.co.in Contact number: 1800 22 55 33
Name, address and contact details of Registrar and Transfer Agent	Contact details: Ms. Krishna Priya Maddula Senior Manager – Corporate Registry KFin Technologies Limited, Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad-500 032 Email ID: einward.ris@kfintech.com Contact number: 1800-309-4001

Notes

[illegible]

Notes

[illegible]

Notes

[illegible]

MEETING EVERYDAY NEEDS

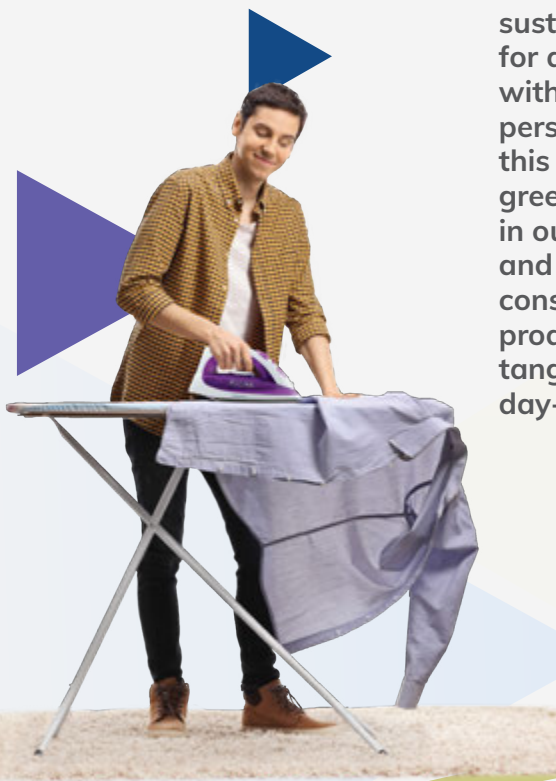
With innovative and sustainable solutions

Crompton

Crompton Greaves
Consumer Electricals Limited
Integrated Annual Report 2022-23



At Crompton, we make your life better with innovative, sustainable solutions



At Crompton, we create sustainable value for all stakeholders with a long-term perspective. We realise this purpose by being greener and smarter in our operations and delighting our consumers through products that add tangible value in their day-to-day lives.

Having begun the journey in the pre-independence era, we have nurtured a rich legacy down the decades that followed. In 2015, the consumer business of the Company was demerged to form a separate entity, 'Crompton Greaves Consumer Electricals Ltd.' ("CGCEL").

Over the years CGCEL has earned the trust and goodwill of all investors and stakeholders. Our brand reputation and recall are enhanced by our ability to address the aspirations of everyone by prioritising innovation, sustainability and inclusivity in the ways we operate.



Innovative

Embedding innovation in day-to-day business is a round-the-year priority at Crompton. It revolves around energy efficiency, healthy living, IoT and smart connectivity and above all customer-centric design.

We will continue to introduce and strengthen 4.0 industry technologies and practices to revolutionise our product lines and adhere to global standards in operations to benefit our consumers and all stakeholders.



Sustainable

Our Sustainability Plan is aligned to the United Nations Sustainability Development Goals (SDGs), enabling us to step up our initiatives and investments to fulfil Environmental, Social and Governance ("ESG") priorities. These include reducing energy and water consumption, investing in renewable energy sources and supporting local communities.

Our marketing and labelling efforts equip our consumers with a better understanding of the energy efficiency aspects of Crompton products. We have successfully launched energy-efficient products in all our product categories.



Inclusive

Value creation, for us at Crompton, is all-encompassing, touching lives across the socio-economic spectrum. Our Corporate Social Responsibility ("CSR") programme, aligns with Crompton's long-term commitment to build positive and shared value for all.

Our CSR initiatives focuses on the following key areas: skill & entrepreneurship development, employee engagement, water conservation and community care.



Venturing into new business area



Strong focus on research and development



Udaan – Robust manufacturing capabilities



Expanding the reach through retail transformation



Growing digital discoverability



Successful transition to BEE norms - Fans business



Creating Responsible ESG practices



Re-inventing CSR through employee engagement
Change maker grant



Building a dynamic workforce

Stories in the Spotlight

Contents

Corporate Overview

↓	
06	Know more about Crompton
08	Coming together of Crompton & Butterfly
10	Chairman's message
16	Vibrant portfolio to meet everyday needs
26	Crafting need-based engagements with stakeholders
28	Approach to materiality
30	How we create and sustain long-term value
32	Responsible Governance for sustainable growth
44	A robust growth strategy
46	Managing risks for sustainable growth
56	Adapting for a better world
60	Awards and Recognition
64	Financial Capital
68	Manufactured Capital
76	Intellectual Capital
98	Human Capital
106	Social and Relationship Capital
116	Natural Capital
120	Corporate Information

Forward-looking statements

In this report, we have included statements that anticipate our future performance based on past experience and reasonable assumptions. However, we want to emphasise that these statements are subject to change based on various factors such as changes in industry trends, market conditions, government regulations, laws and other unforeseen circumstances. It is important to note that these forward-looking statements are not a guarantee of our future performance, as the underlying assumptions may change significantly over time. Therefore, we advise readers to exercise caution when relying on these statements and to consider them as indicative of potential outcomes rather than definitive predictions.

Statutory Reports

↓	
121	Management Discussion & Analysis Report
134	Board's Report & Annexures
178	Report on Corporate Governance & Annexures
222	Corporate Governance Certificate
223	MD, CEO & CFO Certificate
225	Business Responsibility & Sustainability Report

Financial Statements

↓	
Standalone Financial Statements	
261	Independent Auditor's Report
273	Balance Sheet
275	Statement of Profit and Loss
276	Statement of Changes in Equity
277	Statement of Cash Flows
280	Notes to the Financial Statements
Consolidated Financial Statements	
344	Independent Auditor's Report
353	Balance Sheet
355	Statement of Profit and Loss
356	Statement of Changes in Equity
357	Statement of Cash Flows
360	Notes to the Financial Statements
425	Assurance Statement
429	GRI Content Index



We are continually making investments in our go-to-market programme to achieve channel excellence.



To view this report online, please scan the above QR code



Reference to another page in the report



Reference to further reading online

About the report

We are pleased to present our first Integrated Annual Report. The report aims to provide stakeholders with a comprehensive understanding of Crompton's financial and non-financial disclosures, including information on leadership, culture and strategy. It also highlights how the Company creates value for its stakeholders and the importance of responsible business practices in achieving its goals.

Integrated thinking

At the core of Crompton's business operations is a commitment to integrated and sustainable thinking, which shows a responsible pathway to value creation. Crompton's 5-dimensional growth strategy help us in managing our resources and relationships to create long-term value. We have adhered to the International Integrated Reporting Council framework to assess the six (6) capitals and determine the content and structure of the report. This reporting approach helps us in attaining multi-stakeholder objectives.

Scope

This Integrated Annual Report covers the reporting period from April 1, 2022 to March 31, 2023 and offers a comprehensive view of Crompton's operations and business development activities. It highlights the environmental, economic and social performance of the Company during the F.Y. 2022-23. Integrated Annual Report encompasses all business operations of CGCEL and provides disclosures on the six (6) capitals as defined by the International Integrated Reporting Council ("IIRC"). The report outlines the Company's business model, significant risks and opportunities, as

well as overall performance and related outcomes for the reporting period.

Our Capitals



Financial capital



Manufactured capital



Intellectual capital



Human capital



Social and relationship capital



Natural capital

Reporting frameworks

The report has been prepared by incorporating the principles recommended by the IIRC and referencing the GRI (Global Reporting Initiative) Standards, 2016 for reporting non-financial performance. Sustainable Development Goals (SDGs) are mapped to the key performance indicators (KPIs), ensuring that our reporting is both comprehensive and aligned with global sustainability targets.

This report also aligns with the following:

- The Companies Act, 2013
- Indian Accounting Standards
- The Securities and Exchange



Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- Secretarial Standards issued by the Institute of Company Secretaries of India

Assurance

The management has conducted a thorough examination of the information and statements provided in the Annual Report to maintain their accuracy and reliability. This review process was undertaken to ensure that all the facts and qualitative information contained within the report were presented in an unbiased and transparent manner. We have engaged BDO India LLP to provide assurance for the non-financial disclosures in the Integrated Annual Report and Business Responsibility and Sustainability (BRSR) Reporting. The assurance was conducted in line with the requirements of the AA1000 AS v3 (2020) Type 2 assurance. The level of assurance applied was moderate.

Stakeholder feedback

The active involvement and valuable feedback of stakeholders are highly encouraged and valued by the organisation. The management recognises that stakeholders' insights and perspectives are essential for the successful implementation of its policies and programmes. As such, the organisation welcomes constructive criticism and suggestions from its stakeholders to improve its operations and achieve its goals effectively. The organisation values stakeholder engagement and considers it an integral part of its commitment to transparency, accountability and continuous improvement.

Email : crompton.investorrelations@crompton.co.in

Crompton has always stood for quality excellence, exemplified by the impressive range of innovative and sustainable solutions. Our smart, intelligent and eco-friendly products fulfil the aspirations of a wide spectrum of consumers from metros to small towns and cities.

The F.Y. 2022-23 saw us complete the revamp of entire architecture of our branding and go-to-market initiatives. We have also expanded the portfolio of offerings to reach more consumers. In addition, improving our cost structure and digitising operations were major focus areas during the year. Our business model is now leaner, more agile and technology driven.

During the year gone by, we remained resilient to macro headwinds and retained our market prominence and reputation. As a time-tested and beloved brand of new India, we remain steadfast to our ambition to grow our market footprint, enhance consumer visibility and make products that serve everyday needs.



Know more about Crompton

From the pre-independence era to the 21st century, Crompton has transformed in step with changing times and evolving consumer aspirations.

Today, Crompton Greaves Consumer Electricals Limited (CGCEL) is among India's leading consumer electrical companies present in the Electrical Consumer Durables (ECD) and Lighting segments.

Over the decades, we have embraced advanced technologies and implemented best-in-class processes.

Headquartered in Mumbai, we have made our mark in the technologically advanced ECD industry in India.

Crompton's emphasis continues to be on innovation to bring to the market a wide range of products that our brand patrons love to embrace for their elegance, convenience, simplicity and low power consumption. From LED lights, fans, pumps to household appliances such as water heaters,

kitchen appliances, our products span a diverse range, catering to the growing consumer preference for smart, intelligent and connected products.

Crompton's strategically located manufacturing facilities, R&D and quality assurance certifications, brand reputation and recall, along with wide distribution network enable us to fulfil dynamic consumer aspirations in a sustainable manner.

Key highlights

₹5,809 Crore
Revenue

₹671 Crore
EBITDA

₹476 Crore
PAT

1,693
Employees

The unique strength of our Company lies in its promoter-less structure and the emphasis on a professionally driven board. As an employee-run Company, we prioritise collective decision-making, fostering a culture of inclusivity and shared responsibility.

Our Board comprises experienced professionals from diverse backgrounds, ensuring a wide range of perspectives and expertise in strategic decision-making. With the Board at the helm, all decisions are made through a rigorous and impartial process, guided by the best interests of the Company and its stakeholders. This structure fosters a strong sense

of ownership and commitment among employees, driving their dedication to the Company's success.

By empowering employees to actively participate in decision-making, we harness the collective intelligence and creativity of our workforce. This employee-driven approach fosters a culture of innovation, adaptability and continuous improvement, enabling us to stay at the forefront of our industry.

As we move forward, our current structure will continue to be a key differentiator, enabling us to adapt swiftly to changing market dynamics, seize new opportunities and navigate challenges with agility and resilience.



Our Mission

We strive to create products that are safe, energy-efficient, dependable and environmentally friendly by constantly improving our core technology.



Our purpose



We make your life better with innovative, sustainable solutions



Breaking the barriers, reaching beyond profit maximisation



Promising a sustainable future by catalysing change

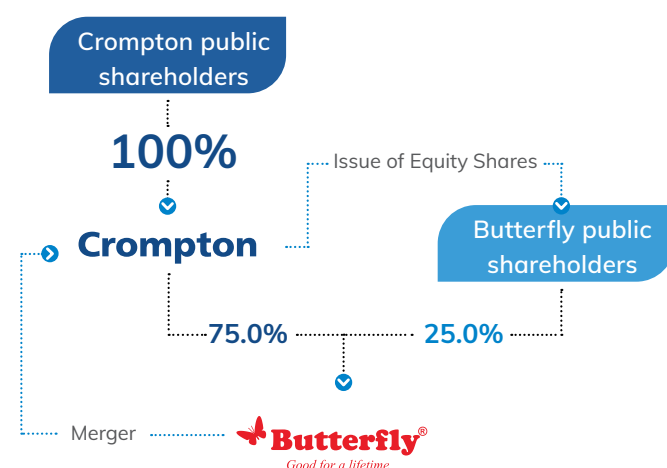


Making lives better

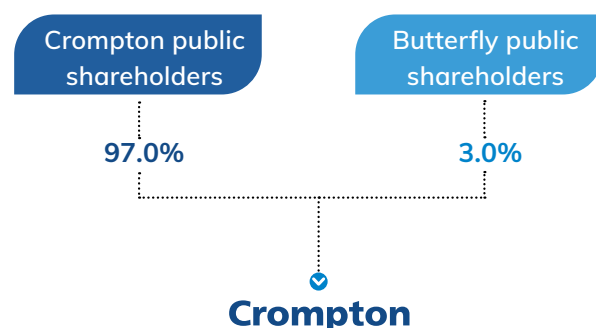
Coming together of Crompton & Butterfly

To simplify corporate and governance structures, align shareholder interests, accelerate the execution of go-to-market strategies, focus more on product innovation, capitalise on cross-selling opportunities as well as realise synergies of both Crompton and Butterfly for cost optimisation and operational excellence, it is proposed to merge Butterfly Gandhimathi Appliances Limited with Crompton Greaves Consumer Electricals Limited subject to regulatory approvals, the merger will enable both the companies to unlock the full potential of the combined businesses, enhance our competitiveness in India's consumer electrical market and create significant value for all stakeholders.

Proposed Transaction



Resultant Structure^A



Unlocking the potential of combined businesses

The merger will enhance our capabilities in the existing appliance segment by leveraging the combined manufacturing and R&D infrastructure. Our expansive distribution network and PAN India presence will aid us in scaling up in key kitchen segments.

Crompton

Crompton has a robust distribution network that enables us to reach consumers across multiple markets. Our experienced management team assists us in establishing a strong track record of innovation and industry-leading financial performance. To continue creating value for our people, clients and stakeholders, we remain committed to building on our strengths.

Maintaining a strong market leadership

#1
Fans

#3
Lighting

#1
Residential pumps

Top 3
Water heater

Top 4
Air coolers



Butterfly is a leading kitchen appliances player, especially in the South Indian market. It is renowned for its high-quality products, particularly in the core categories of mixers, wet grinders, cookers and stoves. Butterfly's robust and exclusive distribution network in South India is a critical strength of the brand. Additionally, Butterfly has in-house manufacturing capabilities, which enable it to meet stringent quality standards and remain competitive in the market.

Top 3

In core categories of mixers, cookers, stoves in South India

~80%

Revenues from in-house manufactured products

Strong E-commerce presence

Top 3

In mixers, wet grinder and gas stove in flipkart and Amazon

#1

In South India for Wet Grinders and LPG Stoves

500+

Exclusive distributors

More than three decades of existence



Unlocking full potential of combined business

With an undeterred focus on realising revenue and cost synergies in the short to medium term, we are in a sweet spot to build a more efficient and profitable business. Strengthened by this merger, we will be in a better position to implement faster go-to-market strategy for pan-India expansion and cross-sell products across channels. The merger will also enable greater scale for product innovation and pool human capital with diverse skills. By leveraging our combined resources, we can accelerate the fulfilment of our objectives and enhance our competitiveness in the market.

Rationale for merger



Alignment of interest among all stakeholders

The merger will allow us to converge the public shareholding of our subsidiary at the Company level.



Simplified corporate structure

The merger will provide us with a simpler, unified corporate and governance structure, contributing to greater operational flexibility and more efficient capital allocation. This will allow us to streamline our operations and better utilise our resources to drive growth and create value for our stakeholders.

Participation of the combined entity in a diversified appliance products business with a wide geographical presence will enable us to leverage the combined business synergies and deliver enhanced value to the shareholders of both Crompton and Butterfly. This merger will provide greater avenues for growth and development of people.

Chairman's message



The small appliances business is now close to ~ ₹ 800 Crore as a segment on an annualised basis, which also makes it a strong meaningful player.



Dear Shareholders,

It gives me immense pleasure to present our Integrated Annual Report for F.Y. 2022-23 on behalf of our Board of Directors.

We continue to uphold our rich legacy with dedication and diligence. Over the years, we have seen our business landscape evolve in step with changing consumer aspirations, new technological breakthroughs and business norms. However, in the midst of all these transformations, our core purpose remains the same to meet everyday consumer needs with innovative and sustainable solutions.

Our overarching purpose inspires us to pursue excellence and efficiency in every aspect of the business. Before we delve deep into the business performance and strategy aspects of the business, let us first discuss the macro-economic environment.

Macro-economic landscape

During F.Y. 2022-23, the geopolitical crisis sparked by the war in Ukraine disrupted the global supply chain and pushed up inflation. While stubborn inflation adversely impacted the global growth outlook, India's economy was comparatively resilient on the back of prudent fiscal and monetary policies, proactive vaccination coverage and sustained capital expenditure of the government. Notwithstanding global headwinds, the country remains one of the fastest growing economies of the world.

Resilient business performance

We recorded a consolidated revenue of ₹6,869.61 Crore in F.Y. 2022-23, compared to ₹5,394.11 Crore in F.Y. 2021-22. Our EBITDA stood at ₹770.47 Crore, compared to ₹769.45 Crore in F.Y. 2021-22. Our PAT de-grew from ₹578.38 Crore in F.Y. 2021-22 to ₹476.40 Crore in F.Y. 2022-23.

The F.Y. 2022-23 began with considerable challenges, which we navigated with careful planning. The inflationary pressures and price volatility led to subdued consumer demand across segments and impacted the industry's profitability. However, the strength of our business model and the strategies that were already in place enabled us to stay on course and perform better than most players.

Some of the actions that we took to manage the situation were as follows:

- Intensified our cost improvement programme 'Unnati';
- Took multiple rounds of judicious pricing actions;
- Focused more on 'premiumisation', improving the product mix and accelerating the NPD process.

In addition, as commodity prices were rising, we had our suppliers pre-book commodities that enabled us to maintain adequate inventory levels.

During the fiscal year, our fans business continued to witness strong growth.

One major initiative was the transition of our fans business, also our largest business to the new BEE norms. I am pleased to inform you that we have transitioned with 100% readiness on the design and approvals and with minimal disruption. We have managed our production planning, inventory management and switchover very efficiently.

We also adopted a couple of significant interventions to improve the performance of our pumps segment. We revamped our significant portfolio of pumps with a refreshing brand architecture, based on consumer needs. Targeted pricing actions taken to tackle specific competition in select segments has helped to bring growth back to the business.

Our appliances business, despite an overall sluggish market, continued to grow aggressively during the year under review. We launched a differentiated range of built in kitchen appliances in top 10 cities starting June 2022. This business is progressing as expected.

In March 2023, we announced the proposed merger of Butterfly in to Crompton through a scheme of amalgamation & share swap ratio was derived by independent registered valuers on which-fairness opinion was given by respective Merchant Bankers.

The merger is an important strategic step in Crompton's growth journey and

Chairman's message (contd..)



During the year, we ran the Company, Butterfly Gandhimathi Appliances Ltd, which we acquired in March 2022, seamlessly and have started to see the impact of synergies. The acquisition is an important strategic step in Crompton's growth journey and will help unlock the full potential of the combined businesses. It will enable faster execution of our Go-To-Market strategy and bring sharper focus on product innovation. We are confident that our coming together will create significant value for all stakeholders.

will help unlock the full potential of the combined businesses. It will enable faster execution of our Go-To-Market strategy and bring sharper focus on product innovation. We are confident that our coming together will create significant value for all stakeholders. The merger is likely to unleash various revenue and cost synergies and help us achieve economies of scale by pooling the combined resources and providing an impetus to grow across all parts of India.

Both B2B and B2C divisions were considerably impacted in the lighting business during the year. While the lack of government orders impacted our B2B division's performance, the B2C division's performance was dented owing to the ongoing price volatility in the market. Going forward, we have taken the necessary steps to gain market share in these segments.

Five-dimensional growth strategy

At Crompton, we have created a purpose-driven brand that puts consumer aspirations at the centre of innovation. The result is enduring relationships with our consumers.

Through our powerful brand strategy and advertising campaigns, we have truly lived up to what our brand stands for. During the year under review, we continued making consistent efforts to

reach closer to consumers through our wide-ranging activities across various touch points to further strengthen our brand awareness and recall.

We stepped up our media spending including television, print and digital. We ran multiple marketing and branding campaigns during the year which attracted significant attention from our consumers. The current fiscal year will be witnessing our highest expenditure on building a robust and vibrant brand architecture across our entire portfolio of offerings. We have also embarked on a retail transformation programme, which completely changes the 'look and feel' of Crompton products inside our key retail stores.

The Company's innovative campaigns include #AbSabkeBudgetMein, a campaign educating consumers about energy-saving fans, awareness campaigns for fans and air coolers, and influencer collaborations for online discoverability. Crompton's hyper-local marketing campaigns for its mixers range and 360-degree campaign for BLDC fans increased its presence in South India and grew its market share. The Company's commitment to excellence has resulted in a robust brand image and widespread attention.

As you are aware, a time-honoured corporate brand like Crompton thrives on its overall portfolio excellence. We steadily expand and enrich our

offerings to add more meaning and value to the lives of our consumers.

During the fiscal, we made considerable efforts towards achieving portfolio excellence. In addition to our acquisition of Butterfly Gandhimathi Appliances Ltd. (BGAL), we have independently ventured into the large kitchen appliances sub-segments, which has resulted in bringing into the market more premium offerings. Besides, as the demand for innovative and unique offering at competitive price point is expected to rise significantly, we are driving premiumisation across all our segments.

On the technology front, we are working on four major areas: Energy efficiency across product lines; smart and connected products such as water heaters and coolers; health and wellness products such as the anti-bacterial lamps; and material substitution to enhance performance, while lowering costs.

The Company's specialised teams in design, development, project management, and product testing focus on delivering superior products that comply with government regulations.

They work on 12-18 month roadmaps, prioritising consumer features and performance, and continuously upgrade their skills with engineering tools and software.

The Crompton Experience and Innovation Centre, the Company's largest R&D centre, offers cutting edge technology, advanced IoT energy efficiency capabilities, and smart testing technologies. This centre allows Crompton to provide sustainable solutions to meet every day needs and cater to evolving customer aspirations with best-in-class technologies.

Over the years, we have had several market share gains across product categories, largely owing to our Go-To-Market initiative. It has enabled us to strengthen our distribution network and improve the availability of our products at retail touchpoints. In order to further achieve channel excellence, we are stepping up our investments in our 'Go-To-Market' programme.

Crompton is continually making investments in its go-to-market programme to achieve channel excellence. We have been tapping alternate channels such as the rural market, E-commerce and Modern Retail, which have exhibited strong double-digit growth.

We also continued with our efforts to bolster our operational efficiencies. Our Unnati programme continued to drive us on the path of cost leadership.

Chairman's message (contd..)

The Company's investment in technology and digitalisation have enabled it to digitise product development process, streamline inventory management, and improve customer relationships. The Product Development Module (PDM) serves as the one source of data and project management tool for all new product development plans, ensuring transparency, efficiency and adherence to quality standards.

Crompton leverages e-commerce platforms and digital tools to increase online visibility and provide relevant and accurate information to customers. The CRM system captures customer feedback, informs product development and marketing strategies, while the use of WhatsApp bots and technician mobile applications result in faster compliant resolution and higher customer satisfaction.

To strengthen organisational excellence, we stepped up our investments in training and capability building across India. We fortified our diversity and inclusion(D&I) journey with the establishment of a specialised council focused on diversity and inclusivity. Besides, our commitment to environmental sustainability remained firm, as we made considerable progress in energy management, waste management, water conservation and emissions reduction, enabling us to operate responsibly.

Uplifting lives

To deliver inclusive growth and foster mutually beneficial relationships, we remained committed to uplifting the lives of our stakeholders. During the year, we aimed at igniting a positive social change and our CSR initiatives continued to focus on four key areas: skill development, community care, water conservation and employee engagement which created significant impact within our communities.

External accolades

Our unique and impactful initiatives across our operations have been recognised with various accolades. Crompton has received multiple accolades and awards in various categories. The Company's digital campaign won the Best SEO and SEM Strategy at the Indian Digital Media Awards. Crompton was also named as one of the India's Best Managed Companies and won two 'exchange4media Prime Time awards' for its SilentPro Campaign and Ceiling Lights campaign. The Company was also recognized with Flipkart's Silver Jury Award and been ranked among 'Dun & Bradstreet' India's top 500 Companies and Institutional Investor Advisory Services' Next Leaders category. In terms of safety, Crompton received the Gomanth Sarvoch Suraskha Puraskar Award, the National Safety Award and the CGCEL Baroda



Crompton leverages e-commerce platforms and digital tools to increase online visibility and provide relevant and accurate information to consumers.

plant won a Bronze Award in Safety Convention. With our salient efforts in D&I, Crompton has been recognised as best organisation for women by The Economic Times.

Way forward

The growing urban population and aspirational demand from rural India continue to drive the demand of our products. Our consumers are becoming more technology savvy, which is catalysing the demand for technologically advanced consumer electrical products in India. The macro drivers for the Consumer Electricals sector like rising urban and rural electrification, an increase in housing development and construction activities will provide us more opportunities to grow.

With consumers preferring branded and premium products, we believe, as industry leaders we are well equipped to cater to the evolving demand of our consumers. We will continue to undertake appropriate marketing and product initiatives, while focusing on capability building for the long term.

Challenges have only made us stronger and more resilient. As we continue to raise the bar of our performance each day, we strive to make lives of our consumers better and happier through innovation and responsible business practices.

On behalf of every member of the Board, I thank our team for their continued dedication and commitment. I also thank you, our shareholders, for your continued support and confidence in the Company as we strive to achieve a better and more sustainable future.

Sincerely,

Hemant Nerurkar
Chairman

Vibrant portfolio to meet everyday needs

Being one of India’s major manufacturers of consumer electricals, Crompton strives to make consumers’ lives easier by providing innovative and sustainable solutions.

We focus on investing in R&D and unlocking opportunities to produce some of the most innovative product lines. The Company’s next-generation products not only aim to enhance consumer experience, but also to reduce carbon footprint and help build a sustainable future for all. We are expanding our product range by refining our solutions and developing new consumer-centric and technologically enabled products.

Fans

Through the introduction of advanced products, extensive marketing campaigns and exceptional aftersales service, Crompton has become a growing player in the premium and decorative fan segments. The product range includes decorative and ceiling fans, which feature energy-saving brushless direct-current motor (BLDC) technology and carry a 5-star rating.

56%
Numeric Distribution in Fans
(highest in Fans segment on 12 month basis)



Pumps

Crompton has retained its leadership position in Residential Pumps category with launch of innovative and technologically superior products in mini segment. The Company’s extensive range of pumps for Domestic, Agricultural and Special applications are durable and provides consistent performance. Crompton pumps are energy efficient and use innovative technologies to deliver faster tank-filling speed, durability and longevity.



Vibrant portfolio to meet everyday needs (contd..)

Lighting

The B2C market has witnessed a considerable growth with value driven by LED panels and downlighters. Our commitment to continuous improvement is evident in our product portfolio, which focuses on energy efficiency and delivering excellent light output.

Our Trio Series offers multifunctional lighting solutions in a single product, while the Night Buddy serves as a versatile night lamp and mobile charger. Moreover, our range of Wi-Fi-enabled smart lighting solutions enables seamless control and enhances the convenience and efficiency of lighting in any environment. With a diverse product portfolio encompassing various sizes, wattages and lighting colours, we cater to a wide range of applications and customer preferences.

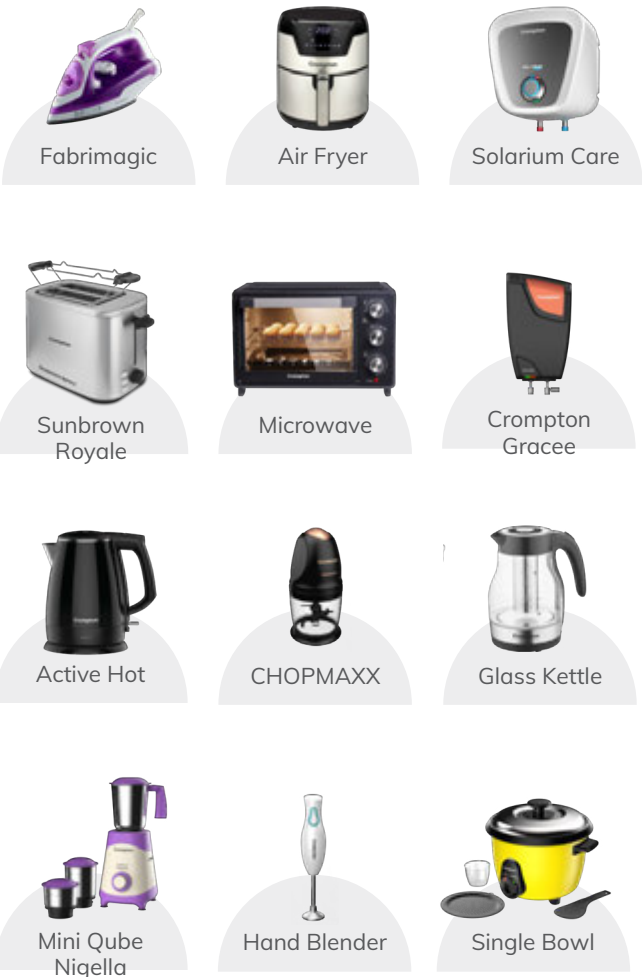
Crompton's lighting fixtures are being used in B2B lighting space owing to the government's continued focus on energy efficient lighting across infrastructure projects.

23%
Numeric Distribution in Lighting (2nd highest in B2C LED bulbs segment on 12 month basis)



Appliances

Crompton offers a wide variety of innovative home and kitchen appliances that cater to the diverse needs of consumers throughout the day. With the phenomenal growth of e-commerce platforms and the increasing demand from consumers in small towns and cities across India, Crompton's e-commerce segment is expanding rapidly. To meet the evolving needs and aspirations of its consumers, Crompton has expanded its product portfolio to include a range of IoT-enabled products.



20%
Numeric Distribution in Water Heater (2nd highest in Water Heater segment on 12 month basis)

Vibrant portfolio to meet every day needs (contd..)

Large Appliance

We now offer Built-in kitchen appliances, including chimneys, hobs, ovens and dishwashers, with cutting-edge features. Our chimneys are filterless and feature Silent Inverter Motors, Intelligent Auto Clean, Smart On and Gesture Control. Our built-in hobs boast auto-ignition, 3D flame technology, high-efficiency brass burners and toughened glass. Our built-in ovens have multilevel cooking, rotisserie and pyrolytic cleaning. Our dishwashers offer hygiene wash, dual pro wash, intelligent turbo drying and pure beam technology.



Chimney



Built-In Hob



Dishwasher



Built-In Oven



Built-In Microwave



Warmer Drawer





Kitchen Appliances

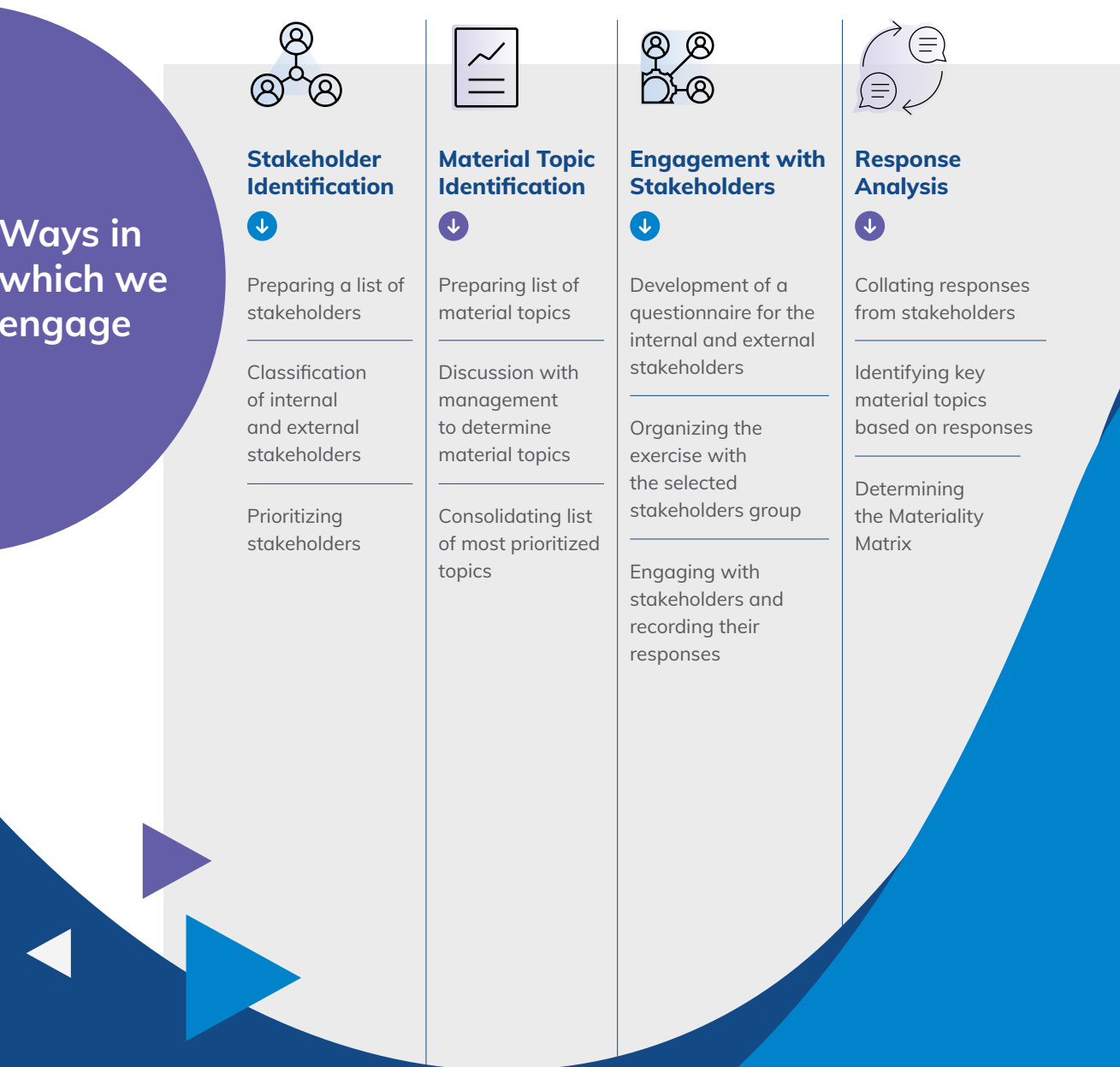
At Butterfly, we are committed to providing consumers with high-quality kitchen and electrical appliances that feature ergonomic designs and aesthetic appeal at competitive prices. Our extensive product range is known for its reliability and functionality, aiming to enhance the daily lives of our valued consumers by combining convenience with attractive designs. We continue to prioritise the needs and satisfaction of our consumers in the years ahead.



Crompton***JEE HAAN!*****CROMPTON KE
ENERGY-SAVING FANS,
AB SABKE BUDGET MEIN!****ACTIV
POWER
TECHNOLOGY**

Crafting need-based engagements with stakeholders

At Crompton, we have developed an organisational-level robust stakeholder management framework to facilitate constructive dialogue with our stakeholders. This helps us to better understand their perspectives and expectations. Additionally, this approach helps us identify and prioritise material topics.



Stakeholder Group	Purpose of Engagement	Strategic Priorities	Mode of Engagement	Frequency of Engagement	Capital Linkage	Value created
 Employees	Our employees are important assets and are essential to our long-term success. They are critical to increasing our competitiveness and strengthening market leadership.	- Employee benefits - Safe working environment - Career progression - Equal opportunities and treatment - Learning and growth - Work-life balance - Fair rewards and recognition	- Meetings/ Town hall briefings - Employee engagement surveys - Team building, workshops, capability building and training - Annual appraisals - Employee newsletters - Rewards and recognitions	Continuous	HC MC	25,494 Person-hours of training 37% Turnover rate
 Community	Empowering the community is necessary to our long-term sustainability. Through numerous upliftment projects and activities, we continue to develop our relationships with the communities and transform their lives.	- Contribution to society - Provide opportunities for self-sustenance and empowerment	- CSR initiatives - Community interactions with NGOs - Volunteering	Monthly	SRC HC NC	24,000+ Lives impacted
 Suppliers	We collaborate with the suppliers to maintain a seamless business operation by ensuring effective and efficient procurement practices.	- Long-term partnerships - Transparent practices - Reliable payment schedules - Timely redressal of any queries - Cost efficiency	- One-to-One meetings - Regular operational reviews - Vendor meets	Continuous	SRC MC	₹1,378 Crore Inhouse buying spend
 Consumers (B2B), (B2C)	Consumers' purchasing habits influence our strategy and success. Thus, it is critical to have continual contact with them to understand their evolving needs and desires.	- Quality requirement - Immediate resumption of service in case of service breakdown - Faster resolution of queries - Innovative solutions	Customer engagement surveys	Continuous	SRC IC	New products developed 25,80,752 Complaints resolved
 Investors/Shareholders	Investors are critical to our success and growth.	- High Return on investment - Capital allocation - Transparent disclosure for investors to take informed investment decisions	- Annual general meeting - Financial result declaration - Media release - Investor calls and meet	Quarterly	FC SRC	₹3 Dividend per share 17.96 ROE

Approach to materiality

The materiality matrix offers a comprehensive and in-depth assessment of the key material aspects that are deemed significant by both the management and Crompton’s key stakeholders. The identification and prioritisation of these critical issues were based on an exhaustive evaluation process that was carried out in collaboration with both internal and external stakeholders. This process involved engaging with 242 stakeholders and assessing a list of 26 topics, which allowed us to gather invaluable insights and feedback on the material aspects that matter most to them.

The matrix highlights the issues that have been identified as high-priority by the stakeholders and these are given due consideration in our sustainability strategy. Through this exercise, we

have developed a deep understanding of the issues that have a significant impact on our stakeholders, enabling us to prioritise our actions and allocate our resources more effectively.

We are committed to continuing this ongoing process of engagement and evaluation, as we strive to achieve sustainability goals that are in the best interests of all our stakeholders.

The material topics considered for reporting are as follows


Energy efficiency


Raw materials and substances/
resource optimisation


Occupational Health and Safety


Business Ethics and General Business Principles


Data Privacy and Cyber Security


Innovation and Research


Employee Well-being

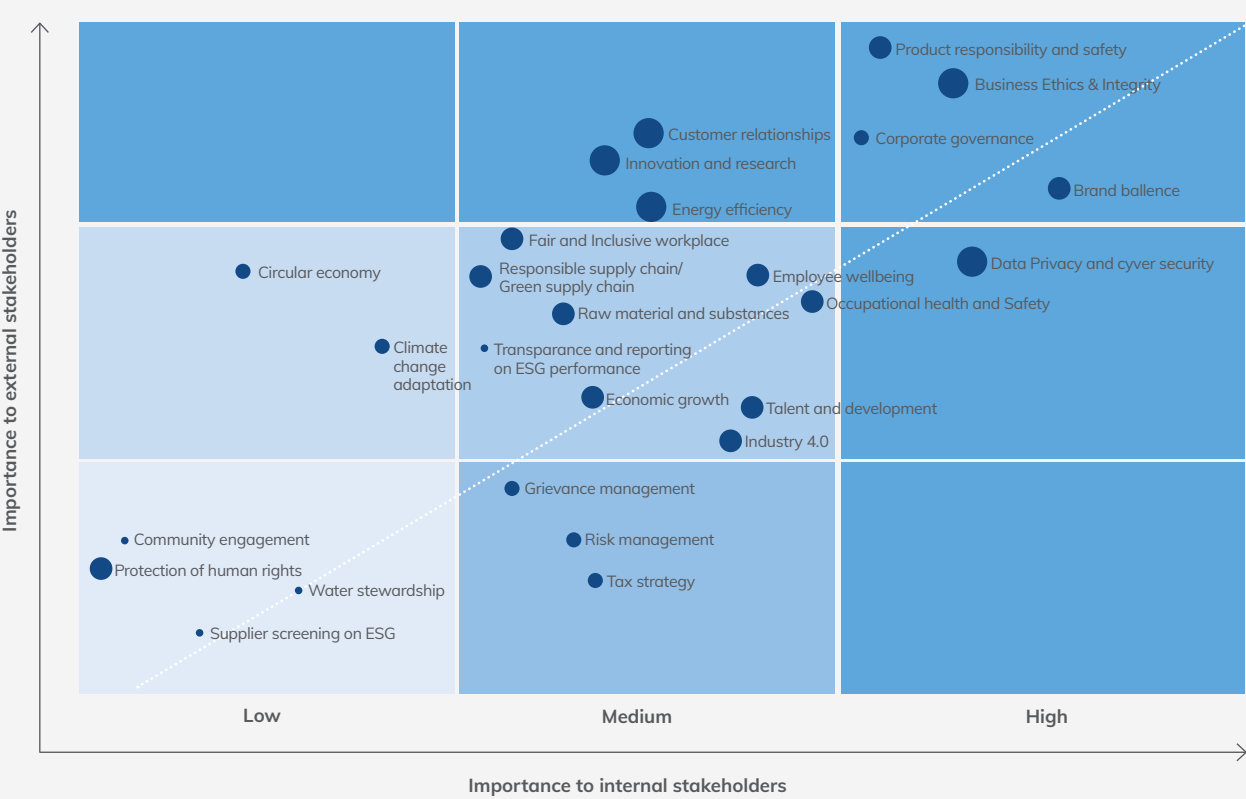

Customer Relationships


Talent Development


Brand Salience


Product Responsibility and Safety


Economic Growth



**Top priorities**
These issues are of the greatest importance to both stakeholders and Crompton. An effective and externally visible management response to these issues is vital for long-term business success

**Priority issues**
These issues are of medium to high importance to stakeholders and to Crompton. An effective and externally visible management response to these issues should be a high priority

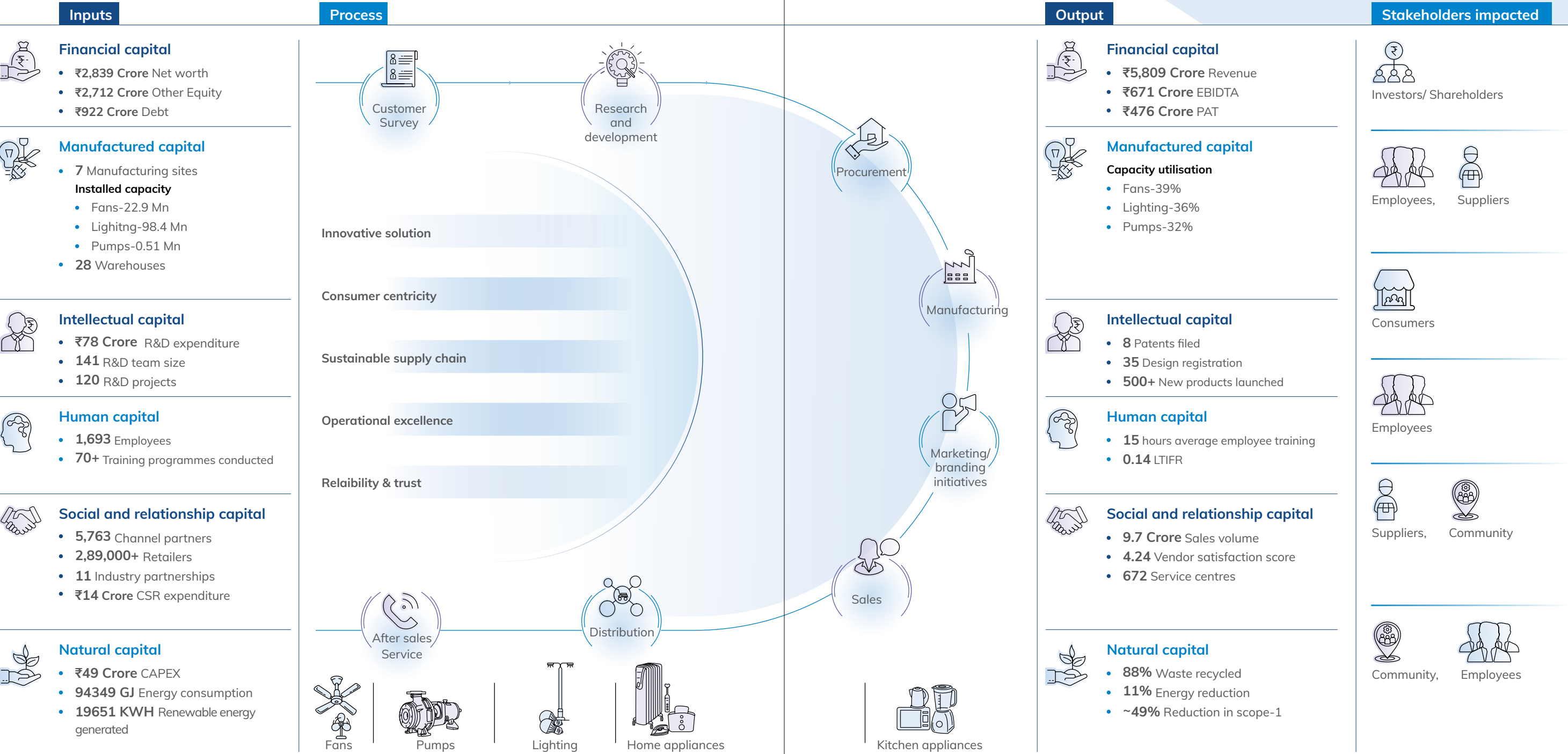
**Hidden Value Creators**
Although not high on the agenda of stakeholders, these issues are important to the business. Crompton should consider raising awareness with stakeholders to educate them about the relevance to the business

**Hygiene Factors**
These issues are of high importance to stakeholders but low impact on the business. Crompton needs to balance responding to stakeholder concerns without incurring substantial cost

**Monitoring issues**
These issues are less important to stakeholders with limited impact on business performance. Best practice suggests that Crompton should monitor these issues as they may become more impactful over time

How we create and sustain long-term value

Crompton is committed to create and amplify long-term stakeholder value and deploys its resources strategically to insulate the business from market volatilities and headwinds



Responsible Governance for sustainable growth

Our governance framework and philosophy are inspired by our ethics, values and culture of professionalism. The Board remains the custodian of trust for sustainable long-term wealth creation. We emulate the best practices that are adhered to in the realm of corporate governance globally and these practices are integrated into our growth strategy. Across our day-to-day operations, we conform to complete transparency and accountability to protect stakeholder interests. The Board ensures deep dive in areas like Compliance, Enterprise Risk Management, Supply Chain, Manufacturing Excellence, Innovation, Digitisation and Succession Planning. We adhere to the highest corporate governance standards to ensure integrity and transparency, as well as regulatory compliance.

Skills and experience

Crompton's Board brings together a wealth of knowledge, perspective, professionalism, diverse thinking and experience. Our Board members have a deep understanding of governance, technical, financial and non-financial issues.

Crompton's corporate governance framework reflects its value system and emphasises the importance of transparency, accountability and openness. The organisation adheres to the highest corporate governance standards to ensure integrity and transparency, as well as regulatory compliance. The Company holds thematic Board meetings to thoroughly explore various areas, such as Compliance, Enterprise Risk Management, Supply Chain, Manufacturing Excellence, Innovation, Digitisation and Succession Planning.

Our core principles of Governance



Trusteeship:

We recognise that we hold Crompton's resources in trust for future generations and are committed to utilising them responsibly and sustainably.



Strategic oversight:

We continually evaluate and adjust our long-term strategy to ensure that Crompton remains competitive and well-positioned in the marketplace.



Sustainability:

We prioritise environmental sustainability and seek to reduce our carbon footprint through efficient resource usage and waste reduction.



Reinforcing a risk culture:

We maintain a culture of risk awareness and actively identify and mitigate potential risks to our business operations.



Compliance with laws and regulations:

We adhere to all applicable laws and regulations to ensure that our business practices are ethical and transparent.



Corporate social responsibility:

We prioritise the well-being of our employees, consumers and the communities in which we operate and regularly engage in philanthropic initiatives.



Accountability:

We take responsibility for our actions and decisions and are committed to transparency and open communication with all stakeholders.



Stakeholder engagement:

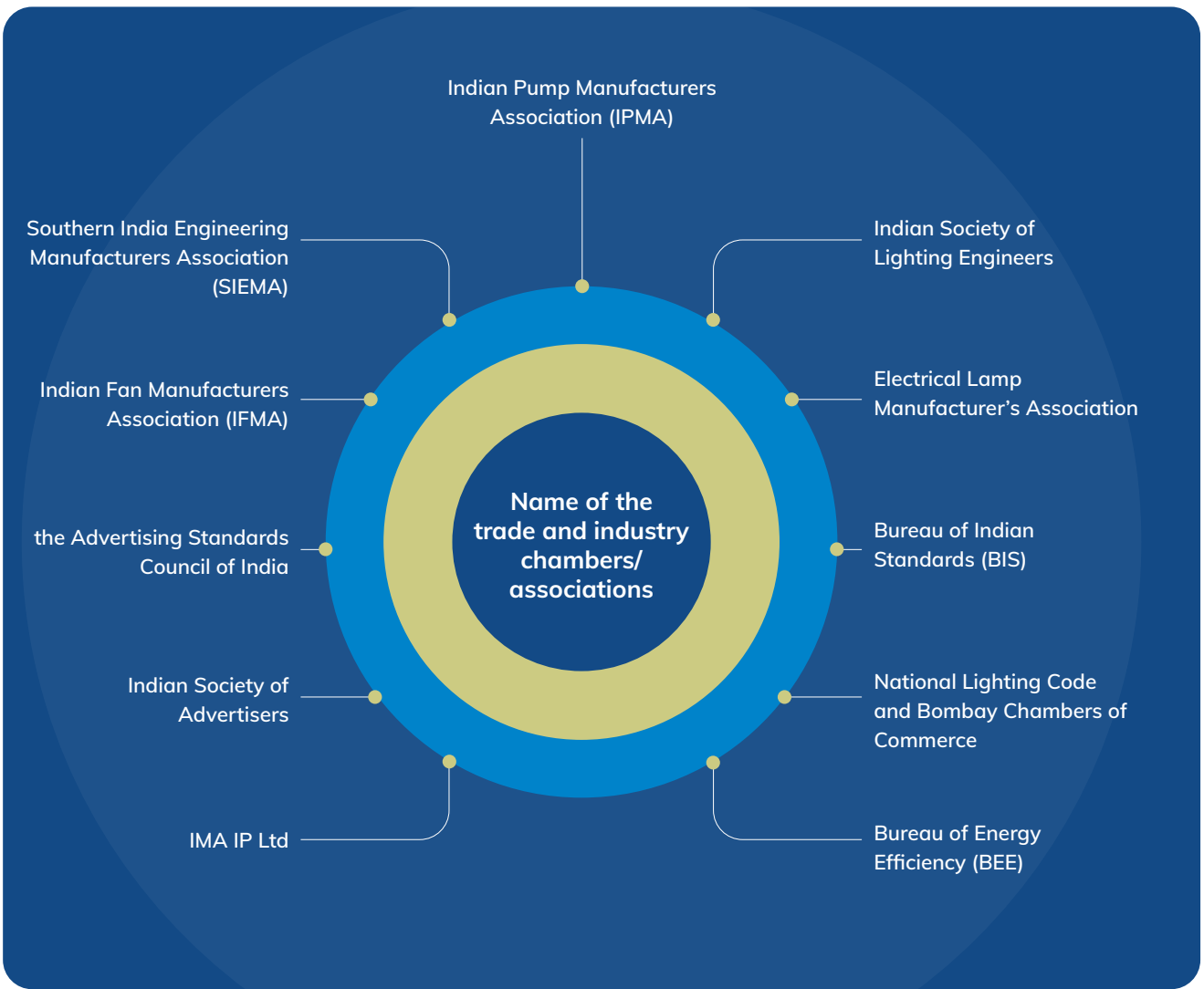
Crompton possesses a highly resilient stakeholder management framework that serves as a catalyst for fostering productive communication and engagement with our diverse range of stakeholders.

Internal control framework

We have put in place an adequate internal control system to safeguard all our assets and ensure operational excellence. Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. The framework also diligently records all transaction details and ensures regulatory compliance. We have well-established risk management processes embedded within the business that enables us to identify, evaluate, record and monitor significant risks.

Memberships and collaborations

Various bodies with which Crompton is associated are:



At Crompton, compliance is more than a legal requirement. We have zero tolerance towards corruption and ensure ethical conduct and fair competition through a gamut of policies and set processes and procedures. The Board regularly reviews progress on compliance and the effectiveness of internal processes.

Responsible governance for sustainable growth (contd..)

Related party transactions

All transactions of the Company with its related parties are carried out in compliance with the applicable laws and regulations where only Independent Directors participate in the discussions and voting on such transactions.

Strictures and penalties

No strictures or penalties were imposed on the Company/ its Directors/ KMPs by the stock exchanges or by Securities and Exchange Board of India ("SEBI") or by any other statutory authority on any matter related to the capital markets during the year under review.

Donations and political contributions

As a Company, we are politically neutral, as emphasised in our Code of Conduct. Crompton avoids political donations, campaigns and promotions of a political nature and we request our employees to observe strict neutrality.

MD and CEO Remuneration

The remuneration to MD and CEO includes fixed pay and variable pay. The variable pay of the MD and CEO is paid annually which is determined by the Nomination & Remuneration Committee of the Directors ("N&RC") after factoring in the individual performance, i.e., KPIs achieved and the Company's performance. There is no clawback provision in the remuneration paid to the MD and CEO of the Company. In terms of applicable laws, there is no mandatory stock ownership requirement for MD and CEO.

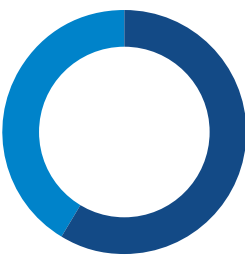
Stock Options granted to MD and CEO are governed by various Employee Stock Option Plans & Performance Share Plans of the Company as approved by Shareholders from time to

time. N&RC is responsible for administrating the stock incentives and performance incentives plans of the Company and determines the eligibility of all the employees including the MD and CEO of the Company. For granting and vesting of options, N&RC factors in both individual performance and Company's performance.

[For details of grant, vesting and exercised options please refer to page number 209 of the Report on Corporate Governance which is part of the Integrated Annual Report]

The bifurcation of fixed pay and variable pay for MD and CEO is as under:

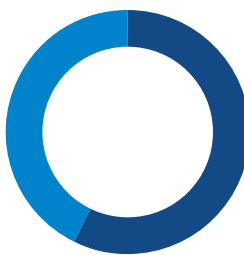
Fixed and Variable pay - Mr. Shantanu Khosla, MD*



● 58.64% Variable
● 41.36% Fixed

* Managing Director till April 30, 2023 and elevated as Executive Vice Chairman w.e.f. May 1, 2023 to April 30, 2024 and then will assume position of Non-Executive Director till December 31, 2025

Fixed and Variable pay - Mr. Mathew Job, CEO#



● 57.43% Variable
● 42.57% Fixed

Executive Director till April 24, 2023 and CEO till April 30, 2023

Familiarisation Programme for Directors

Your Company has in place a structured induction and familiarisation programme for its Directors. Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities, obligations, Code of Conduct for Prevention of Insider Trading and Code of Conduct applicable to Directors. They are also updated on all business-related issues and new initiatives.

29 Programmes

139 Hours

Rights of Shareholders



Succession Planning

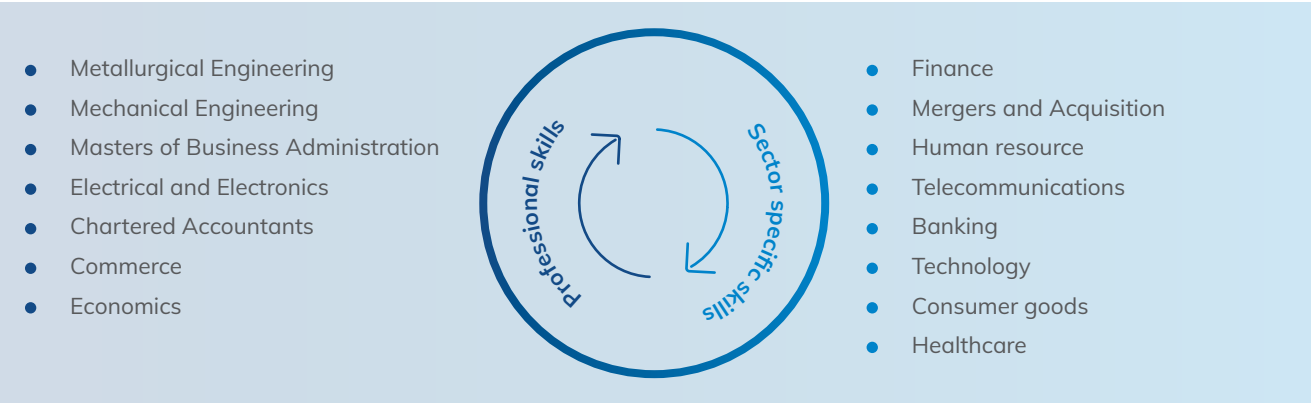
Succession planning is a critical element of the human resources strategy at the Company. As part of the Company's talent review process, individual development plans are discussed on an annual basis and key talents are identified for potential higher roles in the future.

[For further details please refer to page number 198 of the Report on Corporate Governance which is part of the Integrated Annual Report]

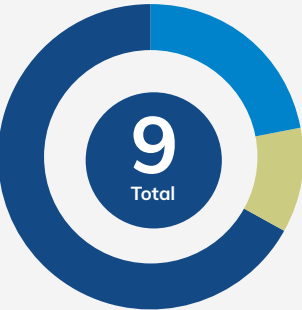
Board architecture

Enriched by stalwarts with diverse experience and expertise, the Board provides strategic guidance to the management. It has an optimal number of Independent Directors, which ensures accountability and transparency. All Board members are accomplished individuals with backgrounds in manufacturing, sales, marketing, sustainability, governance, finance, technology, cyber security, human resource, mergers & acquisitions, management, operations, enterprise risk management and academia. The Board has several sub-committees that work together to translate the Board's decisions into measurable outcomes for the business.

Responsible governance for sustainable growth (contd..)



Composition of Directors



	Number of directors	Composition of Directors
22.22%	2	Executive Director
11.11%	1	Non-Executive, Non-Independent Director
66.67%	6	Independent Director

ZERO

Fatalities

100%

Indian nationality

33.33%

Minimum attendance in Board meetings as mandated by law

33.33%

Directors with ESG experience

MD, CEO and Chairperson

Separate roles

5.09 years

Average tenure of the Board

Independent Director

Chairman of the Board

64.59 years

Average age of directors

91.35%

Average Attendance in Board Meetings

66.67%

Independent Board of Directors

Next Leaders

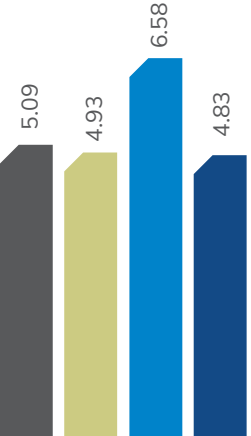
Recognised by IiAS for Corporate Governance

22.22%

Women representation in board

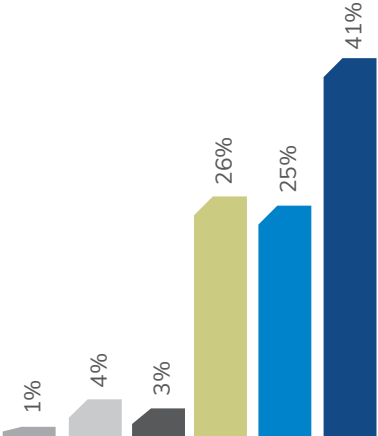
* All the above details mentioned are as at March 31, 2023.

Average Tenure in years (category-wise)



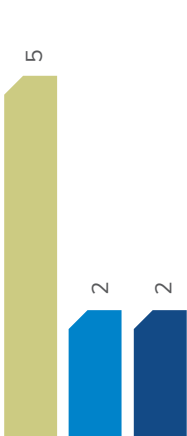
- Executive Director
- Non-Executive, Non-Independent Director
- Independent Director
- The Board

Time spent by the Board



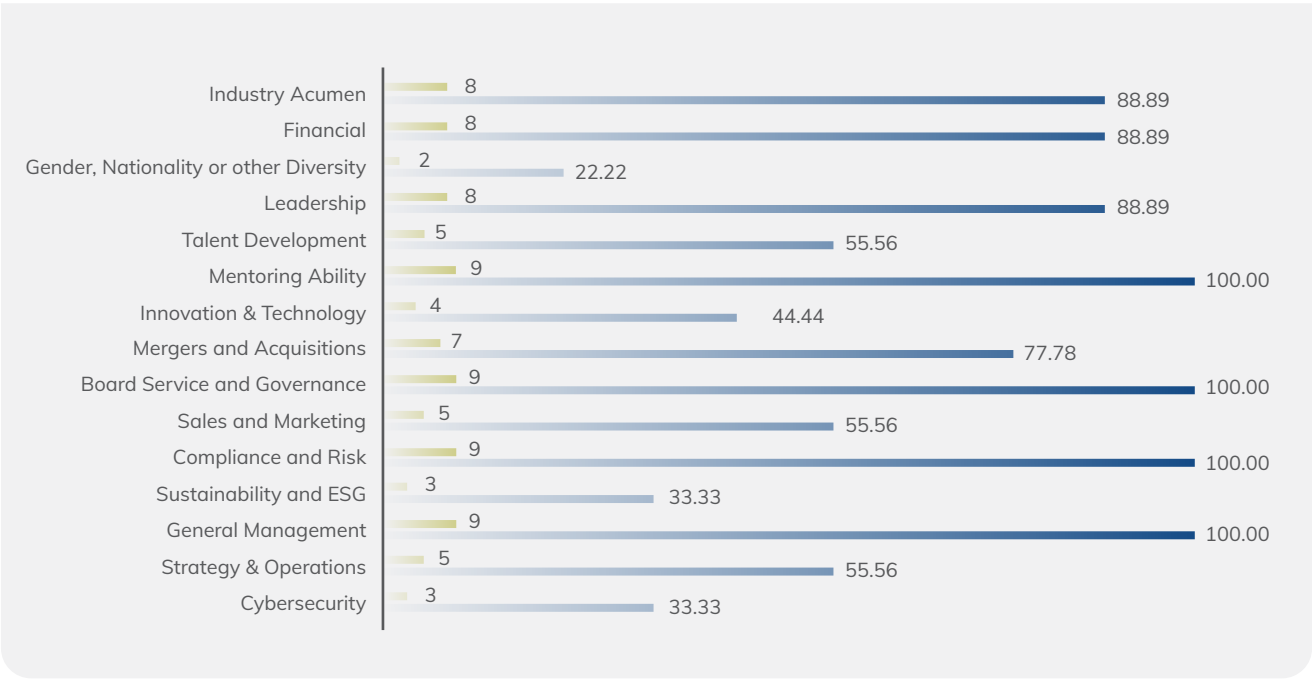
- IT & Innovation
- Risk Management
- ESG & Stakeholder Management
- Financial Overview & Internal Control
- Strategy & Operations
- Governance

Present Tenure of Directors



- <2 Years
- 2 to 5 Years
- > 5 years

Gist of skills, expertise and competence of Directors as on March 31, 2023



* All the above details mentioned are as at March 31, 2023.

Responsible governance for sustainable growth (contd..)

Board evaluation

We conduct performance reviews of the Board of Directors as a whole, Committee(s) of the Board and individual directors once in a financial year. The parameters for evaluating the Board's performance include the Board's composition, the process of appointment to the Board of Directors, a common understanding of the roles and responsibilities of the Board members and many more. The evaluation also involves a check on the Board's independence and the Management's effectiveness. We maintain a record of the attendance of the members at the meetings of the Board and committees and this information is summarised in the Report on Corporate Governance, which is included in this Integrated Annual Report.

Our Committees

The Board has established the following committees to perform the statutory tasks and obligations as required by various applicable laws. By performing comprehensive assessments of procedure and policy implementation, these committees maintain oversight of essential business operations. The committees meet regularly to carry out the functions entrusted to them by the Board. The strategic advice of these committees and their support help strengthen the Board's decision-making process.

 Strategic investment committee	 Allotment committee	 Corporate social responsibility committee
 Committee of commercial paper	 Audit Committee	 Environmental, Social and Governance committee
 Risk management committee	 Committee of debentures	 Shareholders' relationship and share transfer committee
 Nomination and remuneration committee	 Executive Committee	

Policies

Crompton's policies equip its employees and stakeholders with clear principles and standards. These policies serve as a decision-making framework, ensuring consistency and fairness in operations. The clear and well-communicated policies help to develop a positive business culture. In order to ensure ethical and transparent conduct of operations, the Board has formulated and implemented well defined codes, policies, charters and practices across the organisation.

Statutory policies

 Company's Code of Conduct	 Codes of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information	 Policy on Materiality and dealing with Related Party Transactions	 Materiality Policy	 Code of Conduct to regulate, monitor and report trading by designated persons	 Corporate Social Responsibility Policy
--	---	--	---	---	---

 Dividend Distribution Policy	 Nomination and Remuneration Policy	 Prevention of Sexual Harassment Policy	 Risk Management Policy	 Investment policy	 Policy on Foreign Exchange Risk Management Policy
 Stakeholders Relationship and Share transfer policy	 Vigil Mechanism and Whistle Blower policy	 Policy for determining Material Subsidiary	 Preservation of Documents and Archival Policy	 Rules of Procedure	 Environmental, Health & Safety Policy

EHS Policy

The Board has a well-defined Corporate EHS (Environment, Health and Safety) policy and has integrated ESG considerations into the day-to-day functions of the Company that govern our business. These include having robust governance systems, risk management and controls; serving our consumers remarkably and transparently; investing in our employees and nurturing a diverse and inclusive work environment; strengthening the communities in which we live and work; expanding sustainable solutions for our consumers and within our operations.

Supplier selection process

Our supplier onboarding process involves a comprehensive screening procedure that evaluates potential suppliers based on their capability, quality, performance and ability to deliver on time. We also assess their compliance with legal, environmental, health and safety guidelines and their willingness to participate in our sustainable supply chain management programme. In addition to this, we consider their total landed cost competitiveness and financial strength,

by evaluating their balance sheets of the previous two years. These criteria are essential to our procurement process as it helps us work with suppliers who align with our values and comply with our quality, sustainability and financial stability standards. By conducting a thorough screening process, we ensure that our suppliers meet these criteria and contribute to our overall success.

Whistle blower policy

We have a Whistleblower Policy in place to enable employees to report any violations and ensure that the reporting process is transparent and fair. The policy outlines the procedures for tracking complaints, conducting investigations and imposing disciplinary measures. It also makes sure that complainants are protected from any retaliation and provides guidelines on maintaining confidentiality during the reporting process. The policy also extends to our vendors and encourages them to report any incidents they might witness.

Any reported violation is thoroughly investigated and appropriate actions are taken in accordance with the policy. To promote awareness

Non-Statutory Policies

of the Whistle blower Policy, we have developed an e-learning tool accessible to all employees, including new hires during their induction. Additionally, we have provided a toll-free number for employees to register a complaint via telephone.

Code of Conduct

We prioritise upholding ethical standards, as outlined in our Code of Conduct/ Ethics. We have an online portal called 'Success Factors', to ensure that all employees affirm their commitment to these standards. New hires are required to adhere to the Code of Conduct. Additionally, we provide training modules for existing employees to reinforce the importance of ethical behaviour.

Our employees actively support the internal control system by consistently demonstrating integrity and ethical values through their actions, directives and overall behaviour. Our Code of Conduct emphasises the crucial role that employees play in promoting a values-based organisation.

Responsible governance for sustainable growth (contd..)

Board of Directors



Standing from left to right

Mr. Mathew Job

Executive Director & CEO

*Executive Director till April 24, 2023**CEO till April 30, 2023***Mr. Promeet Ghosh**Non Executive & Non Independent
Director till April 23, 2023

Executive Director w.e.f. April 24, 2023

MD & CEO w.e.f. May 1, 2023

Mr. P.R. Ramesh

Independent Director

Ms. Smita Anand

Independent Director

Mr. D Sundaram

Independent Director

Mr. P M Murty

Independent Director

Ms. Hiroo Mirchandani

Independent Director

Sitting from left to right

Mr. Shantanu Khosla

Managing Director till April 30, 2023

Executive Vice Chairman

w.e.f May 1, 2023

Mr. Hemant Nerurkar

Chairman & Independent Director

Responsible governance for sustainable growth (contd..)

Board of Directors



Mr. Hemant Nerurkar
Chairman & Independent Director

Ⓢ

Ⓜ

Ⓜ

Ⓜ

Ⓜ

Ⓢ



Mr. Shantanu Khosla*
Managing Director

Ⓢ

Ⓜ

*Managing Director till April 30, 2023
Executive Vice Chairman w.e.f. May 1, 2023



Mr. Mathew Job#
Executive Director & CEO

Ⓢ

Ⓜ

#Executive Director till April 24, 2023
CEO till April 30, 2023



Mr. D Sundaram
Independent Director

Ⓢ

Ⓜ

Ⓜ

Ⓜ

Ⓜ

Ⓢ



Mr. P M Murty
Independent Director

Ⓢ

Ⓜ

Ⓜ

Ⓢ



Ms. Smita Anand
Independent Director

Ⓜ

Ⓜ

Ⓢ

The Committees memberships and Chairmanships details as indicated are as on the date of this Report

Ⓢ Chairperson | Ⓜ Member

● Audit Committee Details | ● Corporate Social Responsibility Committee | ● Risk Management Committee
● Nomination and remuneration committee | ● Stakeholders Relationship Committee | ● Key Managerial Personals



Mr. P.R. Ramesh
Independent Director

Ⓢ

Ⓜ



Ms. Hiroo Mirchandani
Independent Director

Ⓢ

Ⓜ



Mr. Promeet Ghosh*
Managing Director &
Chief Executive Officer

Ⓢ

Ⓜ

Ⓜ

*Non-Executive Non-Independent Director till
April 23, 2023
Executive Director w.e.f. April 24, 2023
MD & CEO w.e.f. May 1, 2023

Key managerial personals



Mr. Kaleeswaran Arunachalam
Chief Financial Officer



Ms. Rashmi Khandelwal
Company Secretary &
Compliance Officer

A robust growth strategy

At Crompton, we have adopted a five-dimensional growth strategy to achieve our organisational goals. This strategy focuses on enhancing our brand, expanding our product portfolio, achieving marketing excellence, optimizing our operations and strengthening our human resources. By implementing this strategy, we aim to grow our business and provide our consumers with the best possible products and services.

Brand excellence

Powered by a rich brand legacy, Crompton has adopted the approach of engaging with the consumer across the purchase journey, to not only build salience but also drive consideration and preference for the brand. The result is evident with Crompton growing its spontaneous recall across categories as well as driving higher discoverability on Google and Market place platforms (Amazon and Flipkart) and achieving multifold growth in website traffic. This has led to significant increase in brand scores across the consumer funnel.

Capitals impacted



Intellectual capital



Social and relationship capital

Portfolio excellence

The Crompton brand has long been associated with well-engineered products featuring cutting-edge technology. To keep the consumer at the centre of our innovation, we prioritise developing a deep understanding of consumers.

Leveraging expertise in exclusive design, technology and engineering, Crompton's products offer valuable solutions to consumers. The portfolio includes Anti Dust Fans, Backup Bulbs, Anti-Bacterial Bulbs, 3-in-1 Lights, Silent Fans and IoT Geysers, among others.

Capitals impacted



Intellectual capital



Manufactured capital



Natural capital

Go-to-market excellence

Crompton's Go-To-Market programme is a comprehensive strategy aimed at expanding the reach and improving the availability of products while ensuring the highest quality standards.

By focusing on the right product mix, placement and visibility, we aim to deliver an exceptional customer experience at every touchpoint. In addition to driving reach in traditional trade channels, we have invested in alternative channels such as Rural, E-Commerce and Merchant of Record, which have resulted in a robust growth rate. This helped us significantly improve our reach in all segments over the past five years.

Capitals impacted



Social and relationship capital



Manufactured capital

Operational excellence

We strive for operational excellence by strengthening our supply chain to ensure timely and cost-efficient product delivery. Unnati, an aggressive cost improvement programme, eliminates non-value-added costs to achieve cost leadership, while continuous process enhancement drives quality improvement at all levels. Our strong digital infrastructure enhances operational efficiency by enabling seamless integrated ecosystem. Through the Udaan programme, we eliminated waste across processes and delivering Crompton products to the market with optimal Total Delivered Cost, Quality and Service Levels.

Capitals impacted



Intellectual capital



Manufactured capital



Natural capital



Financial capital

Organisational excellence

Our objective is to establish a team of high-performing employees who are deeply committed to our organisational values and exhibit exemplary behaviour. We believe in empowering our employees by fostering an environment of inclusivity and recognition, which allows them to feel valued and appreciated. Our focus on providing opportunities for professional development enables us to nurture our employees and support them in their career aspirations. Our ultimate goal is to create a workplace where our employees can thrive and contribute to the growth and success of our organisation.

Capitals impacted



Human capital

Managing risks for sustainable growth

Crompton has implemented a comprehensive risk management policy and process to ensure it achieves its strategic objectives and sustainable goals. The process enables informed decision-making through risk assessment and management at all levels of the organisation. Crompton adopts both bottom-up and top-down approaches, covering the entire organisation, business units and functions. The Company’s enterprise risk management (“ERM”) framework helps it attain its targets and goals sustainably and profitably.

Governance and oversight of risk management

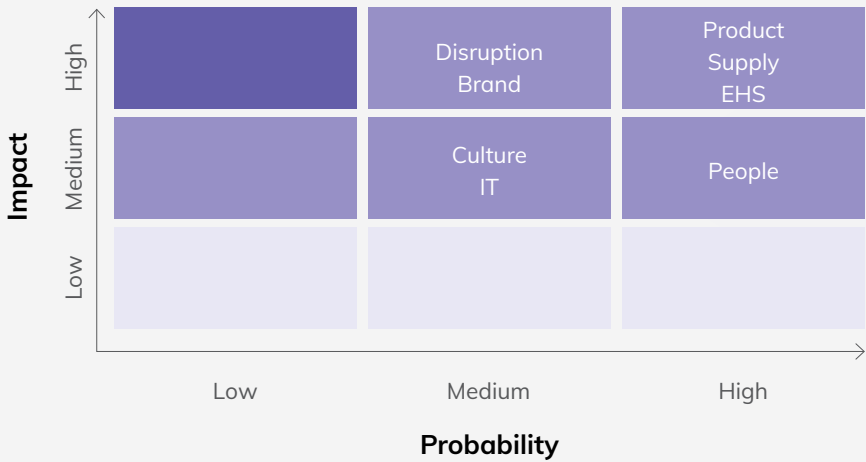
Crompton’s ERM Committee, chaired by an Independent Director, reviews identified risks bi-annually and guides the ERM head, who collaborates closely with business and functional teams to identify, monitor and execute agreed-upon risk responses. Meanwhile, the Risk Council, comprising senior functional leadership, reviews the major risks identified by the business and the status of mitigation actions, systematically.

Moreover, the Board Risk Management Committee (“RMC”) oversees our Risk Management Policy, framework and process, as well as the risk management structure and risk mitigation system. The Audit Committee ensures additional oversight on financial risks and the effectiveness of process controls.

Enterprise risk management framework



Risk assessment



Product

Focus Areas

Energy Efficiency (Regulatory BEE norms)	Quality	Sustainability	Innovation
↓	↓	↓	↓
Mitigating Measures and Current Progress			
Redesigning and transitioning all models through process optimisation into energy efficient models in fans and water heaters to comply with the BEE norms	- Laid down a structured KPI review mechanism through Quality scorecard covering targets on COPQ, PPR, IQC, TBR, PDI, IQP, SQP, VQP - Process of CQMS, DWM, Stop to Fix and Zero Tolerance implemented	- Enterprise-level gap assessment done for sustainability - All new product development contains KPIs covering sustainability at stage gate level - DJSI application made for assessment rating - ESG committee to take next steps on KPI formulation as coming out from gap assessment study	- Completed consumer immersions, collecting feedback and insights generating strategic focus on trend-setting smart technology and new products for energy efficiency, health, hygiene, comfort and convenience - Robust NPD version 2 implemented with automated PDM workflow to define and track KPI on revenue, margin, learnings and so on

Capital Linkages



Managing Risks for Sustainable Growth (contd..)

Brand

Focus Areas

Social Media Feedback

Service Quality

Counterfeit Product

↓

↓

↓

Mitigating Measures and Current Progress

- The Company has implemented a system of category listening and sentiment analysis to handle feedback
- Established Online Response Mechanism with a best in class response TAT to any feedback / query

- Wide and PAN India network of authorised service centres to address customer complaints on a priority basis
- Requisite trainings are given to service teams to cater to consumer complaints and improve service
- Monitoring process implemented for consumer satisfaction with a happy code index for service quality
- There is a program being driven to enhance the remote area coverage on consumer complaints

- Information about counterfeit issues is obtained by way of monitoring through market intelligence and statutory methods such a publication of trademark journals
- All actions are initiated basis methods defined in the IP Policy of Crompton and legal actions are initiated as appropriate

Capital Linkages

IC

SRC

Supply

Focus Areas

Import Risk

Production disruption & Single source dependency

Volatile Commodity Cost

↓

↓

↓

Mitigating Measures and Current Progress

- At an overall level, Import dependency for the Company has increased due to introduction of new business in Large Appliances
- A phased plan for development of local suppliers to minimize import dependency has been created
- Lighting division continues to depend on imports for component sourcing in line with industry practice

- Regular identification and development of alternate vendors and suppliers for key SKUs and component as part of the supply risk management
- Process underway for In house Design development for single source product. Currently the same is mitigated with alternate SKUs within segment
- Focus build on consolidation of vendor and supplier base

- Cost saving initiatives being driven across organisation to mitigate impact of Commodity cost volatility
- Procurement team constantly drive price negotiation to bring down the average price of purchase

Capital Linkages

MC

SRC

FC

Managing Risks for Sustainable Growth (contd..)



Disruption

Focus Areas

Competition	Distribution and Alternate Channel	Market share and Brand Investment
↓	↓	↓
Mitigating Measures and Current Progress		
- Market share improvement and expansion into kitchen appliances on track - Launch of new segment such as built-in large kitchen appliances as per plan - As part of strategic plan, Company has acquired major shareholding in Butterfly Gandhimathi Appliances Limited, key player in South kitchen appliances market	- Development of alternate channels including rural expansion and launch of D2C - Focus on omni-channel strategy with appropriate pricing mechanism - Enhanced digital footprint and capabilities through strategic partnerships with e-commerce platforms - Collaboration with B2B and Ecom platforms	- All segments maintaining market share - Focus on digital campaigns in addition to mass media campaigns which is reaching planned saliency - Crompton continues to be No 1 player wrt. Numeric distribution ("ND") and Weighted distribution ("WD") in Fans category and for Lighting ND is stable and gain in WD

Capital Linkages



EHS

Focus Areas

Safety and Compliance

↓
Mitigating Measures and Current Progress
- Strict adherence to statutory and regulatory compliances including e-waste management and EPR policy - EHS policy adherence at in-house and vendor locations being monitored by Internal Audits - Compliance status is checked by Internal Audit every year and reported to Board of Directors and Audit Committee - Compliance refresh to various laws is ensured on a regular basis as applicable.

Capital Linkages



Culture

Focus Areas

Diversity Engagement

↓
Mitigating Measures and Current Progress
- Diversity and inclusion policy rolled out covering aspects of environment and recognition - Gender diversity is a key initiative driven through council formation including senior leadership - Aspects of environment led impacts included by creating gender neutral job description, support framework for expecting parents, gender neutral prevention of harassment policies, inclusive language in performance review sessions - Recognition is being made equitable across the employee base in pay equity, well being in benefits, promotions and succession planning

Capital Linkages



People

Focus Areas

Attrition management	Adequacy of Succession Planning	Contract Management
↓	↓	↓
Mitigating Measures and Current Progress		
- Various programmes being run to address attrition and retention of key talents which include Great Manager certification and dealing with work stress - Focus on bringing work-life balance, fun at work and increasing rewards and recognition - Constant investment in various trainings on talent management towards upskilling & reskilling	- Job rotation plan and succession planning of key position with talent calibration is done - Structured leadership programmes are rolled out - Inclusion of D&I agenda in the succession planning formats, as applicable	Initiatives in progress to maintain target ratio of labour across plants in progress through Automation, Outsourcing, hiring CGCEL trainees, NEEM deployment

Capital Linkages



Managing Risks for Sustainable Growth (contd..)



IT

Focus Areas

Data and Information Security



Mitigating Measures and Current Progress

- Our policies have been appropriately refreshed to cover for Data privacy requirements.
- Data Centre and Disaster Recovery (“DR”) is maintained at different location.
- Disaster Recovery drill for SAP is conducted annually
- AD/ SAP are hosted on our Data center and are DR enabled.
- For Cloud/ Saas based Applications, DR preparedness is complete for all 26 applications
- Data Protection Assessment is complete. Mobile Device Management and AzureAD Prem is implemented for conditional access for Microsoft apps
- A robust system is maintained towards access management of our critical IT systems
- User Access Review is completed in Crompton

Capital Linkages



Manufactured capital

Natural Capital

Intellectual capital

Human capital

Social and relationship capital

Financial capital

NON-CROMPTON USER

Crompton user

Crompton Mixer Grinder

THE SECRET OF FINE TASTE

Managing Risks for Sustainable Growth (contd..)



Internal control framework for process optimisation

We prioritise reinforcing financial and operational controls to enhance transparency, accountability and efficiency in our processes. We adhere to an internal control framework that includes key process coverage that impacts the reliability of financial reporting, periodic control testing to assure design and operational effectiveness, implementation of remedial measures and regular monitoring by senior management and the Audit Committee. Internal audits are conducted periodically and any design deficiencies or operational inefficiencies are reported and improvement measures are recommended. The adequacy of controls is reviewed by the Audit Committee and specific processes are assessed for improvement in systems and outcomes.

E-learning modules have been developed to keep employees informed of the Company's Code of Conduct, POSH compliances and whistleblowing rights. This ensures compliance and a controlled environment, while achieving our objectives. The Executive Director & Chief Executive Officer and Chief Financial Officer provide a certification statement in the Annual Report on the adequacy of internal control systems and procedures.

Process controls with evolving SAP solutions

We are constantly working to enable IT in key processes, embedding major controls in SAP for accuracy. Third-party validation is initiated to ensure system configuration effectiveness. Periodic reviews are conducted to control authorisation to SAP, based on function-based user access supported by the Governance Risk and Controls module. Evolving SAP solutions are utilised for process controls, with continued monitoring through automations and exception management.

Standardising processes for better decision-making

To ensure data and IT system security, we have implemented a single sign-on (SSO) feature for authorised access to our systems and applications. We are standardising processes across key functions such as Innovation, Design, Procurement and Quality for superior decision-making. Shared services for Accounts Payable process have been implemented to drive process improvement and better decision-making, with potential for expansion to other operational areas.

Adapting for a better world

We have ensured that our business operations are not just feasible but sustainable and in alignment with the externalities that surround our business. We understand that our employees and consumers are essential stakeholders in our business and we take great pride in supporting them in every possible way.

We firmly believe that our commitment to ESG will help us build a sustainable, resilient and successful business that positively impacts the world around us. We will continue to uphold the highest standards of ESG, work towards the United Nations Sustainable Development Goals and abide by national laws and regulations to ensure that we contribute to the greater good and make a positive impact on the world.

Resilience and adaptability through ESG



Prioritising environmental impact

Our unwavering commitment to ESG principles has allowed us to become more resilient and adaptable in the dynamic global market. We take pride in our accountability towards environment, society and the economy, and have implemented initiatives such as reducing greenhouse gas emissions, minimising waste and conserving energy.



Prioritising social responsibility

We acknowledge the importance of social responsibility and have made it our top priority to take care of our employees, consumers and communities. We have implemented various programmes that support the physical and mental well-being of our employees, promote D&I and ensure the safety of our consumers. Our Corporate Social Responsibility (“CSR”) is rooted in philanthropy of being responsible and shared value for all stakeholders. With sustainability at its core, our CSR efforts entail skill training, employee engagement, water conservation and community care development.



Prioritizing strong governance practices

Strong governance practices are essential for building trust and maintaining long-term relationships with our stakeholders. We have therefore prioritised the implementation of transparent, ethical and globally accepted governance practices. We believe that strong governance practices are not only essential for maintaining the trust of our stakeholders but also for enabling us to achieve our long-term business goals.

Key ESG priority areas



Energy Efficiency, Reduction in emissions and Responsible sourcing



Positive Organizational Culture



Employee Value Proposition



Ethical Business practices and compliance to laws and regulations



Customer Service Excellence

Based on these components, we intend to provide greener renewable solutions in a responsible manner in line with our purpose by taking into account our economic, environmental and social duties and ambitions. We aspire to empower the lives of our employees by creating a positive work atmosphere that enhances morale and increase productivity.

Through our dynamic product portfolio and systematic resource allocation, we want to provide our consumers a broad range of value propositions. By functioning with honesty and integrity, we intend to have an opportunity to build incredible trust and loyalty with the public, consumers, suppliers, industry partners, regulators, shareholders and other stakeholders in the business.

Adapting for a better world (contd..)

Initiatives for impactful ESG performance



Environment initiatives

Aims to improve energy efficiency to limit energy consumption and integrate renewable energy sources.

Innovation focuses on producing energy-efficient products, reducing emissions and optimising natural resources.

Significant energy reduction achieved across product lines, including fans, lighting, pumps and appliances.

Renewable energy infrastructure helps decrease carbon footprint and reduce power costs per unit.

Various carbon-neutral measures implemented to mitigate greenhouse gas emissions.

Dedicated to water conservation, implemented steps to reduce consumption and utilise zero liquid discharge system.

Improved material efficiency, eco-friendly packaging, waste recycling and waste segregation have reduced industrial waste and greenhouse gas emissions.

Efforts made to manage hazardous waste and dispose of e-waste responsibly.



Social initiatives

CSR initiatives centered around four key areas: skill development, community care, water conservation and employee engagement.

Skill and entrepreneurship initiatives provide training, placement assistance and entrepreneurship development.
Examples: Project Nayi Disha and Project Swabhiman.

Community care programmes aim to alleviate poverty, education, health and environmental sustainability.
Examples: Project Patang, Ujjwal Deep Scholarship and mid-day meal.

Water conservation projects focus on integrated watershed management, natural resource conservation and empowering drought-hit villages.

Upholding globally recognised human rights principles and standards.

KAVACH initiative implemented for comprehensive EHS strategy.

Safety and skill training for our employees, including disabled employees.

Inclusive workplace with supportive benefits and equitable job opportunities.



Governance initiatives

Policies, mechanisms and frameworks in place to ensure compliance with ethical, legal and moral standards.

Five value pillars: Personal Leadership, Innovation, Execution Excellence, People Development and Courage.

Included ESG-related risks as a part of our overall risk assessment.

Anti-Bribery and Anti-Corruption Policy in place; conducts related training and awareness for employees.

Code of Conduct for workplace practices, regulatory compliance, ethical behavior and reporting mechanisms; applies to all employees and directors.

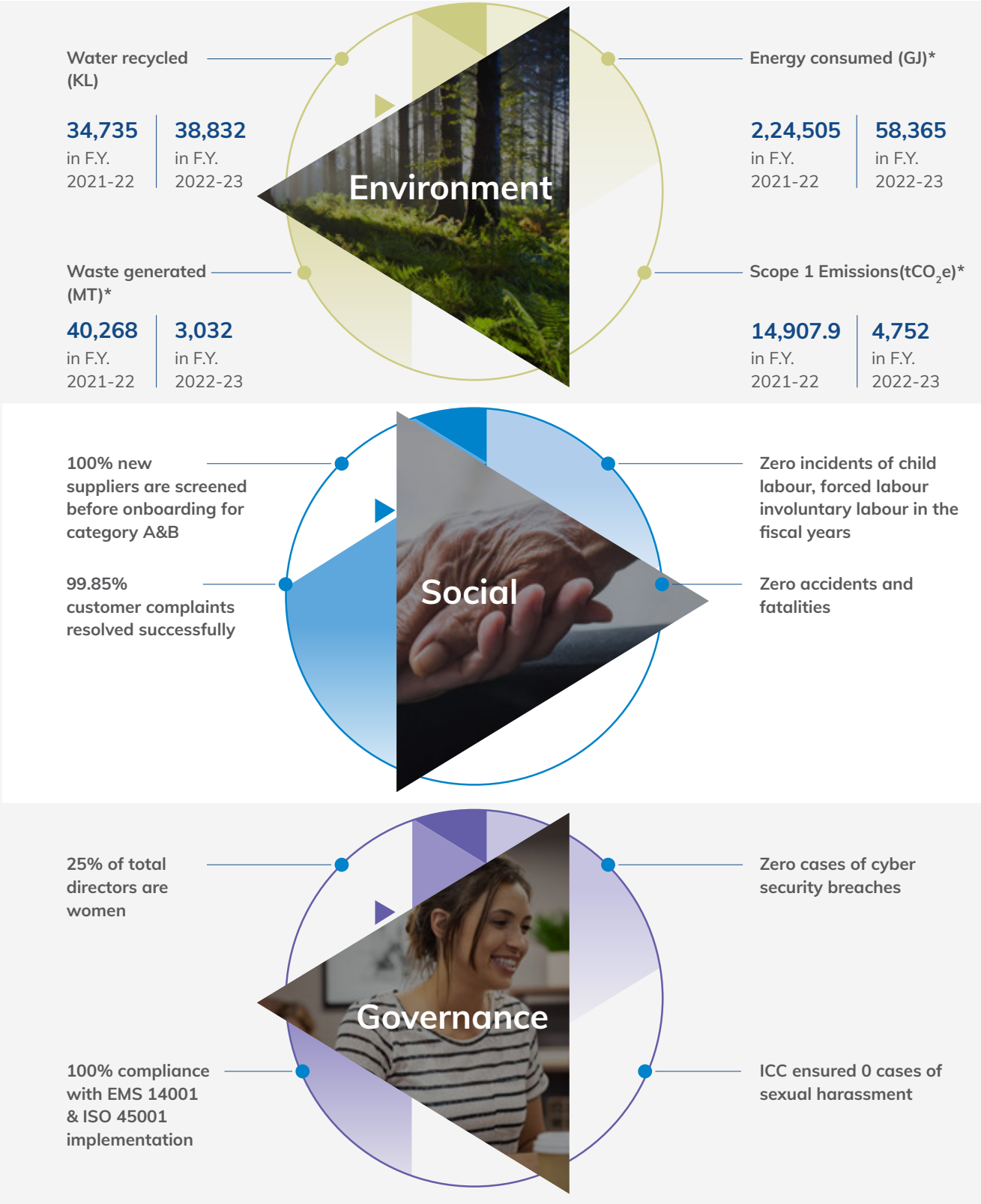
Whistle-blower policy in place for disclosing unethical behavior, fraud, or violations of Company's Code of Conduct without fear of reprisal.

Prevention of Sexual Harassment policy and Internal Complaints Committee ("ICC") for addressing complaints.

Intellectual property strategy to support research activities and reward innovators.

Privacy statement explaining how customer data is collected, used and shared.

Progressive and transparent ESG metrics

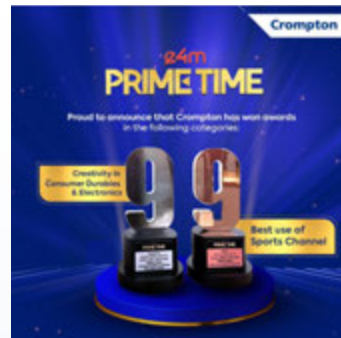


*Significant decrease is due to stoppage of glass manufacturing in Baroda

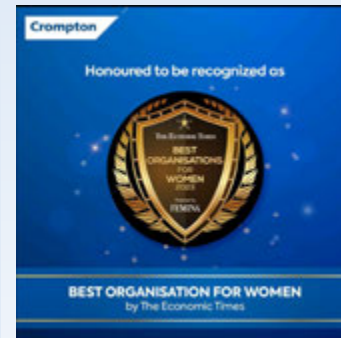
Awards and Recognition



Indian Digital Media Awards (IDMA) awarded Crompton's search campaign on digital for the **'Best SEO for website/universal search ranking and SEM Strategy'** among more than 1,700 entries



Crompton won **2 exchange4media Prime Time awards**
Crompton SilentPro - 'Play to Win' campaign in the Media category for the **Best Use of Sports Channel**
Creativity award in the Consumer Durables & Electronics sector for our Ceiling Lights 'Mood Jaisa, Lighting Waisa' campaign



This recognition is a testament to our commitment to fostering an inclusive and supportive work environment for all employees. **We are proud to be recognized for our efforts and we look forward to continuing to support and champion women in the workplace.**



CGCEL Baroda plant won a **Bronze Award in Safety Convention** organised by **Quality Circle Forum of India**, Vadodara Chapter held at Baroda.



Crompton is amongst the only ten companies to be recognised under the **"Next Leaders"** category by the Institutional Investor Advisory Services (IIAS)



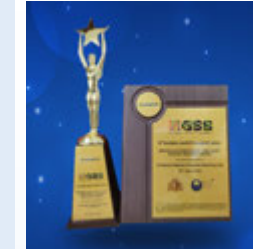
Crompton along with its agency partner HiveMinds won **Flipkart's Silver Jury Award under the MELD (Best Media Mix) category**



This is the fifth consecutive year that **Crompton Pumps has been voted & awarded as Superbrands.**



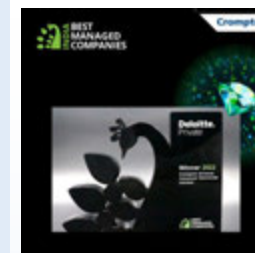
Gomanth Sarvach Suraskha Puraskar award for F.Y. 2022-23



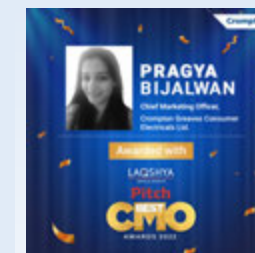
National Safety Award from Global Safety Summit 2022 in the Consumer Electricals Sector



Crompton along with its agency partner Schbang won the **ET Brand Equity DigiPlus award** for Consumer Durables and Electronics category.



Crompton won the coveted title of **'India's Best Managed Companies'**



Crompton's CMO, Pragma Bijalwan, was awarded **'The Pitch Best CMO Award 2022'**



Crompton ranked among **Dun & Bradstreet India's Top 500 Companies 2022**



Three teams from our Crompton pumps participated in the **47th International Conference on Quality Circle at ICQCC (Jakarta, Indonesia)**, all of which won the **'Silver award'**



We have been conferred with the **"Navabharat CSR Award 2023 for excellence in CSR Activities"**. The award was given in the august presence of the Hon'ble Governor of Maharashtra, Shri Ramesh Bais, Hon'ble Deputy Chief Minister of Maharashtra, Shri Devendra Fadnavis & Hon'ble Speaker of Maharashtra Legislative Assembly, Shri Rahul Narvekar.

We deploy all our resources strategically in order to build a business model that is resilient and can create sustainable value for all stakeholders.



Financial capital



Manufactured capital



Intellectual capital



Human capital



Social and relationship capital



Natural capital

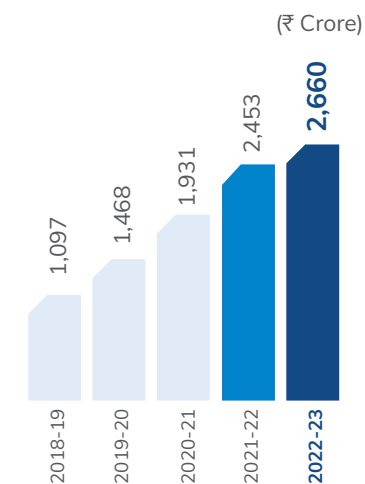
Financial Capital



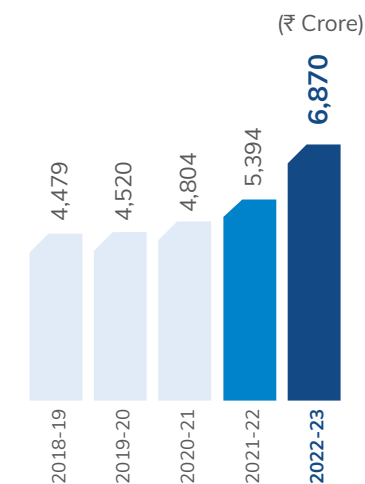
At Crompton, our prudent capital allocation and strategic financial decisions have accelerated our growth trajectory. We consistently endeavour to maintain a strong liquidity position, healthy balance sheet and steady free cashflow. Stringent cost efficiency measures and diligent focus on deleveraging our balance sheet have helped us stay on track and deliver consistent value to stakeholders.



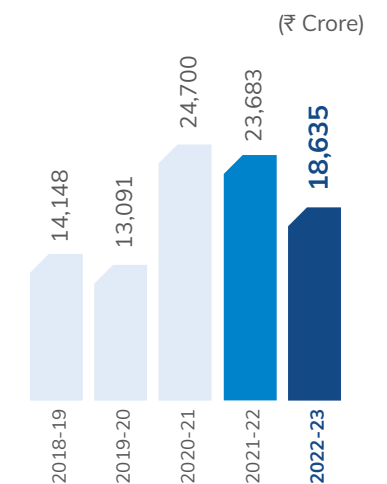
Net Worth



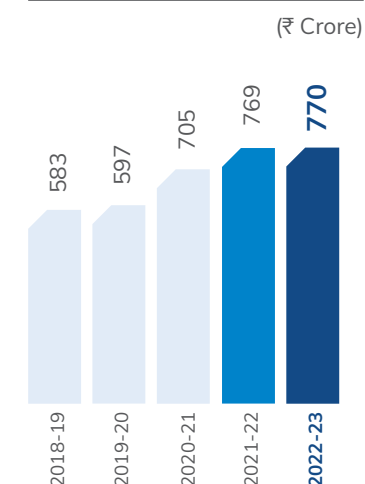
Revenue



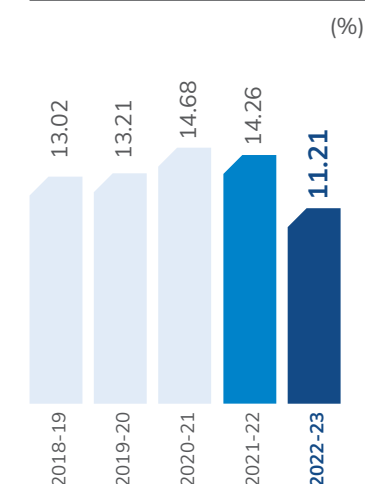
Market capitalisation



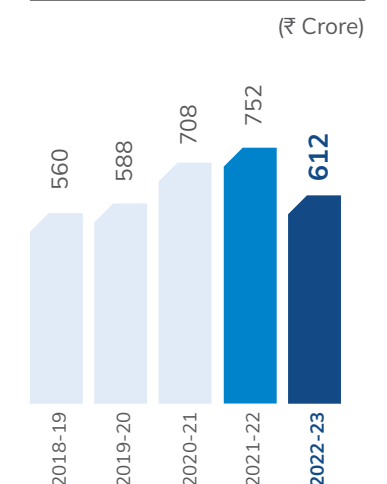
EBIDTA



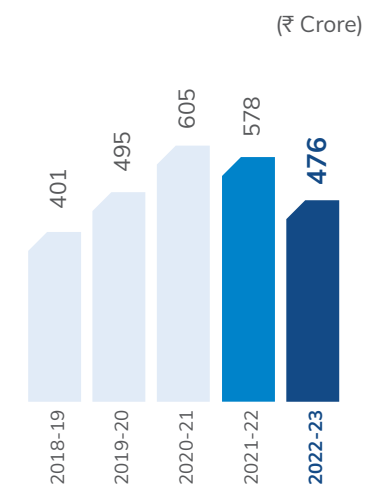
EBIDTA margin



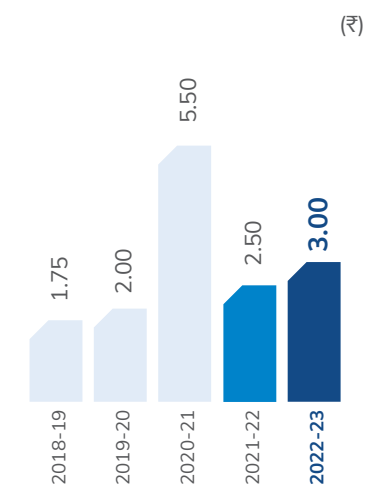
PBT



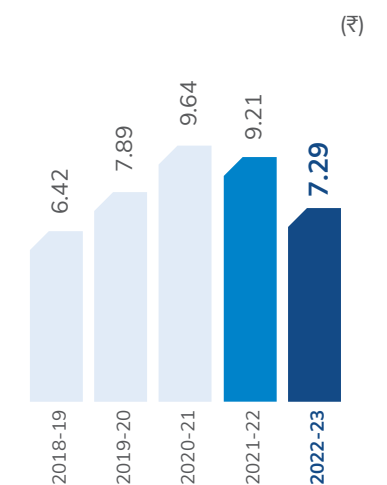
PAT



Dividend per share



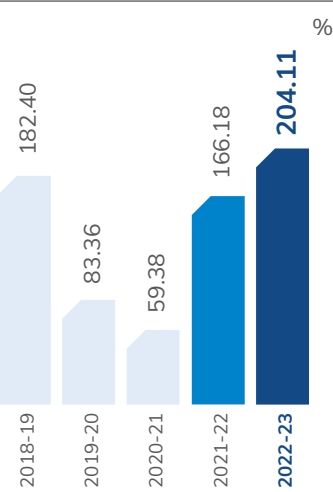
Basic EPS



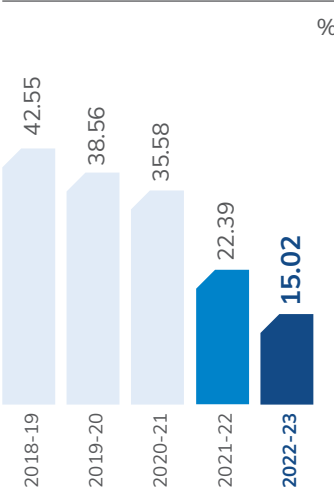
Note: All numbers are consolidated numbers.

Financial Capital (contd..)

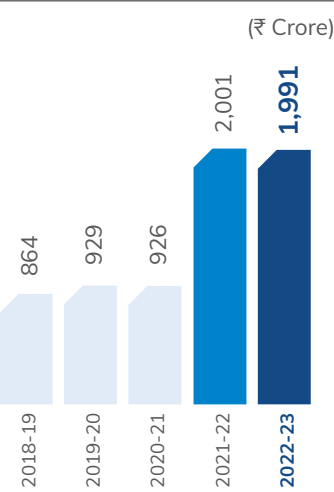
ROCE



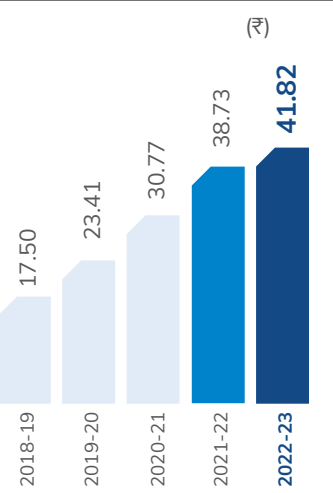
ROE



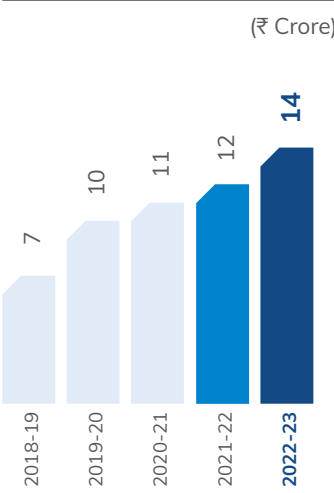
Net fixed asset



Book value per share



CSR expenditure



Note: All numbers are consolidated numbers.

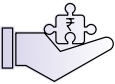
Project Unnati

The powerful and aggressive cost improvement programme, 'Project Unnati' was launched to identify new cost-saving opportunities. This flagship programme has successfully enabled us to continuously benchmark ourselves against best industry practices and emerging technologies in terms of material and process cost over the last five years. The programme continues to entail cost savings in a variety of areas, resulting in more efficient operations and better-quality assurance. To reduce operational costs, we have implemented several initiatives as a part of this project. The cost-saving programme has helped us secure market-competitive product pricing, while mitigating fluctuating commodity costs.

₹248 Crore

Cost saving in F.Y. 2022-23

Broad themes of UNNATI project are as follows



Buying Strategies

- Alternate vendor development
- Cost sheet-based negotiation
- Bundling of materials
- Bundling of geographies
- Low-cost country sourcing
- Consortium based purchase
- Reverse auction/ E-Auction
- Commodity index-based purchase



Process Improvements

- Increased utilization of purchased items
- Rationalization of under-utilized items
- Proactive demand management
- Material order lot planning
- Compliance to policy and regulations
- Plant process norms optimization
- Transparency through central consolidation



Commercial Terms

- Price equalization
- Discounts based on Annual contracts
- Credit/ Tax benefit pass back
- Payment terms and duration optimization
- Tax efficient procurement
- Share of business between vendors
- Hedging to counter volatility
- Centralized sourcing for suppliers



Technical Modifications

- Standardization of SKUs
- Change of specifications
- Change of material of construction
- Move to better alternate products
- In-house vs Outsource
- Equipment efficiency measures
- Network flow optimization
- Market based material re-engineering

Manufactured Capital



At Crompton, we invest in attaining operational excellence by improving efficiency, optimising raw material mix and reducing the waste generated. Prudent investments in infrastructure, extensive research and development strengthen our manufactured capital. We adopt the latest technology to ensure optimum productivity and faster product launches.



At Crompton, our manufactured capital comprises our state-of-the-art manufacturing units and facilities that ensure uninterrupted delivery and productivity.

A 50,000 square feet state-of-the-art research and development centre in Vikhroli, Mumbai, helps enhance our capabilities in enabling world-class innovation and further optimise product efficiencies. It further accelerates the Company's efforts in driving innovation across its flagship product lines in fans, appliances, pumps and lighting. The acquisition of Butterfly was yet another significant milestone last year, which brings enormous value to our product line while creating cost efficiencies and expanding our production footprint.

Manufacturing facilities

Our four state-of-the-art production facilities are equipped with the latest machinery, enabling us to consistently deliver high-quality products. The acquisition of Butterfly has further complemented our appliance manufacturing capabilities through synergistic collaboration. We have introduced advanced grinding machines featuring cutting-edge technologies, including automated dressing, adjustment and online inspection. The integration of these automated features is instrumental in optimizing operations, minimizing errors and increasing overall efficiency and output.

Goa	Himachal Pradesh (Fans)	Baroda (Lighting)	Himachal Pradesh (Lighting)	Ahmednagar	Chennai (Butterfly)
Product lines					
8	5	7	5	4	15
Manufacturing capacity (Per Month)					
1,045,110	863,225	4,647,763	3,554,488	43188	3shift -1372000 2 shift - 980000
Capacity utilisation (in %)					
32.7	14.1	48.2	51.9	25.3	3 shift - 32% 2 shift - 45%

Project Udaan

The programme is designed to bring our products to market at the lowest possible cost, while maintaining best-in-class quality and service standards. The objective is to be among the best-in-class by 2026 by aggressively eliminating waste across processes from order to delivery and from concept to launch. Across a five-year horizon, the project aims to recalibrate the business model by focusing on the following work areas:



Focus on manufacturing excellence towards improved throughput, productivity, cost and quality performance



Augmented manufacturing network capable of delivering products (finished goods, components) in line with cost, quality and service levels



Optimise 'Make v/s Buy' portfolio configuration, considering product criticality and the supply chain ability



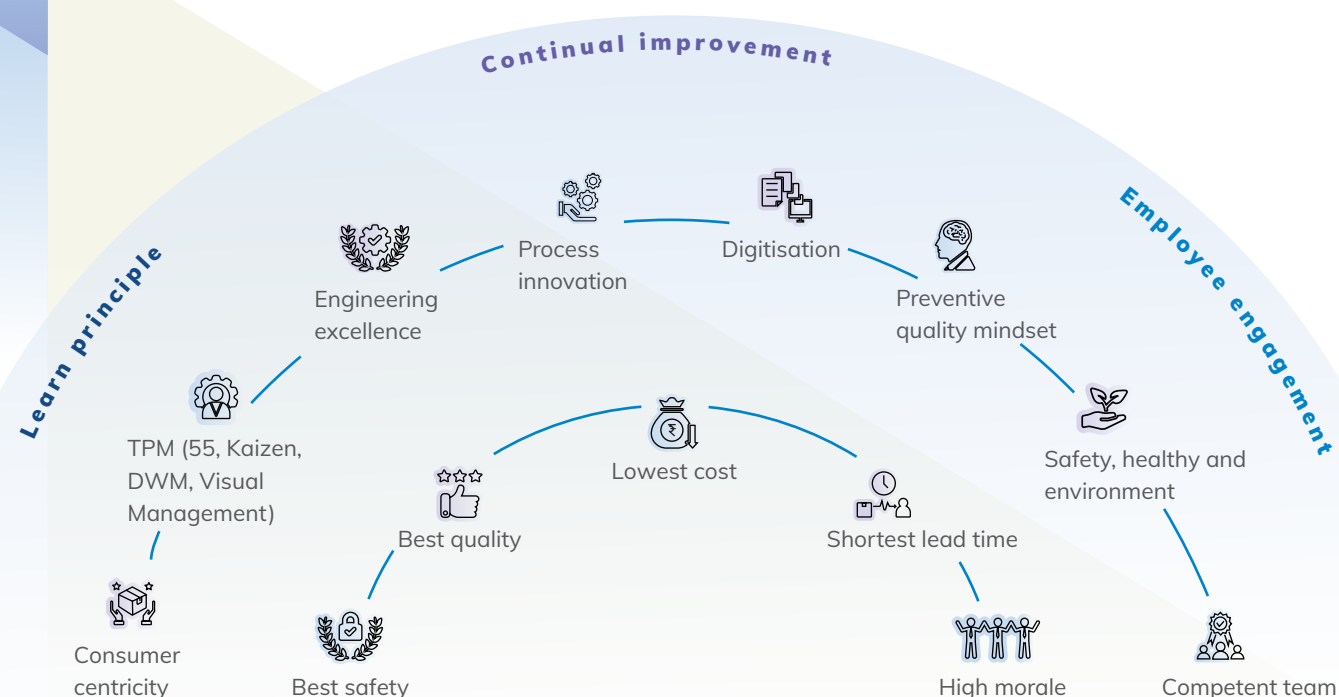
Sourcing excellence initiative, aligned to the requirements of the overall supply strategy (finished goods, components), considering cost, quality and service levels

Manufactured Capital (contd..)

The broad framework defines specific objectives to be delivered based on below 3 themes



The implementation of the projects are based on the foundation of lean principle, continuous improvement and employee engagement. Consumer centricity, TPM, engineering excellence, process innovation, digitalisation, preventive quality attitude, competency development and EHS are among the eight excellence pillars underlying the initiative.



The programme is on track, with a dedicated cross-functional team working to fulfil the defined goal of achieving manufacturing excellence across all vendors, suppliers and manufacturing locations.

62

Projects identified for UDAAN in F.Y. 2022-23

Maximising productivity

At Crompton, we follow a lean manufacturing concept through which we try and maximise productivity while reducing waste. We try to eliminate waste at every stage of the process, from design through product conceptualisation, raw material sourcing and final shipment. As a result, every stage of the product's life cycle and process adheres to the lean manufacturing approach.



We look for processes that provide robust machine capabilities and are highly productive to achieve the appropriate quality outcomes based on product requirements



We look for eco-friendly processes to reduce the environmental footprint of our manufacturing



We emphasise on robust automation and digitisation



We outsource the non-critical processes with the help of suppliers around the plants

Leveraging technology for operational excellence

The Company's manufacturing excellence is driven by the adoption of technology in multiple facets. Crompton implemented automation across its production lines to enhance efficiency, productivity and consistency. Additionally, data analytics is deployed to gain critical insights into its manufacturing processes, allowing the Company to identify areas for optimisation and improvement. Crompton also leverages advanced materials and technologies to develop innovative products that meet the evolving needs of its consumers. These initiatives align with the Company's mission to enhance its manufacturing prowess through the use of technology.

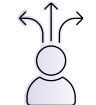


Manufactured Capital (contd..)

Robotic automation for ceiling fan assembly

The Company embarked on a strategic implementation of automation, while preserving its established floor footprint. This decision has yielded remarkable results, with significant enhancements to Crompton's operational efficiency and product quality.

The Company takes pride in this achievement, which stands testament to its unwavering commitment to meeting and surpassing the expectations of its stakeholders. The proposed value addition through robotic automation is explained below:

 Production volume enhancement - Existing assembly line capacity of 2,480 ceiling fan motors in a single shift - Proposed automation line assembly capacity of 4,500 ceiling fan motors in a single shift	 Reduction in manpower utilisation - Existing assembly line requires 28 operators - Proposed line automation will require 7 operators - Productivity improvement 89/ man/ shift to 643/ man/ shift (700% increase)	 Skilled manpower optimisation - Existing assembly and testing line required 70% skilled manpower considering the core job - Proposed line automation will deskill all assembly and testing related activities	 Error proofing the quality process Proposed line automation will improve overall in process quality during assembly process
 Improved ergonomics - In the existing process part handling between stations is Manual - Proposed robotic automation line will have automatic part movement - Customised grippers on the robot ensures zero damage during part handling and provides accuracy, and repeatability to process	 Compliance with labor laws Proposed automation line will have 100% compliance	 Data tracibility and Industry 4.0 enabled solutions The proposed line will have latest industry standard Industry 4.0 features for data management with traceability	 Increased line flexibility - Proposed automation line will produce multi-model induction motors with limited changeover - This multi-model line can be modified for other technology (BLDC) adding EP testing and Magnetisation equipment

Green operations

We made investments in green and sustainable technologies at Crompton this year and intend to continue doing so in the future. In addition to emphasising on the conservation of limited resources and minimising harmful emissions, our strategy also focuses on sustainable management at all stages throughout the value chain and the life-cycle of the products.

We have eliminated plastic and thermocol during packaging as they pose a great danger to landfills.

Partnering for excellence

In pursuit of sourcing excellence, we have made significant progress in monitoring vendor performance through the implementation of a vendor scorecard. This scorecard evaluates vendors based on key parameters such as cost, quality and delivery. The Vendor Performance Index ("VPI") is derived from the vendor scorecard and serves as a crucial metric for assessing vendor performance. We are actively working on improving the VPI score of vendors to achieve a minimum threshold of 75%. To achieve sourcing excellence and maintain strong vendor relationships, we give preference to vendors that score high on the VPI, ensuring effective vendor strategy/management.

Additionally, we are committed to attaining quality excellence at the vendor's end. External agencies have been engaged to assess vendor performance and action plans have been formulated to enhance internal deliverables such as PPR (Product Performance Review), TBR (Test Bed Rejection) and VQP (Vendor Quality Performance). These internal improvements serve as the foundation for enhancing lead indicators like VPI. We have taken several initiatives to enhance quality, including the release of a quality manual, the implementation of a zero-tolerance policy and the establishment of a Bill of Material validation process.

Moreover, the digitalisation of all vendor data on a dedicated vendor portal has been carried out to facilitate improved quality at the vendor's location. During the BEE (Bureau of Energy Efficiency) transition in fans, we collaborated closely with vendors. The design and quality representation team from Crompton worked alongside the vendor design and quality team throughout the entire production process, from the initial gate to the final productionisation gate. To ensure the delivery of high-quality products, we ensure that all critical parts designs are approved by the design team and that procurement of critical parts is exclusively carried

out by CGCEL-approved suppliers. Moreover, in a strategic move to reduce dependency on vendors, we have acquired ownership of tools and moulds, thus mitigating potential supply chain risks. These initiatives collectively highlight our commitment to sourcing and quality excellence.

New BEE rating- a trend towards sustainability

The obligatory BEE rating for ceiling fans will encourage larger institutions to adopt energy-efficient solutions. Public awareness will also be ensured by the widespread deployment of these energy-efficient fans. The lower cost of fans will also appeal to large-scale industrial clients such as the textile sector as well as other industries with significant energy expenditures that may be directly related to ceiling fans.

Addressing the trend

We believe that brands should be able to match the consumer demand for environment-friendly and energy-efficient solutions. We are an eco-conscious brand and offer a variety of eco-friendly ceiling fans as India's largest ceiling fan manufacturer. With a BEE 5-star rating, Our ActivPower induction motors technology and ActivBLDC (Brushless Direct Current) technology ceiling fans are among the most energy-efficient options available in the market.

~74%

Fans business transitioned to the new BEE norm



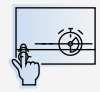
Super Efficient Motor

Active components like windings, stampings and other components, make the motor more efficient with up to 25%+ higher efficiency.

Longer Motor Life

With up to 50% less heating this motor is cooler as compared to a regular fan motor, resulting in its long life.

We took the following initiatives and quickly adapted to the new standards.

 Strengthening R&D infrastructure	 Change in active materials	 Strengthened logistics	 Enhanced the reach of products
 Dedicated testing facility	 Invested in new manufacturing lines	 Reskilled the workforce	

Manufactured Capital (contd..)

Supply chain and logistics

Maintaining a robust and sustainable supply chain is critical to meeting our long-term objectives. Several measures were put in place to fortify our supply chain processes and make them more efficient and secure.

Our robust supply chain comprises thorough SOPs and a vendor on-boarding procedure, as well as a scorecard to monitor KPIs for strategic vendors and suppliers, transporters and carrying and forwarding agents (CFAs). To achieve best-in-class inventory management, we will continue to prioritise warehouse modernisation, logistics digitalisation, better automation in procurement, physical distribution and integrated business planning.

Supply chain planning

- Demand Planning - Consensus planning with sales team through SNOP process
- Supply Planning - Production or Procurement planning (Make or buy analysis)
- Dispatch Planning - Direct dispatch to branch or warehouse



Quality assurance

We strive for operational excellence by implementing key quality improvement programmes such as 5S, Quality Circles, Daily work management, Glass Wall and continuously challenging status quo in every aspect of Crompton's Value chain be it inhouse or outsourced locations. We have deployed Six Sigma approach to improve our problem-solving capabilities. This entails providing advanced statistics and project management training to teams in order to enable them to solve complex quality problems.



5S

The 5S (Sort, Set in Order, Shine, Standardise, Sustain) technique, a Japanese idea of workplace management, has helped simplify the movement of people and goods, consequently bolstering employee safety, morale and productivity. It also contributes to an improved plant visualisation.



Quality Circles

The Quality Circles project was created to address challenges that arise on the shop floor. A large proportion of these challenges are resolved amicably by frontline personnel as they are most familiar with the task and process.



Daily work management

Daily work management focuses on the day-to-day activities that must be maintained for quality. This effort has been implemented for the quality functioning of manufacturing operations to achieve top-notch audit outcomes. The drive is to resolve safety, quality, process and supply issues on priority within 24 hours with clear ownership.



Glass Wall

The main performance metrics are diligently presented on dashboards in all factories and functional departments as part of the Glass Wall concept. These metrics are assessed regularly and remedial actions are taken to address performance gaps.



Structured problem-solving initiative

The structured problem-solving project aims to solve complex problems through cross-functional team collaboration. This project for continual improvement includes seven core quality management tools with complex problems requiring the deployment of Six Sigma Methodology, like in the case of warranty failure reduction. This year we have closed ~ 30 projects utilising this technique.

Integration leading to sustained business success

To help streamline our processes and maintain compliance with numerous standards and laws, we implemented an Integrated Management System ("IMS"), a comprehensive framework for integrating multiple management systems into a single integrated solution. The system integrates our quality, environmental, along with health and safety management systems into a single platform for management.

IMS is intended to ensure that our operations run seamlessly in a hassle-free manner. The emphasis is always on customer satisfaction, environmental responsibility and employee safety. IMS assists us in conforming to a variety of international standards, such as ISO 9001 (Quality Management), ISO 14001 (Environmental Management) and OHSAS 18001 (Occupational Health and Safety Management). We continue to monitor and improve our processes and systems basis the updates from around the world and benchmarking BIC companies, to ensure sustained business results.

In the fiscal year, we have upgraded and launched nearly 12 processes across the value chain under a framework of Crompton Management System (CMS), including revised NPD requirements from Central Quality function , Vendor Quality Manuals, Stop to Fix Policy framework, Layered Process Compliance systems, Manufacturing Quality Audit systems and governance in a Digital Way.

Project Delight

We have launched Project Delight — a cross-functional continuous improvement programme that aims to enhance product quality and performance through Six Sigma tools and techniques. Our approach involves leveraging the best talent within the organisation to identify and solve problems, utilising key performance indicators such as Product Performance Report (PPR) score and lead indicators like Pre-Delivery Inspection (PDI) percentage. Our initiative is based on the principles of Standardisation, Simplification and Harmonisation of processes, policies and systems.

30

Quality Improvements projects executed in F.Y. 2022-23

15%

Reduction in PPR in Pumps business

10%

Reduction in PPR in Lighting business

Crompton Problem Solving in 12 key steps

- | | | |
|--|---|---------------------------|
| 1 Problem Definition (Project Charter) | 5 Analysis of the Problem ("CED") | 9 Determine the CAPA |
| 2 Reason for selection of theme | 6 Causes Validation | 10 CAPA Effectiveness |
| 3 Target setting | 7 Finding the Root Cause for Occurrence & Detection | 11 Standardisation |
| 4 Understanding of current situation | 8 Why-Why analysis of the Root Cause for Occurrence & Detection | 12 Horizontal replication |

Intellectual Capital

Innovation is the fuel that drives our business and our priorities are set by a deeper understanding of consumer requirements. We innovate to bring a vibrant range of products to the market that stands out on the strength of their aesthetics, functionality and energy efficiency. We have strengthened our R&D with the three-pronged approach of human capacity development, enhancing process capability and vitalising the infrastructure.



New product development

The Company has dedicated teams for new product development across all our business segments. The teams bring to the table expertise in design, development, project management and product testing. The teams work on roadmaps spanning 12-18 months and remain agile, prioritising the delivery of products with superior consumer features, experiences and performance compared to the Company's competitors. They ensure that the products comply with current government regulations for safety, performance and reliability. We employ various engineering tools and software to constantly upgrade our knowledge and skills.

15%
Revenue – Products launched in the last 12 months

50%
Revenue – Products launched in the last 36 months

Energy efficiency	Health and hygiene	Smart connectivity	Consumer centric design
Energy consumption	Healthy cooking and grinding	Smart appliance	Comfort and convenience
Water consumption	House hygiene	Smart features	Adding exciting feature
Energy efficient materials			Redefining user perception

R&D infrastructure

The Company has commissioned its largest R&D centre, Crompton Experience and Innovation Centre in Vikhroli, Mumbai. It will help Crompton bring best-in-class technologies to provide innovative and sustainable solutions to meet everyday needs. The Centre is powered by cutting-edge technology, smart testing technologies and advanced IoT energy efficiency capabilities that fuel product development to address the evolving aspirations for consumers.

Key capabilities of the R&D centre

 NABL-accredited lighting lab	 Noise and Vibration simulation
 Testing and designing of BLDC motors controllers	 Materials Technology
 Open Innovation	

~50,000 sq. ft.
R&D centre area

141
R&D employees

Intellectual Capital (contd..)

At Crompton, we have invested in the development of a robust laboratory infrastructure, which has enabled us to conduct in-house 83% of product application tests. This has helped us to improve manufacturing capacity, sales and R&D efforts by providing more accurate and timely test results.

As a future-focused organisation, we have also invested in thermal engineering

activities to improve our product performance. These activities have helped optimise product designs and improve energy efficiency, resulting in better customer satisfaction and reduced energy costs. Many of our products have digital enhancements, enabling us to improve product performance and customer experience. Digital products have features such as remote control

and monitoring, making them more convenient for consumers to use.

Crompton's water heater laboratory is in the process of obtaining NABL certification. This certification is a recognition of the laboratory's ability to provide accurate and reliable testing results, which help improve the quality of our products and services.



Technology collaboration at Crompton

Open innovation is a crucial practice at Crompton as it enables us to enhance the diversity of perspectives and expertise, while directly engaging with consumers and partners for valuable feedback.

Technology collaboration serves as a fundamental pillar of open innovation, where we curate problem statements and run thematic challenges with external entities such as startups, academia, individuals, consumers and partners. This entails sharing knowledge and information about challenges while seeking solutions and suggestions from outside sources. We evaluate these solutions based on our organisation's priorities and develop working prototypes accordingly.

In a noteworthy collaboration, we have successfully launched the inaugural Startup India Design Challenge in partnership with Start-Up India. Additionally, we have established collaborative initiatives with renowned institutions such as ARAI (Automotive Research Association of India) and IIT Kharagpur, focusing on critical areas of technology through project-based engagements. These strategic collaborations enable us to maintain a competitive edge by staying at the forefront of fundamental technologies that are applied in our exceptional range of products.

Encouraging the zest of startup India

Crompton launched the first-ever Startup India Design Challenge in collaboration with Start-Up India. Through this competition, the Company encourages budding startups and entrepreneurs to identify innovative technologies and business ideas that will transform the future of the consumer electrical industry.

80+ Startups participated

4 Startups were declared winners

3 Startups were shortlisted to work on prototypes

2 Startups have submitted the working prototype

Consumer-centric innovation

Consumer insights across categories are crucial for new product innovation. We strive to bring the right products to consumers with maximum agility, as well as to build long-term product plans and cohesive roadmaps. Our products are distinct, offer significant customer benefits, are known for exceptional performance and are developed with the user in mind. Our design philosophy ensures the most effective interplay of

ergonomics, function, utility and form to deliver a portfolio that covers a broad range of product feature benefits and price points.

Fans

The Bureau of Energy Efficiency (BEE) mandatory norms on the energy efficiency ratings for ceiling fans started from January 2023. This had a significant impact on our operations, as we had

to undergo design change, certification and listing on BEE website and manufacturing at the factory. Our robust R&D capability allowed us to achieve this fleet on time and we upgraded our products to meet the BEE ratings.

300+ SKUs upgraded to meet the standard

At Crompton, we introduced our flagship products with brushless direct current ("BLDC") technology with IOT integration. This enabled us to offer a number of items that were both linked and aesthetically beautiful.

Energion Roverr range of fans (IOT and Non IOT)



SilentPro Blossom range of fans (IOT and Non IOT)



Recognition for design and innovation

SilentPro Blossom range of fans won the prestigious Red Dot award for their design and innovation in Crompton's fan category.

We also launched new range of aesthetic ceiling fans

Montania

Part of our entry level decorative range of ceiling fans



Versa

High-Speed fans with various metallic colours and offering the anti-dust feature is a part of our decorative fans



Groove

BLDC-powered model offering excellent energy savings with superior aesthetics and air delivery

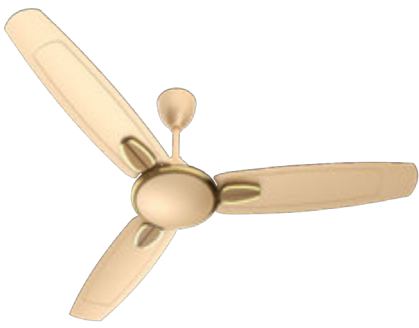


Intellectual Capital (contd..)

Rover

Part of our Enercion series with its ActiveBLDC technology. It offers beautiful aesthetics with energy saving.

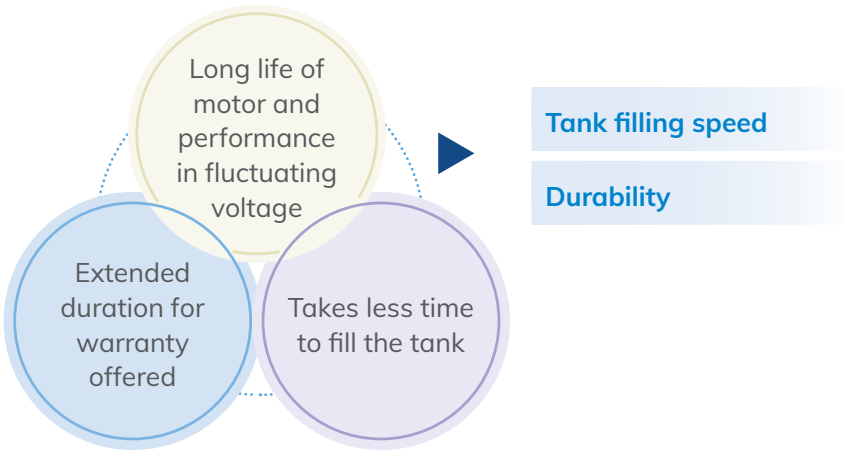
Lilac1200 sweep



Our new range of highly energy efficient fans, Enercion groove, Chrome air comes with remote and regulator options with power consumption of 28 Watts.

Pumps

As a futuristic Company, we have completely redefined the brand architecture in the ‘Mini’ category of pumps following detailed consumer research. The consumer insights enabled us to come up with the key drivers of ‘Tank filling speed’ and ‘Durability’.



Attributes	Ceaseless Innovation
Long life of motor	Anti-Drip Adaptor (To prevent water entry into motor)
Protection from failure due to inactivity	Hybrid Winding (High starting torque to overcome Jamming)
Consumes less electricity	Energy Efficient Pumps
Anti-jamming of pump	Use of SS insert and CED coating (Prevents pump from jamming)

We developed the Plus and Dura pump series in the mini category, based on the redefined brand architecture. The products were carefully designed to specifically address consumer concerns, including the common occurrences of pump jamming and motor failure. To mitigate these critical issues, we implemented an array of innovative and patented technologies such as the Anti-jam Winding, ADDS Adaptor, Anti-jam Inserts and CED coating.

New products that we have launched comprise:

Champ Plus I & II (Surefill Plus)



Star Plus I & II (Rapidfill Plus)



Master Plus I & II (Turbofill Plus)



Champ Dura I & II (Surefill Dura)



Star Dura I & II (Rapidfill Dura)



Master Dura I & II (Turbofill Dura)



We also launched the following agricultural pumps:

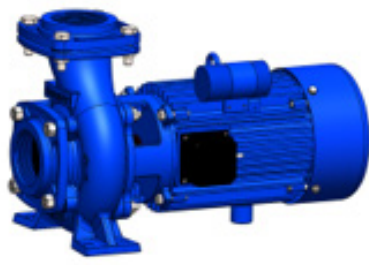
2HP Centrifugal Monoblock



Janata Submersible Pumps (Ultima Series)



1.5HP Centrifugal Monoblock (Magna Series)



Openwell Agro Pump (Ultima Series)



31 SKUs

Received BEE certification for energy efficiency across different categories (Monoblock-7, Openwell- 4, Borewell - 20)

56 SKUs

Received BIS certification (ISI marking) across different categories (Monoblock-1, Openwell- 5, Borewell - 50)

Crompton's Small Domestic Appliances Range For Every Days Convenience



Intellectual Capital (contd..)

Appliance

In the appliance segment, Crompton launched multiple-mode water heaters, oven toaster grills (OTG), digital air fryers, 800 W mixer grinders, copper motor mixer grinders and sound comfort air coolers.

Water heaters

New product launches in storage water heaters

Amica Plus (10L/15L/25L)



Amica Classic (15L/25L)



In storage water heaters, we have strengthened our premium offerings by launching

Solarium Care (10L/15L/25L)



Solarium Qube IOT (15L & 25L)



We have also forayed into the horizontal water heaters segment with Classic Horizontal.

New product launches in instant water heaters

Instabliss



Gracee 5L



Juno 5L



Hydrajet



Crompton has successfully revitalised the popular 'Bliss' range of instant water heaters by launching appealing options in Instabliss Ivory and Instabliss White. The 5L instant water heaters have emerged as a growing segment. Crompton has been able to sustain a significant presence and reputation in the market through the introduction of its Gracee 5L and Juno 5L models. The Company's success in gaining a substantial market share and visibility on various e-commerce platforms is a testament to its commitment to delivering quality and innovative products to consumers.

Solarium Qube IOT Storage Water Heater



Solarium Care Storage Water Heater



Gracee 5L Instant Water Heater



Crompton's water heaters received safe health certifications from the doctors of Indian Medical Association. Our BEE certified water heaters include 44 products with a 5-star rating, indicating that they are highly energy efficient and environment friendly.

58 SKUs (water heaters) were certified for new energy regulations as per BEE

Air coolers

In the Air Cooler segment, to capitalise on the demand for desert coolers, we witnessed the launch of Ozone Royal 55L/75L/88L, Ozone Classic 55L Wood Wool, Ozone Classic 55L Honeycomb, Zelus Royal 43L and Optimus 125L. These new launches served the purpose of fulfilling the gaps in literage as well as we provide premium features in the mid-segment portfolio. The addition of premium features helps to gain market share and brand recall. Moreover, with the launch of variants of Ozone Classic 55L with Wood Wool and Honeycomb padding, we were able to cater to a wider array of customer demands. We also strengthened our window cooler offerings with the launch of the Optimus WAC 70L Window Cooler.

Optimus 65 IOT



Ozone Royal



Jedi PAC



Optimus Neo



Intellectual Capital (contd..)

Mixer grinders

The mixer grinders category has witnessed significant expansion with the introduction of new line extensions to our Questa model. We launched the Questa Royale and Questa DLX, both equipped with a powerful copper motor of 750W and 500W, respectively, offering enhanced performance and durability. Furthermore, we have enhanced our 500W category with the launch of Nigella

Questa Royale



Nigella



Small kitchen appliances

With the addition of six new categories, including OTG, Air Fryers, Rice Cookers, Hand Blenders, Electric Choppers and Pop-up Toasters, we have enhanced and diversified our range of small kitchen appliances.

NourishPro DG Air Fryer



Tandoori Magic 45L OTG Royale



SunBrown Pop-up Toaster



Harvest Pro



ChopMaxx



InstaServe Blend SS Stem



Room heaters

We have expanded our product portfolio, particularly in the room heaters segment, by introducing two new offerings. First, we have introduced the Comfy Plus Quartz room heater to augment our existing Quartz heater range. Second, we have ventured into the Carbon heaters segment with the launch of our latest product, the Insta Flare.

Comfy Plus



Insta Flare



Lighting

Being an innovation-driven Company, we expanded the Innovation Centre with cutting-edge testing and reliability equipment as well as lighting software. We launched several products in consumer and commercial lighting segments.

We have introduced innovations like the Trio range of battens and NightBuddy lamps that address specific consumer needs. In addition to our existing product lineup, we have also expanded our offerings to include Wifi-enabled automated lighting solutions, including smart ceiling lights, battens and lamps.

Consumer lighting

Table Lamps



Range of Ceiling Lights



Trio Batten



Range of Rope Lights



NightBuddy



Smart Ceiling Lights



Intellectual Capital (contd..)

Dynaray series of LED lamps



Laser Ray Neo Battens



Range extension in back-up lamps



Galaxy copper string lights



Commercial lighting

Wanderer Pro Streetlights



Innovative IP 65 rated TECHLITA Batten



Wanderer Plus Streetlights



APLOMADO Pro series Streetlights



FLOGA series luminaires for flame proof application



Large Appliance

We recently ventured into the Built-In Kitchen business and launched our best-in-class range of chimneys, hobs, oven and dishwasher with cutting-edge features.

Foraying into built-in kitchen appliances

As a leading consumer electrical goods Company in India, we have entered the built-in kitchen appliance market, which is currently worth ₹2,200 Crore. We plan to become one of the top three players in the segment over the next three years by introducing differentiated products and leveraging our retail network.

We have initially launched the products in 10 city clusters, with plans to expand into 300 cities across the country.

Our product offering is distinct from the competition since it is based on unmet customer demands. Our new world-class R&D centre and

traditional strengths in designing motors, electronics and other electrical goods have helped in designing these products. Our engineers and designers have spent months researching and developing the ultimate products that would revolutionise the kitchen appliance market.

- We offer Chimneys with Silent Inverter Motor, Intelligent Auto clean, Smart On, Gesture control and filterless.
- Our built-in hobs come with auto ignition, flame failure device, digital timer in work burner, 3D flame technology, high efficiency full brass burners, premium heat resistant metal knobs and toughened glass.
- Built-in ovens with 3D heating, multilevel cooking, rotisserie, steam plus, hot air shield, steam and pyrolytic cleaning.
- Dishwashers having functionalities including hygiene wash, steam wash, quick clean, dual pro wash, smart wash, along with intelligent turbo drying and pure beam technology.

Some of the Built-In Kitchen Appliances launched this year are

Quiet Pro Chimney



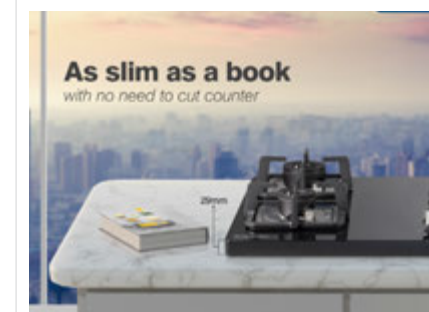
Optime Hob



GrandArt Dishwasher



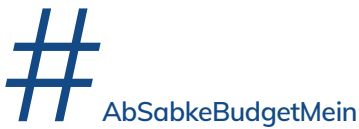
SuperSlim Tablet Hobs



Intellectual Capital (contd..)

Crafting innovative brand campaigns

Crompton's relentless pursuit of excellence has driven the Company to create a robust brand architecture that spans across various categories, enabling it to build a strong and cohesive brand identity. This strategic approach has uplifted Crompton's brand image and positioned it as a modern and contemporary brand that resonates with the Company's target consumers. Crompton takes pride in its innovative campaigns that have captivated its consumers and garnered widespread attention throughout the year. The campaigns have been carefully crafted to showcase the Company's commitment to meaningful innovation.



As the market leader in fans, Crompton is proud to take the lead in educating consumers about the importance of star-rated energy saving fans. The Company understands that consumers may believe energy efficient fans are expensive. However, with Star-Rated Energy-Efficient Fans, energy saving is now accessible to every household. Crompton's new marketing campaign, with a High-Impact 360 degree approach, aims to highlight its launch of a wide range of one-star rated

fans, which can save consumers at least 30% on their monthly electricity bills. The Company is thrilled to be the first in the industry to promote star rated fans with the campaign, #AbSabkeBudgetMein.

<https://youtu.be/62qY7NVAMoQ>

High impact TV and digital campaign

The Company's advertisements is featured on over 25 national channels, including popular entertainment channels such as Star Plus and Zee TV, top movie channels like Zee Cinema and Zee Bollywood and news channels like TV9 Bharatwarsh. Additionally, Crompton will have a significant presence on key regional channels in different markets. The Company's marketing plan includes over 30 regional channels across various genres, including general entertainment, movies and news.

Crompton's focus on high-reach platforms such as YouTube, Facebook and Instagram, coupled with targeted advertising on Google Display, Discovery & Quora will allow it to reach its targeted audience with relevant and engaging content. Crompton also plans to maximise its visibility on Google search by targeting a significant share of voice on relevant keywords.

The Company has developed a dedicated landing page for the #AbSabkeBudgetMein campaign. Clicks from its digital campaign will redirect to this page, providing consumers with a better understanding of BEE star rating and the Company's efforts to lead India's energy revolution.



Crompton
Features Specifications Products Blogs Videos

AFFORDABLE SAVINGS WITH CROMPTON'S STAR RATED FANS

EXPLORE MORE

SAY GOODBYE TO HIGH ENERGY BILLS

JURA ANTIDUST

ENERGY SAVINGS

Compare the results

Savings on Annual Electricity Bills based on the number of fans in your house	
4 FANS	1 FAN
₹7,000 SAVED	₹1,750 SAVED

Annual Electricity bill

5 Star Rated Fan ₹ 1,100	Regular Standard Fan ₹ 2,850
-----------------------------	---------------------------------

*Savings of 100% on electricity bill. Based on an average use of 4 fans. 1 Star 50W fan is 100% energy efficient. 50W fan & Crompton Energy Saving 50W fan is 100% energy efficient. *See link

Why choose Crompton?

No. 1
Fans Company in India*

6-time winner
of the NECA award
(National Energy Conservation)

Wide range
of star-rated ceiling fans

Voted no. 1
by Consumer
Voice Test**

Presenting Crompton's
Wide Range of Star Rated
Fans

Awareness campaign for fans and air coolers

During the fiscal year, we launched an effective awareness campaign for our Fans and Air Coolers categories during the summer season. As the market leader in ceiling fans, we aimed to promote our premium range of SilentPro fans. Our presence during 15th Indian Premier League (IPL) matches resulted in a surge in website traffic from high-intent consumers.

Most Salient Brand in the category with
85%
of the consumers associating with the key message : Silence and Savings

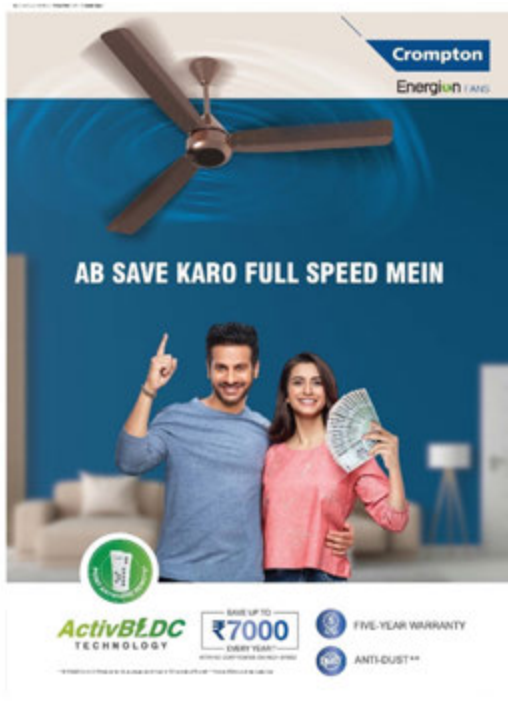


360-Degree campaign for 5-star fans

To increase our presence in the South India and grow Crompton's market share in the 5-star fans segment, we launched a 360-degree campaign for Energion series which includes television commercials, digital and social media.

70%

Spont recall



Intellectual Capital (contd..)

Awareness campaign for coolers and ‘cooling pod’ activation

In May 2022, we executed a robust awareness campaign for air coolers that delivered the highest Share of Voice (SOV%) and increased spontaneous recall. Additionally, we set up a ‘Cooling Pod’ for delivery boys at Cyberhub Gurgaon, providing quick relief from the heat in alignment with our coolers’ proposition of ‘Jaldi Cooling’.

Coolers-Most Salient Brand in the category with

88%

of the consumers associating with the key message: Faster Cooling even on the Hottest Day



Cooling Pod set-up

At Cyberhub in Gurugram, we implemented a Cooling Pod for our valued delivery agents, offering them swift relief from the scorching heat of summer. Our commitment to the principle of “Jaldi Cooling” was reflected in this initiative, enabling our agents to promptly recover from the heat and refresh themselves with the help of our air coolers.



Influencer collaborations for online discoverability

This year, we collaborated with more than 20 popular influencers to co-create content. Some of these influencers included names such as Tech Boss (3.6 Mn subscribers), Cyber Tamizha (2.4 Mn subscribers), Mr Titanium (1.3 Mn subscribers), Vineet Malhotra (0.8 Mn subscribers), Tech Guide (0.8 Mn subscribers) and many more.

11%

Increase in spontaneous recall

3 Mn+

Views garnered on the videos

Hyper-local marketing campaign for mixers range

We launched a 360-degree hyper-local marketing campaign for our Mixer Grinders range in Kerala, West Bengal, Andhra Pradesh and Telangana for the first time. In Kerala, we created a ‘Rangoli setup’ using spices ground using Crompton Mixers Grinders at Lulu Mall to display our Mixers Range and we engaged consumers with activities such as ‘Spin the Wheel’. We also did brand integrations on Flowers TV and ABP Ananda during Onam and Durga Puja.

88%

Consumers recalled the key message of “Secret Of Fine Taste”



Intellectual Capital (contd..)

Elevating the in-store experience

As a customer centric brand, we are committed to enhancing the shopping experience of our consumers by upgrading our in-store elements. Our recently launched Crompton Plaza stores offer a range of products and features through innovative product displays, in-store elements, customisation, installation support, usage guidance and after-sales support.

Signature studios that surprise and delight

Crompton Signature Studios were established to provide consumers with an unparalleled product and brand experience. These studios are well designed to showcase our product and provide a full brand experience. These establishments are managed by trained sales consultants and were specifically created with consumer preferences in mind.

Consumers can experience the full range and benefits of our premium Built-In Kitchen Appliances at our trademark studios. Our long-term ambition is to expand the studio stores in major cities. Our flagship studio features 38 products ranging in price from ₹15,000 to ₹80,000, including chimneys, gas stoves and built-in ovens.

55+
Crompton Signature and Exclusive stores



Retail transformation

As a consumer-centric brand, we are committed to enhance the shopping experience by upgrading our in-store elements and signages at multi-branded outlets using unified brand language. Our Crompton branded multi-brand stores offer a range of products including fans, lights, appliances and pumps. In-store elements showcase the innovative range of product displays giving our consumers a perfect choice for their home.

Visibility for channel partners is enhanced by using high-quality branding elements and product displays. This is helping Crompton to increase preference for the consumers who are already aware of the brand offering through television and digital campaigns. Over 90% consumers prefer to buy products in-store, Crompton multi-brand stores fulfil the consumer need to experience the product before making the purchase decision.

1,500+
Channel partners visibility enhanced

Stores transformed

397 Tamil Nadu	96 Andhra Pradesh
119 Telangana	127 Kerala
113 Karnataka	95 Maharashtra
100 Rajasthan & Delhi	42 Gujarat
132 Punjab & Himachal Pradesh	37 West bengal
143 Uttar Pradesh	191 Others



Strengthening Crompton's Digital Discoverability

Today, consumers use digital mediums extensively throughout their journey when it comes to purchasing products or services. We leverage digital channels to gather information, compare options, research different brands, look for deals or promotions and ultimately make purchases on marketplaces. This highlights the importance of our digital presence, as it must ensure it is present across all touchpoints, providing relevant information to consumers.

Crompton is focused on achieving and sustaining a considerable Share of Voice ("SOV") through paid searches in important categories such as fans. We met the aim for a 70% Share of Voice on branded searches, 50% on generic searches and 50% on competition-related searches.

To target audiences with high intent, we activated seasonal categories like Water Heaters, Air Coolers and Room Heaters on our search campaigns. We

also utilised 'Google Discovery Ads' to reach in-market users for these products and to drive traffic to the best-selling product and category pages.

Our top priority was to ensure that we appeared at the top of search results for all consumer queries related to our products, categories, or brands. To achieve this, we focused on driving organic traffic to our website. We identified the top-ranking keywords for Crompton, which contributed to over 60% of the organic search volume and maintained our top ranks on high potential keywords across core categories. However, we also strategically focused on growing categories like BLDC, which led to phenomenal results for Crompton. As a result, we witnessed a 195% growth in organic sessions on BLDC year on year.

12 Million+
Website sessions

173%
Y-o-Y growth in sessions

High SOV on searches

70%
Branded

50%
Generic

50%
Competition

Intellectual Capital (contd..)

Winning on E-commerce

We prioritise E-commerce, as more and more consumers are shifting towards online shopping. It's essential for us to establish a strong presence on platforms like Amazon as almost 66% of shoppers check it while in-store. With continued efforts to build visibility and salience for Crompton products on Amazon we have seen a 25% growth on Glance Views over last year while the universe grew only by 6%. Due to our increased visibility, we have also seen higher conversions and sales on the platform.

Air Coolers emerged as Winner during Q1 with Crompton growing faster than the category on Amazon.

a

Category growth on Amazon - 38%, Crompton grew by 49%.

b

We delivered a 50% growth in GVs over - With the heat wave across India in Q1, we optimised our spends on the category to capitalise on the increased search volume which led to our Brand GV share increasing to 16.5% compared to 13% LY.

c

Higher visibility and GVs led to higher conversions and Dessert coolers ranked No.1 in Market Share.

Gained Market Leader position in Water Heaters - Rank 1 in Market Share | Rank 1 in Brand share of GV

a

GVs grew by 53% over last year - Maintained the highest Brand Share of GV.

b

Higher visibility and GVs led to higher conversions – No.1 Brand in Market Share on Amazon.

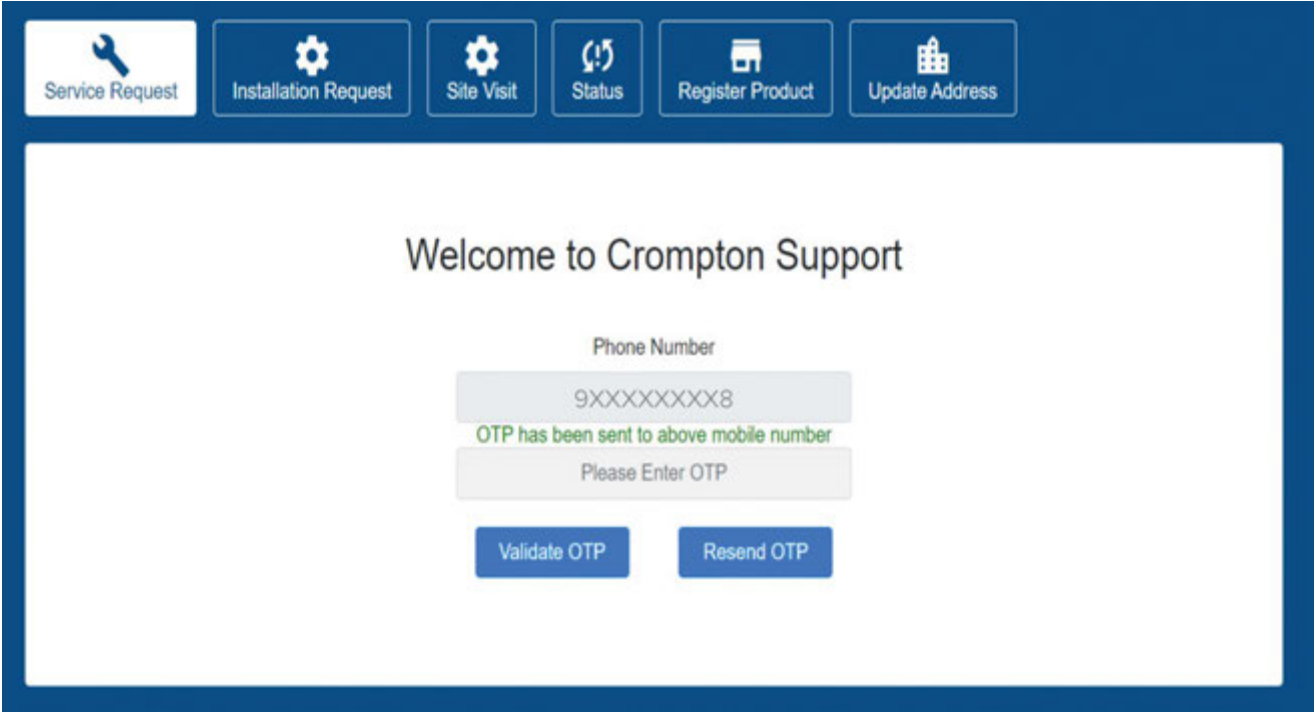
Strengthening our technology backbone and going digital

The Company's investment in technology and digitalisation has enabled it to stay competitive in an ever-evolving marketplace. By leveraging these technologies, Crompton has improved its service delivery and built stronger relationships with its consumers.

Product Development Module

Crompton's investment in technology and digitalisation through the Product Development Module ("PDM") is a strategic move that has helped it to streamline its product development process. The PDM serves as the one source of data and project management tool for all new product development plans and rollouts, ensuring that the entire process is transparent, efficient and well managed.

Crompton's focus on digitalisation has enabled it to mature to a stage where 100% of all new product development projects are tracked and reviewed for adherence to the NPD framework on the PDM. This level of visibility and control is essential for ensuring that products are developed on time, cost optimised and of the highest quality standards.



Customer Relationship Management ("CRM")

The CRM system application serves as the voice of the customer for our Company, providing us with real-time and accurate feedback directly from our consumers. This feedback can come from a variety of sources, including our portal, website, voice calls, or social media platforms. By leveraging this system, we can capture and address customer concerns quickly and effectively.

The CRM system is designed to ensure that all feedback is captured and assigned to the appropriate service associates for resolution. The system also provides us with valuable insights into customer needs and preferences, which can inform our product development and marketing strategies.

WhatsApp bots

By using a WhatsApp bot to register service requests, our Company is able to improve customer satisfaction by providing a fast and convenient way for consumers to request assistance. Consumers may simply submit service requests at any time of day using a WhatsApp bot, eliminating the need to talk with a customer service representative. The bot can be programmed to provide consumers with relevant information, such as service request status updates, or direct them to the appropriate customer service representative if needed.

Technician Mobile Application

The application allows technicians to update the status of a complaint in real-time, ensuring that consumers are kept informed of progress of complaint resolution. Using the technician mobile application also helps to streamline our complaint resolution process, reducing the time and effort required to handle complaints manually. This allows our technicians to focus on providing quality service to our consumers and ensures that complaints are addressed in a timely and effective manner.

2 lakh

Service requests registered

- 2 Lakh Service registered through WhatsApp bot.
- 80% of the Complaints resolved through Technician Mobile App

99.95%

Complaints resolved

Human Capital

As a people centric organisation, the various initiatives reflect our commitment to nurturing our most valuable asset – our people. Our endeavour is to constantly create an “Inclusive positive performance driven culture” which we believe is a sustainable Employee Value proposition. We aim to provide an overview of the past along with outlining future plans to ensure success in the ever-evolving business landscape.

1,693
Total employees



Building an inclusive work environment

Crompton is dedicated to creating an inclusive working environment with equitable career opportunities and aims to eliminate any form of direct or indirect discrimination based on age, colour, disability, origin, religion, race, gender, family or marital status, gender reassignment, disability, sexual orientation, pregnancy, or maternity status. The organisation's inclusive policies are designed to encourage people from diverse backgrounds and are aligned to fulfil organisational goals.

workplace. Accordingly, we have modified our travel and stay policy, working schedule and maternity benefits.

The following policy changes have been initiated to attract, retain and promote women's participation at the workplace.

Diversity and inclusion (D&I) council

At Crompton, we have well defined policies around D&I. We have an average 25% of females working in Company. The organisation's D&I journey has been fortified with the establishment of a specialised council focused on diversity and inclusivity.

The Company's Code of Conduct and POSH policy is deeply committed to promoting our human rights policy which serves as a comprehensive guideline for equal opportunity for growth, fair, compensation and benefits. We drive initiatives for promoting listening, appreciation, conversation at workplace by using human interface and artificial intelligence. Its key responsibilities are as follows:

Establishing accountability, providing governance, promoting communication and ensuring integration with operations, strategy and objectives

Conducting awareness programmes and workshops that emphasise the importance of embracing people from all backgrounds and skills.

Conducting regular audits to ensure adherence to policies and conducting routine trainings

Collaborating with the recruitment team to determine the minimum number of females that has to be being recruited for various job roles

Providing long-term leadership development and mentoring programmes for women. It establishes informal groups for women that allows meeting with the CEO, helps to share concerns and offers unbiased resolutions to issues.

We have implemented strict policies and practices for reporting incidences and to ensure zero tolerance for all forms of discrimination and harassment at workplace and maintain a safe and respectful environment.

Travel and stay policy – Women Employees

At Crompton, we prioritise the safety of female employees by offering travel options in non-shared cabs or autos. They are also allowed to work from home during the first trimester pregnancy.

All female executives while traveling for official purpose are entitled for reimbursement of up to 1.5 times on usual travel allowance.

Pillars for supporting and promoting diversity and inclusion

-  Employee awareness
-  Hiring
-  Talent integration
-  Measurements as a strategic pillar
-  Supporting policies

Gender diversity

Gender diversity at all executive and management levels is critical for organisations to thrive. It fosters equal opportunity, enhances creativity and innovation at the workplace. To attract more women to the organisation, we have made significant changes to our human resource polices and have undertaken initiatives to encourage the participation of women at the



Human Capital (contd..)

Safe and flexible work schedule

Crompton encourages work-life balance of female employees by limiting their working hours and providing flexible work schedules for women with small children. Our managers have been provided responsibility for ensuring safe transportation of women. We discourage women working after 7 pm.

Improved maternity coverage

The hospitalisation limit for maternity benefit has been enhanced to ₹75,000 and the overall hospitalisation limit along with the admissible expenses remain unchanged.

Breaking stereotypes with diversity

We have over 25% female diversity across organisation from shopfloor to corporate office. The participation of female employee is well appreciated for their contribution in every areas of enterprise including manufacturing, quality, innovation etc.

This is testament to our commitment to inclusivity and diversity. By embracing diversity, we have positioned to benefit from the rich array of talent that employees from different backgrounds bring to the workplace.

Crompton has been recognised as one of the **Best Organisations for Women 2023 by ET Edge** - an Economic Times Initiative at their recently held conclave in Mumbai. This recognition spotlights and honours businesses that have shown a commitment to advancing D&I in corporate India. It highlights the accomplishments of businesses that have infused a sense of fairness that is built on equity, impartiality and non-discrimination.

Driving engagement through a spirit of collaboration & camaraderie

Crompton's employee engagement initiatives build trust, enthusiasm and a sense of belonging to the organisation. To enhance the fervour and commitment of the Company's workforce, we orchestrate diverse internal competitions such as Kaizens and safety protocols. We have a process of creating cross-functional teams and project focused work groups. we celebrate our annual day to engage not only our employees, but also their families. Through these efforts, we strive to foster a culture of participation and enthusiasm among our employees, leading to a more vibrant and productive workplace. Some of our employee engagement initiatives include the following:

Family connects

Employee success is not solely dependent on the work environment but, is largely influenced by family support. Considering the fact, we strive to involve the families of employees in various initiatives and organise events such as online talent shows and singing competitions to boost employee morale. Through these holistic employee engagement programmes, we aim to establish a culture of care and be an employer that prioritises the well-being and happiness of employees, both at work and at home.

Cricket tournament

To allow employees to participate in friendly matches and build a team spirit, we organise an inter-department cricket tournament. These initiatives offer an opportunity to interact with colleagues from different departments, develop sportsmanship and aim to ensure holistic well-being.

Empowering through engagement

To allow employees to benefit from online yoga and meditation sessions that encourage people to prioritise their physical and mental health.

Engaging with the top management

Effective communication is key to fostering a culture of engagement. Initiatives such as 'Ask your CEO,' 'DIL SAY' freewheeling sessions, virtual meetings and town halls are regularly organised to encourage open and direct communication between employees and managers/ leaders. It provides a platform for employees to share their concerns. Conversely, the senior managers also gather valuable insight from employees and it is later utilised for formulating or modifying policies.

Strengthening bonds through cultural celebrations

We organised Mahashivratri Puja and Bhandara distribution at our Baddi plant to celebrate the auspicious occasion. The event brought together our employees, fostering a sense of community and camaraderie.



Leveraging Technology

We have invested in various tools and platforms with the objective of ease working, facilitating process flows and enhance productivity. Going forward, we would integrate the platforms and derive intelligence from the data ecosystem, thus enabling better decision making.

HRMS Platform

a) **SSO:** Single sign on will allow employees to access all the below applications we have in CGCEL. Also, we have saved Organisational policies, Induction, Product training material, Training Calendar, Holiday Calendar, SOP's and so on.

b) **Success Factor:** HRMS platform where employees can view their profile, compensation structure, resignation request, performance appraisal, organisational structure and so on.

c) **Ramco:** Payroll software where employees can view their Payslips, Leave application, Tax declaration and actuals against it, Tax planner, Form 16

d) **Yatra:** Expense and Travel Portal. Employee can claim all his official expenses under Yatra (Chrome River platform).

When an employee has to travel, he may use Yatra to submit a trip request and book his tickets. All travel-related expenses can be claimed under the same category.

e) **Degreed:** Our Mobile Learning Partner for providing best-in-class Learning Experience to our employees. Learn anywhere anytime through Mobile App. They would also get Recommended Articles/ Videos based on their skills requirement

f) **E-Learning:** All mandatory courses will be assigned in this application. Employee will earn a certificate after completion of the same. Trainings like

Whistle blower policy, Code of Conduct, POSH, etc. fall under this LMS platform.

g) **Amber:** It is Chat Box where survey link is sent to employees on completing 45days, 1 month, 6 months, 1 year and on all work anniversaries to understand if employee has any grievance or feedback to share with organisation.

Capability Building

In line with our strategy, we focus on hiring the right fit, provide adequate learning programs to build capability and to plan for succession.

Dedicated to talent management

The Company's training and upskilling initiatives have been developed to build a strong and competent talent pipeline. It has also partnered with prestigious institutes to encourage employees to enrol in various courses. In recent years, Crompton has also placed a strong emphasis on job rotation. It helps to retain the competitive spirit and allows employees to fare well in varied job roles.

749

Talent onboarded

Right mix of objective and subjective data for talent hiring and development

We deploy world class psychometric tools for assessment like Korn Ferry, Hogan covering multiple intelligence to ensure fair and equitable promotions and placements. We lay heavy emphasis on learning agility, empathy and culture fit in assessment of talent.

Succession planning

Succession planning is the pivot of organisation sustainability and growth. At Crompton we have metamorphosed into elaborate, scientific consistent succession planning at various levels.

Employee, with more than three years of experience in the organisation, is eligible to be part of the job rotation allowing diversified exposure for individual growth. Process is to identify, assess and equip successors at various managerial and leadership levels. Our approach allows us to foster a culture of growth and development within our organisation.

30%

Total leadership positions onboarded internally

Human Capital (contd..)

Encouraging learning and development

Crompton prioritises learning and skill development to create a stable foundation for a future-ready organisation. With dedicated effort, the Company encourages people to enhance their skillset to increase productivity and nurture their leadership potential. Crompton strives to achieve excellence in go-to-market, operational excellence and quality, brand and portfolio management and innovation through various programmes. All trainings are focused on the two main pillars of organisational excellence and operational excellence.

14 hours

Average training imparted for every employee

12,500

Average training expenditure for every employee

Career development workshop for employees to sensitise them on the importance of life-long learning and how they need to take charge of their own development were conducted.

Pursuit of functional excellence and imbibing safety & quality in all we do

In line with our long-term business strategy, there are robust employee development programmes through structured interventions and on-the-job and experiential learning through career movements, special assignments and projects. It is intended to build best-in- class capability in the area of Go-to-Market, Operational Excellence and Quality, Brand and Portfolio Management and Innovation During the year, following unique initiatives were launched.

Manufacturing Excellence Programme

All employees in the manufacturing team have been enrolled for the program which covers the concepts of quality management basics like continuous and lean management, Value stream mapping, LEAN tools etc. The objective of the program is to build capability on operational excellence.

Functional Capability for Innovation team

This year the focus was on building functional capability in the innovation process deployment through trainings on PDM, NPD while building core competence through programs like GD&T, ALTIUM etc.

Procurement Value Enhancement Program

The objective of the program was to identify the procurement levers of value enhancement to the business and learn how to apply these levers

through practical examples. The program also helped understand how to strategize supplier collaboration through segmentation, relationship management practices, performance & compliance governance to co-create value and improve customer service. Another focus area for the procurement team this year was to develop and hone negotiation skills which was done through practical case studies and role-plays.

E.D.G.E - Educate, Develop, Grow, Excel (Sales Capability)

The New Dawn,' a revolutionary sales training architecture, contains a 52-week induction programme that delivers full onboarding training concerning functional expertise as well as an introduction to systems and procedures. This programme is designed to develop outstanding leaders and impart industry-leading sales and distribution training to new joiners as well as the top leaders. The newly joined Area Sales Managers (ASMs) and Territory Sales Manager (TSMs) are offered a comprehensive



training and development programme that facilitates learning and skill development. Successful candidates are also offered merit-based certifications. Key focus areas of EDGE are Customer management, Planning skills, Selling skills, Maximising sales incentive programmes ("SIP"). By implementing E.D.G.E, we expect significant improvements in employee performance and productivity, which in turn is anticipated to enhance revenues. The programme's focus on continuous learning and skill development equips employees with the knowledge and tools to succeed in their roles and contribute to the organisation's success.

Safety

The Company provides overriding priority to Employee Safety. It is committed to building a safety culture by implementing Behavior-Based Safety through trainings and workshops, recording workplace hazards, conducting scheduled Fire-Safety Audits (in-house), strict adherence to Work Permit System ("WPS") and Daily Toolbox talks and many more.

Regular interaction is maintained through Safety Committee meetings with all associates. Fire-Safety Drills, Safety Week Celebration and continuous Safety training to all employees. Internal and cross plant safety audits are conducted too.

All actions and recommendations are being recorded and evaluated by respective EHS leaders. This monitoring has a major role in reducing workplace hazards/ incidents and making Crompton, a Zero-accident organization.

The organization has identified scenario-based emergency preparedness plans to counter specific emergencies. On a regular basis, mock tests and drills are planned and executed to ensure Emergency Response Team members are quick to respond to any situation.

Safety standards are monitored through a focus on appropriate safety control, elimination of unsafe activities, providing better replacement methods and installation of foolproof engineering solutions (Poka-Yoke).

Human Capital (contd..)

Inculcating a safety-first culture

Crompton has a strong safety culture that prioritises the well-being of its workers. It allows the Company to ensure strict adherence to the Work Permit System (WPS) and hold daily toolbox discussions to promote a safe work environment. Crompton ensures a risk-free work culture and regularly engages with its partners and suppliers through audits.

EHS leaders document and evaluate the proposals and activities discussed in these meetings and implement appropriate safety standards. The Company focuses on effective security management, elimination of hazardous situations and implementation of fool-proof design arrangements like Poka-Yoke, whenever necessary, to enhance safety.

Safety training

Encouraging worker involvement in the creation and implementation of safety policies creates a sense of accountability, facilitates effective communication and promotes a shared commitment to workplace safety. We provide regular safety training to employees and workers to equip them with the skills needed to prepare for and respond to emergency situations, reducing the likelihood of workplace accidents and injuries. Additionally, we prioritise fire safety at all our offices and manufacturing units, to meet Fire NOC certification requirements. Our workplaces are also equipped with trained personnel and fire-fighting equipment to tend to emergencies.

ISO 45001:2018 certified

0.14
LTIFR

95%
Workers received
safety training

EHS Focus

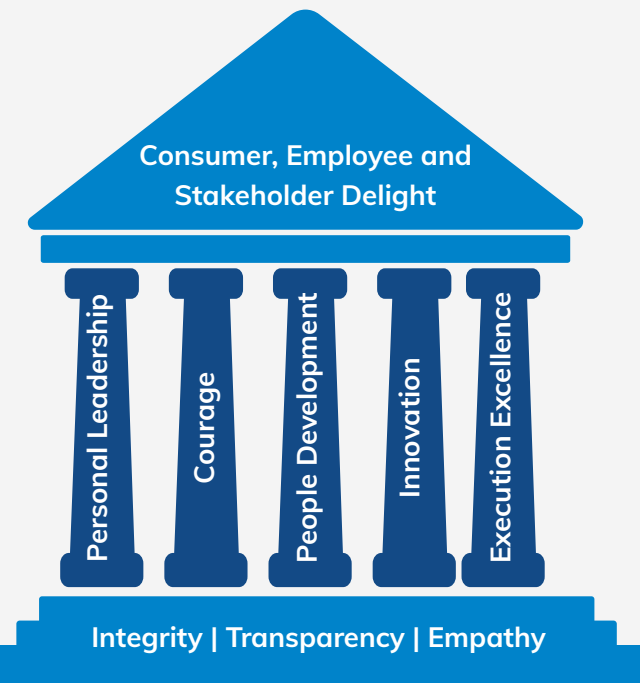
- Creating the safe workplace by identifying the Risk based on the Hazard, developing standards with assessment check sheet.
- Employee engagement in EHS through the Sub Committees.

Through these measures, we have been able to create an organization that is not only delivering high level of performance in the present context, but also an organization that is fully geared towards meeting the dynamic business landscape of tomorrow. Moving forward, we will continue to enhance our HR practices and embrace emerging trends to stay ahead in the industry with the focus on constantly making an impact in our collective pursuit of excellence.



Safety Training – Feel the Pain

Crompton Behaviour Framework



The Enablers

These behaviours are essentials to achieve our desired Business vision, Personal growth and Consumer, Employee and Customer Delight.

Personal Leadership

Develops a clear personalised vision for own work area. Collaborates with others to relentlessly achieve the vision.

Courage

Speaks out the ground reality and own point of view fearlessly. Takes significant risk to leverage opportunities.

People Development

Sets development goals for self, makes a plan to achieve and executes it. Develops direct & indirect employees (including channel partner and vendors' employees) through empowerment, enabling and coaching.

Innovation

Understands consumer, employee & stakeholders needs through data and frequent interaction. Constantly improves products, services and processes.

Execution Excellence

Makes a pragmatic and well-balanced plan. Executes the plan flawlessly and delivers commitment as per timelines. Responds fast to provide quality solution for consumer, employee & stakeholders' need.

Social and Relationship Capital



One of the key catalysts of our business at Crompton is the relationship network that we have developed and deepened with our consumers and other stakeholders in society. These relationships are our priceless assets that we nurture and rely on. We value the insights that we gather from our consumers and stakeholders, which help us improve the way we work and create sustainable value for all.



Customer Insights

As a consumer-centric organisation, we implemented a number of service initiatives to empower our consumers to communicate with us at every step of their journey. We conduct consumer researches to guarantee that consumer opinions and comments are taken into account when developing products and services.

Consumer Insights Function has 3D Framework for bucketing all the insight requirements- Deliver, Discover and Develop.



Deliver

Retail Track & Brand Heath helps studies are done to assess overall push & pull metrics on a continuous basis.



Discover

Consumer Usage and Attitude & Segmentation studies are executed to focus on long term strategy



Develop

Here we include New Product Development and Communication Development work that's validated by consumer before it reaches market and minimize the risk of failure.

Types of Consumer Research Implemented in Crompton

- Brand related survey
 - Health of the brand
 - Equity of the brand
- Deeper consumer understanding
 - Uses and attitude
 - Customer purchase journey
- Concept Testing
- Product Testing
- Retail Tracking

Apart from above, we have launched a new and exciting platform in F.Y. 2021-22 'Know Your Consumer/ KYC' Academy. KYC Academy is a platform to host LEARN-PRACTICE-APPLY for knowledge exchange, wherein stakeholders have the opportunity to hone knowledge, competencies and processes that will help Crompton become more consumer centric. This will help build necessary skills to understand Consumers Insights better to drive innovations and Consumer communications. As part of KYC, we have introduced Consumer Immersion program and conducted 4 training sessions on relevant topics.

Improving response time

At Crompton, we are striving towards enhancing the response time to address consumer complaints. To resolve customer aspirations/ concerns, we have developed a number of outreach platforms, including a dedicated email address, toll-free hotline and the recently released WhatsApp chatbots. Our WhatsApp chatbots, as well as

our new call centres with enhanced capabilities, allow for 360-degree complaint registration. In addition, we have a dedicated technician mobile app to handle and solve concerns.

99.95%
Customer complaints resolved successfully

Effective Communication of Product Information

For us at Crompton, communicating important product information to consumers is critical. We ensure that our products have clear labels that accurately depict the product name, model number, features, specifications and other relevant details that makes it easier for consumers to identify and understand our products. We also provide detailed descriptions of our products on your website, packaging and other marketing materials. We also include information on the product's features, benefits, intended use and any relevant safety warnings or precautions and comply with BEE guidelines for disclosure of product information.



Social and Relationship Capital (contd..)

Value chain partners

At Crompton, we interact constantly with our key value chain partners, while adhering to ethical buying procedures. Collaboration with strategic vendors and partners help us improve their product lines and technical capabilities.

We also interact with them regularly through various training and development activities, frequent trips to vendor plants and seminars to reward and recognise their contributions through scorecard assessments. The continuous monitoring of the Supplier Performance Index (“SPI”) and the Vendor Performance Index (“VPI”) has helped increase vendor efficiency.



Compliance with legal, environment, health and safety guidelines



Readiness to participate in a sustainable supply chain management programme



Total landed cost competitiveness



Financial strength by viewing last two years balance sheets

Sustainable supply chain

Crompton has developed a sustainable supply chain by doing a thorough analysis of its operations, collaborating with suppliers and incorporating sustainable practices into the overall strategy.

At Crompton, we employ ethical procurement programmes and stringent selection criteria that promote environmental stewardship and social benefit to ensure that suppliers also contribute to long-term sustainability. We aim to raise suppliers’ understanding of legal obligations, sustainable business practices and the importance of employee health and safety through a variety of programmes.

We have a thorough screening procedure for vendor onboarding, which includes the following criteria:



Capability, quality, performance and on-time delivery

9

Vendors assessed through revised VPQ audit.



Vendor training

Crompton engages with strategic vendors and partners to help them improve their products and technical skills. In addition, to meet EHS requirements, all of Crompton’s vendors across plants and manufacturing units receive regular training in energy, health and safety. The Company connects with them regularly through various training and development activities, visits vendor factories on a regular basis and hosts effective workshops to reward and recognise their contributions through scorecard assessments.

Crompton Saathi

Crompton is proud to announce the launch of Saathi, the Company’s plumber loyalty programme built on a cutting-edge technology platform. As a key influencer in the pumps business, the plumber community plays an essential role in Crompton’s success.

The Saathi programme is designed to strengthen the relationship with plumbers, enabling the Company to better understand their needs and preferences. By leveraging this initiative, the organisation aims to increase its market share in the pumps business and enhance its position as a leading provider of innovative, consumer-centric solutions. The organisation is excited to work with plumbers across the country to drive growth and deliver exceptional value to the consumers.

Community

Over the years, we at Crompton, have implemented sustainable CSR programmes, which are aimed at creating shared value and delivering positive impact. Aimed at igniting a positive social change, our CSR initiatives have evolved over the years to focus on four key areas:

Skill and entrepreneurship development

Community care

Water conservation

Employee engagement

Skill and entrepreneurship development

The goal of the skill and entrepreneurship development initiative is to create an opportunity for underprivileged youth by imparting skill training, providing placement assistance and entrepreneurship development to enhance employability and support small-scale local enterprises by contributing to the economy of the nation. It ensures that our initiatives are in line with the National Skill Development Mission’s objective as well as contribute to India becoming a skilled talent hub.

Project Nayi Disha

Project Nayi Disha aims to address the existing skill gap in the manufacturing sector and to promote the scope of local livelihood opportunities among the youth from low-income communities.

Our skill centres in Ahmednagar, Baddi, Howrah, Goa, Cuttack, Vadodara and Mumbai continue to instil knowledge and confidence among the youth to help them become responsible and productive citizens. By behavioural modification, knowledge building and skill development, we are assisting youth transform into employee-entrepreneurs.



1,306 Youth have completed the training in F.Y. 2022-23

67% Trained youth provided livelihood opportunities

Project Swabhiman

Aligning with the Startup India initiative, Project Swabhiman, an Entrepreneurship Development initiative has been designed to enhance the entrepreneurial capabilities of youth who want to start small-scale businesses. Selected entrepreneurs received a 10-day mini MBA training, along with returnable seed funding, handholding and mentorship to run their ventures. The programme aims to boost the local economy and contribute to providing skilled entrepreneurs. This year we have launched the programme



with 30 budding entrepreneurs and we look forward to scaling up their businesses and generating employment opportunities locally.

30 Entrepreneurs benefited

Project Uddan

The project aims to upskill the existing plumbing workforce through the Recognition of Prior Learning (“RPL”) platform. The project aims to recognise the informal learning of plumbers through the RPL platform to get equal acceptance as the formal levels of education. Independent plumbers working in the market will be imparted free training for the specific job roles as per the National Skill Qualification Framework (“NSQF”).



Social and Relationship Capital (contd..)

Plumbers are trained on customer service skills, digital literacy and advanced products in addition to domain skills, thereby ensuring holistic development. Skill development helps plumbers improve their workmanship, thus making them more employable and increasing their earning potential and livelihood opportunities. The entire industry benefits through the availability of skilled manpower.

1,430
Plumbers Upskilled



The Company's water conservation initiatives are focused on empowering the drought-hit villages to improve water security and sustaining farmers' livelihood through integrated watershed management and conservation of natural resources. Crompton aims to inspire ownership among villagers, improve environmental management systems, promote dynamic local economies and foster social harmony with two new water conservation projects.

Through the water conservation projects, water conservation structures were built and handed over to villages. These structures will now help villagers in getting access to water for agriculture, using it for drinking and livestock. The availability of water throughout the year will benefit the entire community and provide new livelihood avenues for farmers to move their families out of poverty.

At Crompton, we ensure the inclusivity of women participants in the project activities and encourage them to come forward and take the ownership of the water structures. Seminars to train the women of self-help organisations were held to ensure the upkeep of water structures and farm-based livelihoods.

9,000+
Lives benefited in F.Y. 2022-23

500+
Water conservation structures built

67 Lakhs litres
Water conserved for drinking and agriculture purpose

981 acres
Additional Land under cultivation

11%
Increase in farmers' annual income

10%
Increase in multiple cash crop cultivation

300 litres
Increase in Daily milk collection



As a responsible corporate citizen, we are committed to lending a helping hand to the community around our manufacturing units through various initiatives. These aim poverty alleviation, education, health and environment sustainability.

Infrastructure Development

We completed the solar electrification of two villages in Thane, Maharashtra, by supplying solar-powered lamps to marginalised communities to meet their household and agricultural needs when there was no electricity. We also assisted a village in Gujarat by



providing street lights to provide safe travel conditions at night.

Crompton's community care programmes have also aided children with special-needs by enhancing their functional communication through a centre in Mumbai that we have helped to develop. We also upgraded the classrooms of a government school in Baddi, as well as upgraded the facilities of a government hospital in Goa, helping over 100 walk-ins per day.

3
Villages electrified

100
Specially-abled children facilitated

Project Patang



We have launched project Patang, a school transformation project impacting students from 15 government schools across Crompton's manufacturing units in Goa, Baddi, Ahmenagar and Vadodara. The project aims to increase the learning curve of students by up to 20% by the end of the academic year. It will also improve the infrastructure of government schools to create a friendly environment that enables learning.

900
Students benefited

15
Government schools impacted through improved infrastructure

Ujjwal Deep Scholarship

With an objective to financially assist meritorious students who face difficulties in continuing their education due to financial constraints, the Ujjwal Deep Scholarship aims to support scholars from the medical and engineering domain. This enhances the social and economic well-being of the student and families around our manufacturing units. Students from low-income groups benefited under the Ujjwal Deep Scholarship Project to continue higher education in engineering and medical courses.



54
Students availed scholarship

Mid-day meal

Crompton's mid-day meal programme serves healthy and nutrition-rich meals to children from government schools located in the vicinity of Vadodara, Gujarat. This not only helps improve the health of children but also keeps them active and energetic during school hours.



5,000
School children benefited



At Crompton, our employees are the driving force behind what we do. Our employees continue to inspire us with their overwhelming response and devote time towards being an integral part of our CSR engagement. Several initiatives were conducted to foster employee engagement and deepen our ties to the communities we serve.

ChangeMaker Grant

The Changemaker Grant is an initiative for our employees to give back to society by empowering communities through implementing social impact projects for causes, which are close to our hearts. The primary objective of the programme is to provide a platform for employees to channel and recognise their ideas to create social good and to nurture the impactful social initiatives undertaken by employees. Through the Changemaker Grant, we aim to reinvent CSR with employee engagement. The Changemakers will now lead social impact projects to make a positive impact and difference together with implementation support and CSR grants.



168
Applications received

30
Projects shortlisted

10
Change makers elected through employee votes

1,000+
Lives impacted

Social and Relationship Capital (contd..)

Engaging with care

On World Environment Day, Crompton successfully launched the 'Go Green' and 'Souls to Soles' campaigns. Employees across locations planted trees with the support from the CSR champions across manufacturing units.

At Crompton, we distributed upcycled footwear to children from low-income groups around our manufacturing units. Through this drive, we could reduce emissions considerably. Dry-ration kits were also provided to low-income group communities.

Volunteers across locations celebrated the World Literacy Day and Children's Day with children and had a great time sharing food with them and reading stories. The book donation drive spread the joy of reading and on the occasion of Raksha Bandhan, we created a bond with special children. We celebrated and spread happiness in Diwali by supporting the livelihood of tribal women SHGs through a KIOSK set-up at the

Head office and Innovation Centre. Our colleagues made this Diwali even brighter for the elderly in need by making their wishes come true through gifts.

300+
Employees engaged

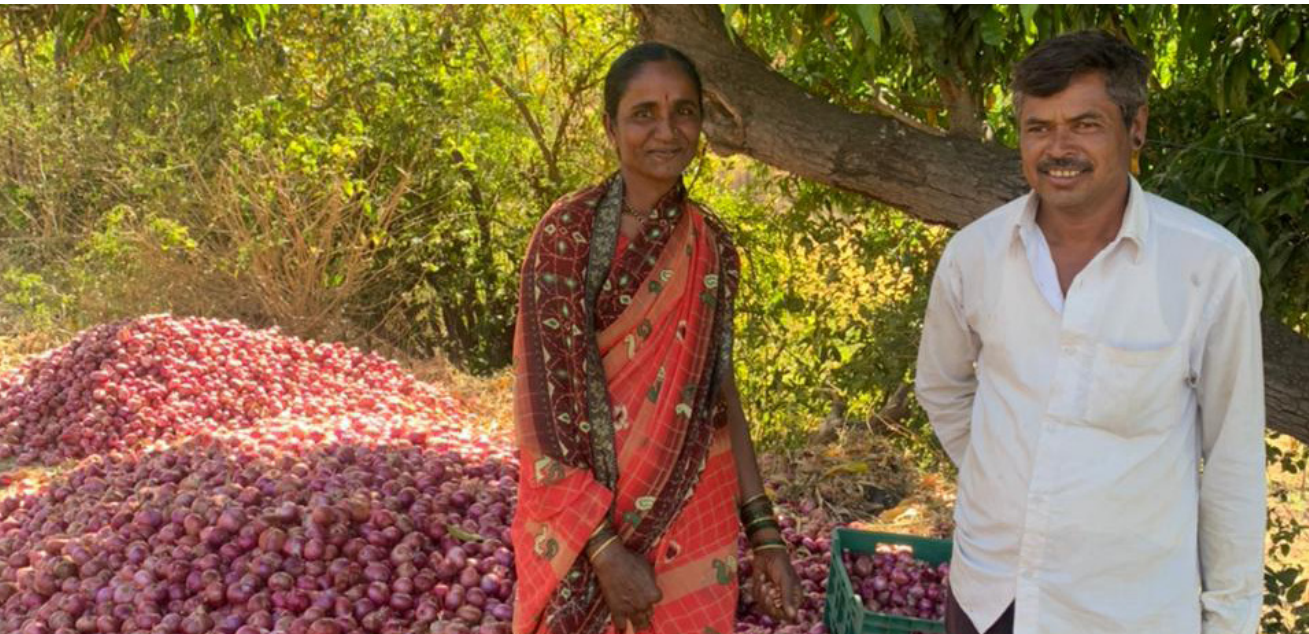
2,500+
Trees planted

500
Upcycled footwear distributed

2.7 tons of CO₂
Emission reduced

Transforming lives through empowerment

At Crompton, we recognise the importance of empowering women through our CSR initiatives. Our efforts aim to provide women with opportunities to break barriers and achieve their potential. By investing in initiatives that support women's education, skill development and employment, we have witnessed remarkable transformations in the lives of women from different strata of society. By empowering women, we not only contribute to their personal growth but also create a ripple effect of progress and development in their families and communities.



First woman change maker from Crompton to lead a menstrual hygiene and livelihood project for a group of women

Darpita Palan



First woman to be appointed as a village Head who transformed pimpalgaon Mattha village from a water-deficient area to one that has ample supply

Savita Pande



First generation learner who is now a proud MBBS doctor

Bansi Bhuva



First woman from her village to emerge as an electrical technician and now take a great pride in being the breadwinner for her family

Reeta Devi

All they needed was an opportunity and we are happy to provide it through our corporate social responsibility initiatives

Social and Relationship Capital (contd..)

Engaging with care



Solar electrification of villages



Amplification of Change Maker Grant Program



Active employee engagement in voting for Change Makers



Celebrated International Literacy Day with specially-abled children



Supported underprivileged children with up-cycled footwear



Reduced 2.7 tonnes of CO₂ emission through up-cycled footwear



Book donation drive to spread the joy of giving



Practical training session on electronic equipment at skill development centre



Classroom training session on safety protocols at skill development centre



Tree plantation by employees on World Environment Day

Natural Capital

Environmental sustainability is a critical business priority for us at Crompton. Our commitment towards a sustainable future has enabled us to migrate to greener alternatives. We are progressively curbing our carbon footprint through efficient waste management and judicious utilisation of available resources.



Environmental sustainability is deeply embedded into our Company's culture. As a purpose-driven Company, we strive to improve the lives of our people and the communities residing in areas where we operate by manufacturing more eco-friendly products.

We are making conscious efforts to limit our environmental impact by committing to low resource utilisation and producing innovative products. Our environmental initiatives are aimed at optimising resource utilisation and reducing climate-related threats by developing an energy-efficient portfolio. Our efforts in energy management, waste management, water conservation and emissions reduction help us operate sustainably.

Energy management

As a manufacturing enterprise, energy consumption accounts for a significant portion of our Company's carbon emission. Therefore, improving energy efficiency is vital. We have devised a performance-based energy management plan to limit our energy consumption, integrate renewable energy sources and embrace energy-efficient practices.

Developing energy efficient products

We leverage our innovation to design products that serve the needs of our consumers. With rising customer awareness and the government's emphasis on energy regulation, our innovation is focused on producing energy-efficient products. We have undertaken several initiatives to improve energy efficiency, decrease emissions and optimise the use of natural resources. As members of the BEE star ratings, we try to develop energy-saving products that allow our consumers to live more sustainably. We are always working towards minimising GHG emissions across our operations.

KAVACH

The KAVACH initiative is a comprehensive EHS strategy implemented across all our product lines. It includes policies, procedures and work instructions. We are cognisant of our responsibilities in terms of health, safety and environmental management and we fully abide by all relevant and applicable laws that have been established by the government.

As the cornerstone of Crompton's EHS system, we created a single IMS (Integrated Management System). We have established a thorough EHS scorecard across all of the units. This scorecard is evaluated periodically to assess performance and corrective and

preventive actions are made whenever necessary.

We also adhered to and exceeded the EMS 14001 criteria, which were integrated throughout all our product lines. To reduce the environmental effect of our operations and enhance safety even further, the heads of our manufacturing sites meet on a monthly basis to discuss EHS concern, solution and share best practices to enhance the health and safety at workplace. They also discuss on topics including reducing hazardous waste with 3R approach, while optimising water and energy use.

Renewable energy utilisation

At Crompton, we recognise the importance of conserving energy through the use of clean technologies. Over time, we have increased the percentage of renewable and clean energy in our energy mix. Across all our manufacturing plants, we strive for operational excellence. The use of renewable energy infrastructure not only allows us to decrease our carbon footprint, but also helps in reducing our power costs per unit.

19,651 KWH
Renewable energy generated

200+
Fan models are certified under BEE star ratings

50+
Water heater models are certified under BEE star ratings

Natural Capital (contd..)

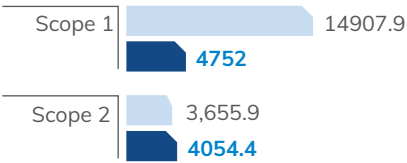
Emissions reduction

We are mitigating the impacts of climate change by implementing various carbon-neutral measures across our facilities. Given the nature of our business, greenhouse gas emissions from our offices and industrial units form the biggest environmental footprint we generate. We intend to minimise our emissions through a multi-pronged approach that includes green innovation, improved operational efficiency and waste reduction.

8,805.50 tCO₂e
Total emission

Emission*

(Mt Co2e)



■ F.Y. 2021-22 ■ F.Y. 2022-23

Water conservation

At Crompton, we are dedicated to water conservation, because it is a scarce and an important natural resource. We are improving our water management methods in our operations and expanding our community outreach. Apart from that, we have implemented various steps to reduce our water consumption and have converted all of our units to the zero liquid discharge system.

44,025 KL
Cumulative water withdrawn

38,832 KL
Cumulative water recycled

31,697 KL
Cumulative water savings

Waste management

At Crompton, we also go beyond the design process to assess the environmental impact of our goods over their entire life cycle. This involves everything from raw material selection to the end-of-life phase. We use a wide range of raw materials in the development of our products. We are always focusing on improving the efficiency of our material use, eco-friendly packaging and waste recycling.

Also, our increased material efficiency, has resulted in less industrial waste, less raw material use, waste segregation and lower greenhouse gas emissions.

16.5 Lakh Kg
Solid Waste Recycled

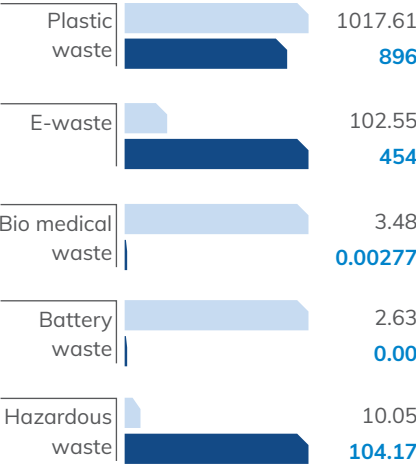
*Significant decrease is due to stoppage of glass manufacturing in Baroda



We make substantial efforts to manage and limit the use of hazardous substances and we believe that resource optimisation improves the environment, decreases the cost of our products and increases consumer acceptability. We ensure that all hazardous waste generated at units is transferred to a State Pollution Control Board-approved operator. E-waste is disposed of by a licenced recycler who has been approved by the CPCB and has received green certificates.

Waste generated*

(Tonnes)



■ F.Y. 2021-22 ■ F.Y. 2022-23

Extended Producer Responsibility

We are committed to upholding Extended Producer Responsibility ("EPR") principles with a responsible approach towards environmental stewardship and sustainable waste management practices. EPR focuses on shifting responsibility to producers and considering incentives while designing products.

We have obtained EPR Authorisation from the Central Pollution Control Board ("CPCB") for plastic waste and e-waste management. We have also successfully achieved CPCB targets for plastic waste collection and channelization, as well as for electrical and electronic equipment recycling.



Corporate Information

Mr. H. M. Nerurkar, Chairman of the Board
Non-Executive Independent Director

Mr. Shantanu Khosla*
Executive Vice Chairman

Mr. Promeet Ghosh^
MD & CEO

Independent Directors

1. Mr. H. M. Nerurkar
2. Mr. D. Sundaram
3. Mr. P. M. Murty
4. Mr. P. R. Ramesh
5. Ms. Smita Anand
6. Ms. Hiroo Mirchandani

CFO

Mr. Kaleeswaran Arunachalam, w.e.f. September 05, 2022

CS & Compliance Officer

Ms. Rashmi Khandelwal, w.e.f. November 28, 2022

Statutory Auditors

MSKA & Associates, Chartered Accountants

Internal Auditors

Grant Thornton Bharat LLP

Secretarial Auditors

Parikh & Associates, Company Secretaries

Cost Auditors

Ashwin Solanki & Associates, Cost Accountants

CIN

L31900MH2015PLC262254

Registered Office

Tower 3, 1st Floor, East Wing, Equinox Business Park,
LBS Marg, Kurla (West),
Mumbai - 400 070, India
T: +91 22 6167 8499 | F: +91 22 6167 8383

Registrar & Transfer Agent

KFin Technologies Limited

Selenium, Tower B, Plot No 31 & 32 Gachibowli, Financial
District, Nanakramguda, Serilingampally,
Hyderabad - 500 032
T: 18003094001

Bankers

ICICI Bank
Standard Chartered Bank
IDFC First Bank
Citibank N.A
HDFC Bank
Axis Bank Limited

Debenture Trustee

Catalyst Trusteeship Limited

GDA House, Plot No. 85, Bhusari Colony, Paud Road, Pune,
Maharashtra - 411038

* Managing Director till April 30, 2023 and elevated as Executive Vice Chairman w.e.f. May 1, 2023 to April 30, 2024 and then will assume position of Non-Executive Director till December 31, 2025

^ Non-Executive Non-Independent Director till April 23, 2023. Appointed as Executive Director w.e.f. April 24, 2023 and as MD & CEO w.e.f. May 1, 2023 till April 30, 2028 subject to approval of Members at the AGM

Note: Mr. Mathew Job was Executive Director of the Company till April 24, 2023 and CEO till April 30, 2023



MANAGEMENT DISCUSSION & ANALYSIS REPORT



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global economic review

Over the course of the past year, the global economy has experienced numerous challenges in the form of geopolitical tension, rising interest rates, high inflation levels. Alongside, the consequences of a sudden surge in COVID-19 cases in China also impacted growth projections.

As per the latest estimates by the International Monetary Fund, the global GDP growth rate is estimated to be 3.4% in CY22 showing resilience towards the recessionary fears. On account of these headwinds, supply chain disruptions were also rampant. Moreover, due to geopolitical conflicts, crude oil prices soared, global trade was impacted and inflationary pressures worsened. To rein in inflation, Central Banks across the world, including the US Federal Reserve, responded with synchronised rate hikes.

A stronger boost from pent-up demand in numerous economies or a fall in inflation is expected in the course of 2023. The emerging and developing economies of the world are likely to play a major role in accelerating global economic growth. Another silver lining is the fact that global inflation is likely to decline from *8.8% in C.Y. 2022 to 6.6% in C.Y. 2023 and 4.3% in C.Y. 2024.

*Source: IMF World Economic Outlook January, 2023



India, along with China to contribute 50% of global growth in 2023

Source: IMF

Indian economic overview

The Indian economy remained remarkably resilient to global challenges in F.Y. 2022-23. This is evident by robust domestic demand and upbeat investment activity. Sectoral analysis reveals that growth was driven by robust construction activity aided by increased infrastructure investment both by the Central Government and State Governments, which paved the way for large-scale employment opportunities. Building on the gains of first half of the fiscal year, the second half continued to see a gradual upswing in demand and economic activity.

While post-covid, private investment recovery is still at a nascent stage, there are early signals, which indicate that India is poised for a stronger investment upcycle in both manufacturing and services sectors. The number of

private investment projects under implementation in the manufacturing sector is also steadily growing.

Outlook

Despite high inflation, the Indian economy has achieved GDP growth of 7.2% in F.Y. 2022-23. Sustained growth in GST collections, electronic toll collections and the volume of e-way bills generated indicate encouraging momentum. Indices of manufacturing activity such as the PMI-manufacturing, the Index of Industrial Production and the Index of Core Industries (ICI) demonstrate that manufacturing activity continues to grow steadily. Indicators of the services sector (UPI transactions, high credit demand) also point towards sustained expansion.

To drive the virtuous cycle of infrastructure investment and job creation, the Union Government has considerably increased the capital expenditure outlay to ₹10 Lakh Crore, which is 33% higher than the previous year. The increase in infrastructure spending, especially in tier II and tier III cities is anticipated to have a substantial effect on the Indian economy, generating new employment opportunities and stimulating growth.

Overall, the demand conditions in India remain conducive to supporting economic activity. India faces the coming financial year with confidence imparted by underlying and overall macroeconomic stability, while being on the alert against geo-political and geo-economic risks.



To drive the virtuous cycle of infrastructure investment and job creation, the Union Government has considerably increased the capital expenditure outlay to ₹10 Lakh Crore, which is 33% higher than the previous year

Source: Department of Economic Affairs, Government of India

Industry overview

Electrical consumer durables ("ECD") industry in India

The electrical consumer durables industry has witnessed improved demand growth over the past year. Due to the increasing adoption of advanced technology and automation, the segment continues to be a lucrative market for innovative products.

Following the adoption of Industry 4.0 practices, manufacturing efficiency of consumer durables have improved significantly on account of investment in Research and Development ("R&D"), use of technologically advanced infrastructure, and improvement of production methods. In India, the urban markets (metros, Tier 1, Tier 2 and Tier 3 cities) dominate the consumer durables sector, accounting for nearly two-thirds of the market. Although the Indian rural market is underpenetrated, the demand for consumer durables in rural areas also significantly rose in second half of the year supported by aspirational buying.

Consumer durables are in greater demand due to increased awareness for high-end products, demand for cost-effective and energy-efficient products, and the growing preference for convenient products that are suitable for an aspirational lifestyle.

There is a growing trend towards energy-efficient products, driven by several factors. Increasing urbanisation, along with increasing wealth and government initiatives promoting sustainability, has created greater awareness of the importance of energy efficiency. As a result, more and more people are seeking to upgrade their homes with smart technology, such as voice-controlled devices and IoT safety measures. This trend is further fueled by the widespread use of smartphones, which is driving increased adoption of smart and connected products.



Fans

The demand for superior quality fans continues to rise in India. Consumer preferences are pivoting towards energy-efficient, durable and innovative products. The transition mandated by Bureau of Energy Efficiency ("BEE") to strict energy certification criteria has become a significant factor driving demand for higher quality fans in India. The focus has shifted on producing more energy-efficient, durable, and innovative fans that adhere to the new BEE norms.

The tropical climate of India continues to be a major factor for driving the sale of fans in the country. Being more cost-effective, energy efficient and durable, fans are extensively used for residential as well as commercial purposes. Growth of the real estate and hospitality sectors and government impetus for affordable housing as well as smart city projects continue to catalyse the growth of this segment.



Ceiling fans to get upgraded as per BEE's revised energy efficient norms & mandate star labelling



Pumps

Steady growth of wastewater treatment, development of infrastructure and housing projects as well as rapid utilisation of industrial pumps by various end-user industries have fuelled the growth of the pump market in India.

To ensure uninterrupted piped water supply, pumps are being widely used across the country. Favourable government policies for promoting agricultural growth such as the Indian government's 'Har Ghar, Nal Se Jal' scheme is a promising initiative that aims to provide piped drinking water to every rural household in India. In the context of this, the Government of India has allocated ₹70,000 Crore towards the mission of achieving this by F.Y. 2023-24.

The scheme is expected to have a positive impact on the pump industry, as it requires the installation of a large number of water pumps in rural areas. Pump manufacturers and suppliers will see considerable growth as a result of increasing demand for their goods. The unique community-based model of decision-making for water tariffs under the scheme may also lead to the adoption of more efficient and cost-effective water pumps by rural communities.

Technologically advanced pumps are also being widely used across the country. The intelligent pumping systems are designed to regulate the flow of water, adjust pressure settings and are long-lasting in comparison to ordinary models.

5.26%¹

CAGR of the Indian pump market between F.Y. 2022-23 and F.Y. 2027-28



Lighting

LED lights are highly popular in residential applications, including general lighting, outdoor lighting and decorative lighting due to their ease of use, energy-efficient and cost-effective nature. Additionally, LED lighting finds versatile use in infrastructure and beautification projects, smart cities, streetlights, offices, and industries, which further fuels the demand for LED lights in India².

In addition to the residential sector, infrastructure development including roads, ports, metros, and other public amenities are significant demand drivers for LED lights. Moreover, the rising demand for energy-efficient lighting solutions in the industrial and commercial sectors, including

¹ <https://www.imarcgroup.com/india-water-pumps-market#:~:text=We%20expect%20the%20India%20water,5.26%25%20during%202023%2D2028>

² <https://www.imarcgroup.com/indian-led-lighting-market>

offices and factories, contributes to the expansion of the LED market in India.

Another significant demand driver is the housing sector, which is experiencing a surge in demand due to the rapid urbanisation and expansion of the middle class in the country. With an increasing emphasis on sustainability and energy efficiency in the housing sector, LED lights have become the lighting solution of choice for new housing developments.

The Indian IoT market is projected to achieve a notable CAGR of 14.23% between F.Y. 2022-23 and F.Y. 2027-28³. This growth is expected to propel the adoption of home automation, leading to the automatic and remote control of various electrical appliances, fixtures, and accessories. Consequently, this will give a significant boost to the connected and smart lighting solution market in India.

Home appliances

India is one of the key markets for the home appliances and consumer electronics industry. Post pandemic, there has been a substantial shift in consumer attitudes towards home appliances. As remote employment has become a norm, the demand for home appliances has increased. This rise in demand is anticipated to continue over the long term, and the industry is anticipated to grow steadily.

The relatively low penetration of home appliances in India presents a significant opportunity for the industry to capture a larger market share. With increasing urbanisation and growing awareness of premium products in rural areas and the need for convenient home appliances, there is a vast untapped potential for home appliance companies to expand their reach and provide convenient solutions to a wider audience. As a result, innovative and user-friendly home appliances are being regularly introduced to the market.

The use of advanced technology has also become common and with government impetus for increasing domestic production of home appliances, long-term prospects for the segment remain extremely optimistic.



Water heaters

The primary factor driving the market for water heaters is the increased preference for modern and efficient appliances in residential units as well as in the hospitality industry. Additionally, eco-friendly and energy efficient water heaters have significantly increased its market share, making way for rapid innovations in the segment. The growth of an urban population, increased preference for online purchases and a desire to replace

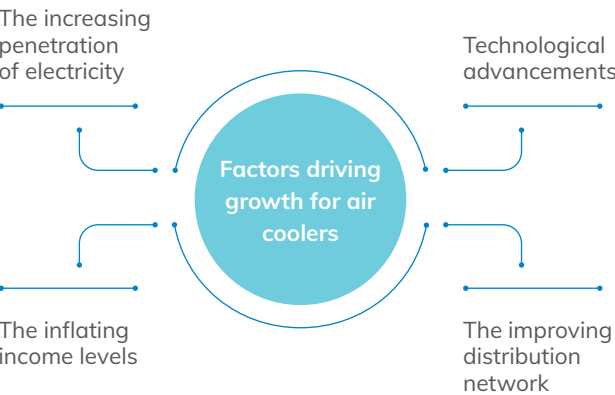
conventional methods of water heating are contributing towards the sale of water heaters across the country.

8.6%
India's electric water heater market is expected to grow CAGR at F.Y. 2022-27



Air coolers

Unprecedented weather conditions leading to warmer summer months play a vital factor in increasing the sale of air coolers. Due to rapid urbanisation, growth of residential projects and added impetus for rural electrification programmes, the demand for energy-efficient and technologically advanced air coolers continues to rise.



Small domestic appliances

The growing demand for kitchen appliances with cutting-edge features is one of the main factors accelerating the growth of the Indian kitchen appliances market. Besides, urban migration has triggered the need for efficient appliances that are convenient as well as less time consuming.

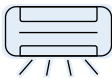
Considering the growing number of women in the workforce, the rise of nuclear families and hectic lifestyles, the demand for modern appliances has peaked over the past few years. Due to constant R&D, innovative products are being launched in this segment and demand for small domestic appliances such as mixers, grinders, juicers, microwave ovens, toasters, vacuum cleaners, electric kettles, coffee machines, and so on, continue to rise.

Key growth drivers

Government initiatives

Government schemes such as 'Housing for All', 'Power for All' and rural electrification drives have had a significant impact on the growth of India's consumer durable industry.

Encouragement for the Production Linked Incentive (PLI) Scheme is also boosting domestic manufacturing of consumer durables, thereby contributing to the growth of the consumer electronics and equipment sector in India.



PLI Scheme has announced an investment of ₹6,238 Crore (\$851 Mn) for white goods (Air Conditioners and LED Lights)

Rising income levels

With an increase in the number of working women and the rise of nuclear families, household incomes have increased. It has not only necessitated the use of user-friendly consumer durable products, but have also created awareness of innovative products that add convenience to life. Moreover, urban migration has led to the creation of an aspirational middle class that continues to prefer a wide range of consumer durables.

Growth of e-commerce platforms

The penetration of the internet in urban, semi-urban as well as rural areas has largely contributed to the growth of the consumer electronics and appliance industry. Various e-commerce platforms have enhanced access to products at affordable rates. It has improved consumers' ability to search and compare products and services. As a result, consumers spending on electronics and household appliances have significantly increased.

Increasing electrification and market expansion

Over the past few years, small towns and villages have seen considerable improvement in the availability of power. With greater electrification, the industry is seeing demand growth of consumer durables in rural areas. In urban markets, premiumisation has shortened the replacement cycle of products and as people continue to upgrade to latest models, the market is expanding at a phenomenal rate.

Quicker transition to the organised sector

The market share in the consumer electronics industry is shifting from the unorganised to the organised sector. This change was mostly driven by the pandemic, implementation of GST, and entry of online retailers.

Company overview

Crompton Greaves Consumer Electricals Limited ("the Company/ Crompton") is one of India's leading consumer electrical companies, having a rich legacy of more than nine decades in the ECD and Lighting segments. The Company manufactures and distributes a diverse range of consumer items, including fans, pumps, and appliances (Water Heaters, Air Coolers, Mixer Grinders, Iron, and Other Small Kitchen Appliances) in the ECD category, as well as lights.

Crompton is one of the celebrated players in fans and residential pumps solutions. In addition, the acquisition of Butterfly Gandhimathi Appliances Limited ("Butterfly") will accelerate the long-term strategic goal of becoming a key PAN India player in small domestic appliances. It will provide greater exposure to the South Indian market, since it is the leading brand in key categories like LPG stoves and table-top wet grinders.

4,000+ Distributors

1,50,000+ Retailers

620+ Service centres

Butterfly Gandhimathi Appliances Limited

Butterfly is one of the largest integrated domestic kitchen appliance manufacturers in the country. Due to its innovative and high-quality products, Butterfly leads the Indian kitchen appliance industry. Butterfly's product portfolio includes a complete range of kitchen appliances such as LPG stoves, mixer grinders, table-top wet grinders, stainless steel, aluminium pressure cookers, stainless steel flasks and water bottles.

The Company leads the market in Southern India for wet grinders and LPG Stoves. For the last five years, it has consistently grown at 17% CAGR (F.Y. 2017-23). Butterfly's continuous, industry-leading growth is driven by its strong brand appeal, technical proficiency and e-commerce success.

Crompton acquired a 55% stake in Butterfly Gandhimathi Appliances Ltd. and subsequently acquired an additional 26% at a price of ₹1,433.90 per equity share through an open offer. The open offer provided Butterfly's public shareholders with an exceptional opportunity to sell their shares at a fair price

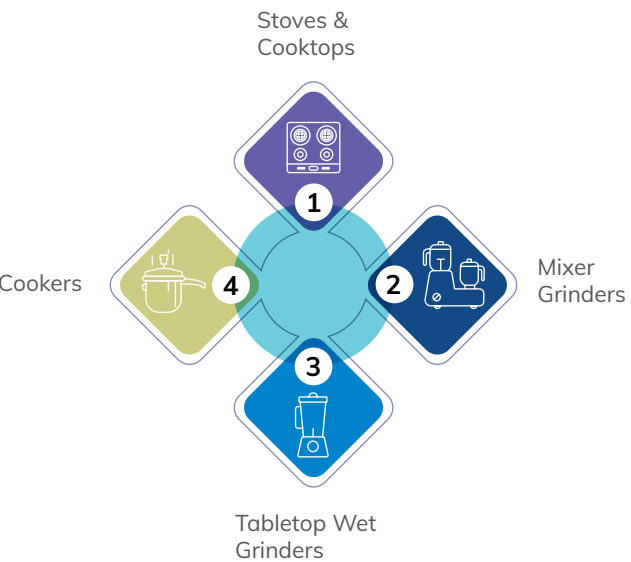
³ <https://www.imarcgroup.com/india-internet-of-things-market>

and recoup their investment. Consequent to the acquisition and regulatory requirements of the open offer process, the current shareholding of Crompton in Butterfly is 75%. The proposed merger is a step in the right direction to unlock the potential of the combined businesses. The merged entity is expected to benefit from the pooling of human capital that has diverse skills, talent and vast experience to compete in an increasingly competitive industry. Additionally, it will enable more efficient allocation of capital and result in simplification of the corporate structure.

Crompton now has access to Butterfly's manufacturing facilities, R&D expertise and distribution network. It will enable a faster execution of its Go-To Market strategy and enable sharper focus on product innovation.

By using Butterfly's product portfolio, Crompton is now able to increase its selection of small household appliances. The Company will be able to offer its consumers a broader selection of high-quality products, consequently expanding its market share.

Crompton would gain a significant presence in South India by acquiring Butterfly's extensive dealer and distributor networks. This has allowed the organisation to grow its other areas and product offerings in South Indian markets. Consequently, with Crompton's PAN India presence, Butterfly's products can reach a broader audience and earn greater acceptability throughout the nation thanks to a more extensive distribution network.



[For more information, refer Coming together of Crompton & Butterfly section of the IR on page 08]



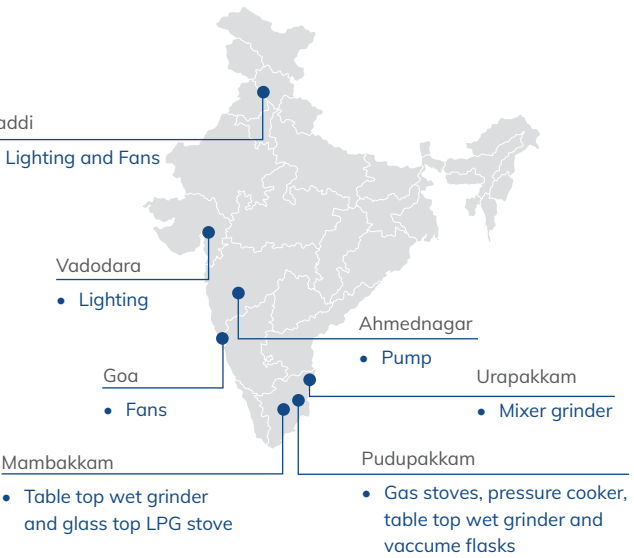
Manufacturing

The primary focus of Crompton is an effective manufacturing techniques that leverage innovative and advanced technology to reduce operating costs. The Company applies lean manufacturing technique to streamline its production process throughout the entire product life cycle. As a part of its core objective of operational excellence, the Company consistently strives for efficiency at all of its manufacturing facilities. In addition, many of its new capital investments and operational initiatives are geared towards achieving optimal resource utilisation. The incorporation of Butterfly into the Company's operations has expanded the portfolio of manufacturing facilities to include its existing production locations.

To improve cost efficiency of the value chain, the Company is working on several projects, such as Project Unnati, which has been running for more than 5 years. This programme has enabled the Company to benchmark itself against the best industry practices/ products in terms of material and process cost. In addition to Project Unnati, a dedicated team is working on Project UDAAN, a project focused on improving manufacturing excellence at all Crompton manufacturing, vendor and supplier locations. It has identified work areas to deliver improved quality, capacity utilisation, productivity, reliability and cost.

[For more information, refer Financial Capital and Manufactured Capital of the IR on page 64 and 68]

Locations



Business overview

Electrical consumer durables ("ECD") business

The ECD business of Crompton is focused on providing high quality electrical products and consumer durables to customers in India and other countries. To meet the needs of both residential and commercial customers, Crompton offers a wide range of electrical products such as fans, geysers, air coolers, kitchen appliances and pumps, among others, which are known for their durability efficiency and performance.

Premiumisation trends, pent-up demand and policy initiatives have all contributed to robust growth in the ECD segment across all product categories. Crompton has retained its position as the industry leader in fans and residential pumps by expanding its product portfolio, while simultaneously achieving profitable long-term growth.

Fans

Crompton advertises its new product line through mainstream media and digital channels, allowing the Company to bolster its market share and take the lead in the fans sector. In addition, the Company's revolutionary design has allowed it to accelerate its expansion in the premium market.

On January 1, 2023, BEE mandatory energy efficiency standards for ceiling fans were established for the first time. As a consequence, over 300 SKUs were modified at minimum cost delta and vertical ramp up of production was done to meet with these new energy rules, including design changes, certification, listing on the BEE website, and developing manufacturing capabilities.

New launches

Crompton has successfully introduced flagship products with BLDC technology and IoT features in various product lines. This technology offers higher efficiency, longer lifespan and less maintenance. The integration of IoT sensors will result in connectivity to remotely monitor and control products, reduce energy consumption, and enhance user experience. This will increase the market competitiveness of the Company.

Energion Roverr range of fans (IoT and Non-IoT)]

SilentPro Blossom range of fans (IoT and Non-IoT)] *This design of fan won the prestigious Red Dot award for its design and innovation in the fan category.*

In the category of ceiling fans, new aesthetic options were introduced.

Montania
Versa
Lilac

Additionally, the Company has introduced Energion groove and Chrome air, a new line of extremely powerful fans with 28W of power consumption and options for remote control and regulator.

Future plans

Since the Company already comply with the new BEE norms, its primary focus will be on enhancing the cost structure of transitioned products to ensure better performance, and ensuring that all future launches comply with industry standards.

Pumps

Marketing initiatives such as on-ground marketing, print media, and outdoor advertising assisted the business in maintaining its market share. In addition, a positive brand image for residential pumps, along with BTL marketing strategies, has fueled pump business growth. In the mini pump category, which accounts for roughly 60% of the pumps business, the Company has developed a new brand architecture, elevating the Company's brand image and positioning the brand as 'contemporary'.

Crompton's plumber loyalty programme, 'Saathi', built on a technological platform is being leveraged to strengthen the position in the pumps market. Recognising the importance of plumbers as industry influencers, this programme aims to increase Crompton's market share by fostering strong relationships with this vital segment.

Crompton pumps have been named a Superbrand for the 5th consecutive year.

New launches

The Company has launched the following products based on new brand architecture:

Champ Plus I & II (Surefill Plus)

Star Plus I & II (Rapidfill Plus)

Master Plus I & II (Turbofill Plus)

Champ Dura I & II (Surefill Dura)

Star Dura I & II (Rapidfill Dura)

Master Dura I & II (Turbofill Dura)

The Plus and Dura series were also introduced in the mini pump category.

In addition, the Company has also launched new products in the Agro category.

2HP Centrifugal Monoblock

Janata Submersible Pumps (Ultima Series)

1.5HP Centrifugal Monoblock (Magna Series)

Openwell Agro Pump (Ultima Series)

Future plans

Crompton plans to increase manufacturing capacity and quality through their Udaan initiative. It also plans to strengthen its brand architecture for balance portfolio growth. Crompton aims to increase its visibility with increased expenditure on digital marketing.

Home appliances

Crompton has exhibited significant success in the rising home appliances business, in addition to increasing its market share in the targeted industries. The home appliances segment has proved to be the strongest performer for F.Y. 2022-23. The diligent efforts in R&D have resulted in substantial contributions from the launch of new products. Additionally, the business has witnessed robust growth through alternate channels.

Safe Health Certificates for its water heater have been given by India Medical Organisations. In addition, BEE also authorised 58 new water heater SKUs for the new energy criteria.

Built in kitchen segment

Crompton has ventured into the large appliance market, with an impressive line-up of chimneys, hobs, ovens, and dishwashers. This move marks a new phase in the company's business strategy, with an emphasis on diversifying its product portfolio and capturing a larger market share.

The launch of these products was carefully planned and executed, with a focus on meeting the evolving needs of consumers. These large appliances were introduced to the market after thorough R&D, ensuring that they meet the highest standards of quality and innovation.

Crompton's foray into the large appliance market marks a significant milestone for the Company, as it completes the kitchen play after Butterfly's acquisition. With this move, the Company is now in a position to offer a complete range of kitchen appliances to its customers.

The launch of these large appliances has been well received by consumers across the country. The Company's launch strategy has been effective in building brand awareness, making Crompton a strong player in the large appliance market.

Crompton's entry into the large appliances market is a testament to the Company's commitment to innovation and customer satisfaction. With a strong focus on quality, reliability, and performance, Crompton's large appliances are set to become a popular choice among consumers in India.

Products Introduced



The Company introduced a line of chimneys featuring a silent inverter motor, intelligent auto clean, smart on, gesture control, turbo, and boost suction.

Quiet Pro and Senso Smart range in Chimney



The Company launched built-in hobs with features including auto ignition, toughened glass, a flame failure device, a digital timer in the work burner, 3D flame technology, high-efficiency full brass burners, and premium heat-resistant metal knobs.

Senso safe and Optime range of built-in hobs

SuperSlim Tablet hobs



Built-in ovens with 3D heating, multilevel cooking, rotisserie, steam plus, hot air shield, steam, and pyrolytic cleaning were introduced by the Company.

Oven Toaster Griller



The Company introduced dishwashers with functions like hygiene wash, steam wash, quick clean, dual pro-wash, smart wash, intelligent turbo drying, and pure beam technology.

Grand Art and Voila range of ovens and dishwasher

Other appliances

The following appliances were introduced by the Company in the small appliance segment.

BlendServe

Nouris Pro

Future plans

Crompton intends to broaden its product line in small domestic appliances while also developing marketing strategies for core categories such as water heaters, mixers, and air coolers. The Company also seeks to improve customer satisfaction and after-sales network through decentralisation. In terms of manufacturing and R&D, the Company intend to continue investing in lab infrastructure and product standardisation, as well as expanding into new markets such as the solar industry. It will also focus more on enhancing business channels and building better brand awareness in priority markets.

Lighting

Increased advertising campaigns have led to greater brand recognition. The focus on product innovation throughout the entire product line has helped the Company to enhance its market share in the LED lighting segment. Our outdoor and IoT lighting installations and indoor ceiling lights have been a differentiating factor for the Company. Also, in the B2C segment, e-commerce platforms are playing a significant role in the expansion.

The Company has made significant efforts to enhance its product portfolio in both B2C and B2B segments. The introduction of innovative products such as the Trio and 3-in-1 series in the B2C segment has been instrumental in driving growth in the Lighting category.

In addition to its success in the B2C segment, the Company has also made significant progress in the B2B space, in the distribution of lighting. The Company has been successful in gaining big clients which has helped boost its market share in the B2B segment. The Company has also undertaken portfolio rationalisation and cost actions in the B2B segment to become more competitive.

With a focus on product innovation, cost efficiency, and portfolio optimization, the Company is well-positioned to continue its growth trajectory in both B2B and B2C markets, leading to improved financial performance in the years ahead.

New launches

Crompton has launched a wide range of products in its consumer as well as professional lighting segments.

Consumer lighting segment

Dynaray series of LED lamps

Light Buddy Innovative Night Lamp with charger function

3-in-1 Laser Ray Neo Batterns

Copper and Galaxy Rope lights

Professional lighting segment

Wanderer Pro Streetlights

Wanderer Plus Streetlights

Aplomado Pro series of Streetlights, Innovative IP65 rated

Techlita Batterns

FLOGA in the flameproof space

Additionally, the Company has introduced a full new FLOGA range of premium flame-proof luminaries, including floodlights and high bays.

Future plans

The Company intends to revive growth in B2C Lighting by refreshing existing portfolio, fill product gaps in offering, introduce value added products, establish direct dealer portfolio & also enter the semi decorative segment. On B2B side, it plans to introduce a new & dedicated traderange for Indoor & Outdoor lighting. It also intends to optimise costs by resorting to more inhousing & reduction in total delivered costs.

Standalone financial performance

Ratios	2022-23	2021-22
Debtors Turnover Ratio	10.98	11.14
Inventory Turnover Ratio (on Cost of goods sold)	7.10	7.17
Interest Coverage Ratio	7.26	23.81
Current Ratio	1.59	2.30
Debt Equity Ratio	0.32	0.63
Operating Profit Margin	11.56%	14.16%
Net Profit Margin	8.08%	10.88%
Return on Net Worth (RoNW)*	17.96%	27.13%

*RONW is lower due to increase in shareholders fund over the years on account of profits accumulations

Debt summary

(₹ in Crore)		
Particulars	2022-23	2021-22
Gross Debt	922.18	1,555.25
Net Debt	874.38	651.47
Total Equity	2,838.97	2,455.66
Gross Debt to Equity ratio	0.32	0.63
Net Debt to Equity ratio	0.31	0.27

Consolidated financial performance

Key highlights of financial performance

Particulars	2022-23		2021-22	
	Amt (₹ in Crore)	% to Revenue from Operations	Amt (₹ in Crore)	% to Revenue from Operations
Revenue from Operations	6,869.61	100.00%	5,394.11	100.00%
Material Costs	4,680.35	68.13%	3,701.78	68.63%
Employee Benefit Expenses	540.80	7.87%	362.39	6.72%
Finance Cost	109.18	1.59%	35.31	0.65%
Depreciation & Amortisation Expenses	115.92	1.69%	42.28	0.78%
Advertisement & Sales Promotion	206.48	3.01%	89.45	1.66%
Other Expenses	671.51	9.77%	471.04	8.73%
Total Expenses	6,324.24	92.06%	4,702.25	87.17%
Other Income	66.78	0.97%	72.65	1.35%
Exceptional items	-	0.00%	12.97	0.24%
PBT	612.15	8.91%	751.54	13.94%
Tax Expense	135.75	1.98%	173.16	3.21%
PAT	476.40	6.93%	578.38	10.73%

Research and development (R&D)

Crompton truly values innovation and strives to constantly stay ahead of the curve. The Company understands that investing in R&D is key to ensuring long-term success and meeting the evolving needs of consumers. To that end, Crompton has established a cutting-edge Innovation & Experience Centre in Mumbai, with a design studio, that houses state-of-the-art equipment and software to accelerate consumer-centric innovations.

Crompton has a robust and well-defined process for building and launching new products and innovations that puts them ahead of their competitors in terms of consumer features, experience, and performance.

The New Product Development (NPD) teams are dedicated to each business segment and work on 12-18 month roadmap, ensuring that product delivery is always ahead of the curve. The Company uses a stage-gate process to streamline stakeholder participation and enhance the success probability of NPD projects. In addition, the innovation process includes conducting open innovation programmes within and outside the organisation to develop a pool of ready ideas that can be integrated into future products. They work with academia, startups, and their central R&D team to build scalable technologies and platforms that align with emerging consumer trends and needs.

[For more information, refer Intellectual Capital of the IR on page 77]

Marketing

Crompton had a fantastic year, with a strong focus on the Southern region. The Company has concentrated more on its digital marketing campaigns and activities across various touchpoints to increase customer awareness of its newly launched products.

Since 2019, there has been a 140% rise in website traffic. During the year, the Company's website had over 8.3 million visitors, much above the industry average of 4 million. Crompton also has the highest social media interaction rate in the industry and presently occupies the top position on Google search results.

[For more information, refer Intellectual Capital of the IR on page 95]

Sustainability

The Company strives to adopt eco-friendly and environment-friendly methods across its facilities. It endeavours to simplify its operations by using an adequate level of automation. Crompton goes for ecological packaging and uses biodegradable plastic to avoid using thermocol and asbestos in their packaging methods. In order to preserve water, it has zero wastewater facilities at all of its manufacturing locations.

[For more information, refer Natural Capital of the IR on page 116]

Supply chain

Crompton has a robust distribution network, with Twenty One (21) warehouses and Six (6) central warehouses spread across India to bolster its distribution network. In addition, the business intends to capitalise on the chance to operate in the South in order to optimise the supply chain and plan for future growth.

The Company has a robust supplier onboarding process which involves a comprehensive screening procedure that evaluates potential suppliers based on their capability, quality, performance and ability to deliver on time. It also assesses their compliance with legal, environmental, health and safety guidelines and their willingness to participate in the Company's sustainable supply chain management programme.

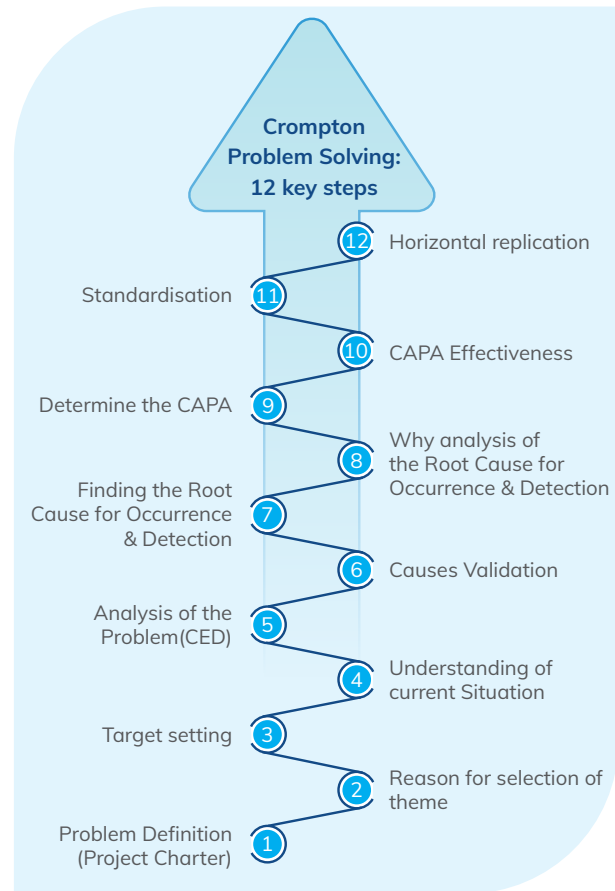
[For more information, refer Manufactured Capital of the IR on page 74]

Quality

Crompton is dedicated to upholding high standards of quality across its operations, and has implemented a range of initiatives to enhance its operational excellence. These include the 5S methodology, Quality Circles, Daily Work Management, Glass Wall, and Structured Problem-Solving programmes. These programmes center around optimising workplace management practices, engaging frontline employees, streamlining daily operations, displaying key performance metrics, and solving complex

challenges through cross-functional collaboration. By prioritizing these initiatives, the Company is able to maintain a culture of continuous improvement and drive sustainable growth.

[For more information, refer Manufactured Capital of the IR on page 74]



IT

Crompton has always relied on information technology to carry out complex and diversified commercial activities. The Company has begun the next phase of its digital transformation in order to acquire a competitive advantage in the market. As communication channels are opened up by technology, connecting with others is becoming quicker, simpler, and more fruitful. Crompton is aggressively improving its data privacy and security layer in response to rising cyber security risks.

Opportunities

Technological advancement

Consumer preference has shifted towards more complex IoT-enabled consumer products as technology has improved. Rating regulations have also become more stringent. The Company's ability to develop induction motors at a reasonable

price to meet those regulations will provide an edge to the Company in this competitive business environment.

Diversity in shipping options

Quick and free shipping are becoming increasingly popular in the consumer electronics business as customer lifestyles evolve. Crompton's increasing digital contact with its channel partners will enable the company to adjust to shifting industry demands. Additionally, the Company's increased investment in supply chain efficiency will bolster its operations.

Energy-efficient products

As environmental awareness grows, so does the need for sustainable and energy-efficient technology. By meeting these industry needs, the Company's strategic product portfolio will help it become more prominent in the market, thereby reducing the environmental effects of greenhouse gases.

Threats

Intense competition

Many established businesses and new entrants vying for market share in the consumer appliances industry, which is marked by a high degree of competitiveness. This results in strong pricing intensity, diminished pricing power, and increased marketing and advertising expenditures.

Economic conditions

Changes in economic conditions, such as inflation or recession, can have a detrimental effect on consumer spending and the demand for consumer appliances. This can result in decreased sales and revenue for businesses within the industry.

Technological advancements

The consumer appliance sector is in a perpetual state of technological innovation. Failing to keep up with these developments might result in a loss of market share and income for older products.

Risk management and mitigation

To safeguard the interests of its stakeholders, the Company has implemented a comprehensive risk management framework to identify, analyse and manage business risks. The foundation for Crompton's risk management and governance is a strong and well-built internal financial control system. The Company's risk management framework focuses on ensuring that risks are recognised and managed in a timely and reasonable manner from a top-down to the bottom-up approach, and is kept flexible to adapt to evolving business requirements.

The dual goal of Enterprise Risk Management is to mitigate the adverse impacts while also seizing market opportunities in order to sustain corporate development and retain a competitive advantage in the industry.

Risk management committee



[For more information, refer risk management section of the IR on page 46]

Cautionary statement

This document contains statements about expected future events, financial and operating results of your Company, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties.

There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Crompton's Intergrated Annual Report F.Y. 2022-23.

BOARD’S REPORT

Dear Members,

The Board of Directors are pleased to present the Company’s 9th Integrated Annual Report on the business and operations of your Company (“the Company” or “Crompton”), along with the audited financial statements (Standalone & Consolidated) for the F.Y. ended March 31, 2023

1. STATE OF THE AFFAIRS OF THE COMPANY

The performance of the businesses are detailed out in the Management Discussion and Analysis Report (“MDA”) which forms part of this Integrated Annual Report.

2. FINANCIAL PERFORMANCE

Particulars	Consolidated		Standalone	
	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2021-22
	(₹ in Crore)			
Revenue from Operations	6,869.61	5,394.11	5,809.31	5,373.20
Other Income	66.78	72.65	74.41	79.90
Total Income	6,936.39	5,466.76	5,883.72	5,453.10
Profit before Tax*	612.15	751.54	594.31	763.15
Tax Expenses	135.75	173.16	118.75	169.67
Profit for the year	476.40	578.38	475.56	593.48
Attributable to Owners of the Company	463.21	578.38	475.56	593.48
Non-controlling Interest	13.19	-	-	-
Other Comprehensive Income (OCI)	(2.34)	2.05	(1.31)	2.05
Total Comprehensive Income	474.06	580.43	474.25	595.53
Owners of the Company	461.04	580.43	474.25	595.53
Non-controlling Interest	13.02	-	-	-
Opening Balance in retained earnings	1,964.51	1,543.09	1,967.20	1,530.68
Amount available for appropriations	2,340.14	2,121.47	2,519.57	2,124.16
Appropriations				
Final Dividend Paid for F.Y. 2021-22	(158.41)	-	(158.41)	-
Final Dividend Paid for F.Y. 2020-21	-	(156.96)	-	(156.96)
Closing balance in retained earnings	2,181.73	1,964.51	2,361.15	1,967.20

*Profit before Tax for F.Y. 2022-23 standalone includes net income of ₹5.54 Crore towards ₹8.89 core as gain on Sale of Investment(net of expenses) in Butterfly Gandhimati Appliances Ltd , a subsidiary and ₹3.35 crore expenditure related to proposed merger and for F.Y. 2021-22 consolidated includes ₹12.97 crore as cost of acquisition of Butterfly Gandhimati Appliances Ltd

3. OVERVIEW/ OPERATIONS OF COMPANY’S FINANCIAL PERFORMANCE

- Consolidated income, comprising Revenue from Operations and other income, for the year was ₹6,936.39 Crore, 26.88% higher compared to ₹5,466.76 Crore in F.Y. 2021-22
 - Total consolidated Revenue from Operations for the year increased to ₹6,869.61 Crore vis-à-vis ₹5,394.11 Crore in F.Y. 2021-22
- Consolidated Profit before Tax for the year was ₹612.15 Crore vis-à-vis ₹751.54 Crore in F.Y. 2021-22.
 - Consolidated Profit after Tax for the year was ₹476.40 Crore compared to ₹578.38 Crore in F.Y. 2021-22.
 - No material changes or commitments have occurred between the end of the Financial Year and the date of this Report, which affect the Financial Statements of the Company with respect to the reporting year.

BOARD’S REPORT & ANNEXURES

4. DIVIDEND

Your Directors are pleased to recommend a dividend of ₹3.00 (Rupees Three) per equity share of the face value of ₹2.00 (Rupees Two) each for the year ended March 31, 2023.

The dividend, subject to the approval of the Members at the Annual General Meeting (“AGM”) to be held on Saturday, July 22, 2023 will be paid on or after **Tuesday, July 25, 2023** but within a period of Thirty (30) days from the date of AGM to the Members whose names appear in the Register of Members, as on the cut-off date, i.e. **Friday, July 7, 2023**.

In view of the changes made under the Income-Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Members. Your Company shall, accordingly, make the payment of the Final Dividend after deduction of tax at source.

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“the Listing Regulations”), the Company has formulated a Dividend Distribution Policy. The policy is given as **Annexure 1** to this Report. It is also available on the Company’s website and can be accessed at: <https://www.crompton.co.in/wp-content/uploads/2023/02/Dividend-Distribution-Policy-1.pdf>

5. TRANSFER TO RESERVES

Your Company does not propose to transfer any amount to the General Reserve.

6. DEBENTURE REDEMPTION RESERVE

The Debenture Redemption Reserve (DRR) of ₹75 Crore (Rupees Seventy Five Crore) created in F.Y. 2018-19 pursuant to the provisions of Section 71 of the Companies Act, 2013 (“the Act”) read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014 was utilized by the Company while redeeming the NCDs in May, 2022.

As required under SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020, your Company has created Recovery Expense Fund in respect of outstanding debentures.

7. REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

As required under Regulation 34 read with Schedule V(B) of the Listing Regulations, report on “Management Discussion and Analysis” is presented in a searforming part of this Integrated Annual Report.

8. INCREASE IN SHARE CAPITAL - EXERCISE OF STOCK OPTIONS

8.1 Paid-up capital

During the year under review, your Company has made following allotments pursuant to the exercise of options by eligible employees under various ESOP schemes:

Sl. No.	Name of the ESOP Scheme	No. of Shares
1	Crompton Performance Share Plan - 1 - 2016 (“PSP-1 2016”)	11,28,143
2	Crompton Performance Share Plan - 2 - 2016 (“PSP-2 2016”)	7,52,095
3	Crompton Employee Stock Option Scheme - 2016 (“ESOP 2016”)	7,23,022
4	Crompton Employee Stock Option Scheme – 2019 (“ESOP 2019”)	1,00,500
Total		27,03,760

Accordingly, the total paid-up share capital of the Company as on March 31, 2023 stood at ₹127.22 Crore divided into 63,61,09,719 equity shares of ₹2.00 (Rupee Two) each.

8.2 Authorised Capital

During the year under review, there was no change in the authorised capital of the Company.

Your Company has neither issued any shares with differential rights as to dividends, votings or otherwise nor issued any sweat equity shares during the year under review.

9. FINANCIAL LIQUIDITY

Consolidated cash and cash equivalent as on March 31, 2023 stood at ₹76.84 Crore (Rupees Seventy Six Crore Eighty Four Lakh) vis-à-vis ₹171.62 Crore (Rupees One Hundred Seventy One Crore Sixty Two Lakh) in the previous year. The Company’s working capital management is robust and involves a well-organized process, which facilitates continuous monitoring and control over receivables, inventories and other parameters.

10. CREDIT RATING

CRISIL has reaffirmed your Company’s rating assigned to it’s Non-Convertible Debentures (“NCD’s”) as AA+/Stable. This reaffirms the reputation and trust the Company has earned for its sound financial management and its ability to meets its financial obligations.

Further, India Ratings and Research (Ind-Ra) has assigned your Company a Long-Term Issuer Rating

11. PUBLIC DEPOSITS

No public deposits have been accepted or renewed by your Company during the year under review pursuant to the provisions of Section 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of investments made and guarantee provided by the Company under Section 186 of the Act forms part of this Integrated Annual Report and are given in the Notes to the standalone financial statements for the F. Y. ended March 31, 2023.

Your Company has not given any loan or provided any security which are covered under the provisions of Sections 186 of the Act during the year under review.

13. INTERNAL CONTROL SYSTEMS

13.1 Internal controls and its adequacy

Your Company prioritise reinforcing financial and operational controls to enhance transparency, accountability and efficiency in its processes. Your Company adheres to an internal control framework that includes key process coverage that impacts the reliability of financial reporting, periodic control testing to assure design and operational effectiveness, implementation of remedial measures and regular monitoring by senior management and the Audit Committee of the Board. Internal audits are conducted periodically and any design deficiencies or operational inefficiencies are reported and improvement measures are recommended. The adequacy of controls is reviewed by the Audit Committee of the Board and specific processes are assessed for improvement in systems and outcomes.

E-learning modules have been developed to keep employees informed of the Company’s Code of Conduct, Prevention of Sexual Harassment (“POSH”) and

14. VIGIL MECHANISM/ WHISTLE-BLOWER POLICY (“WB Policy”)

Over the years, the Company has established a reputation for doing business with integrity and maintained zero tolerance towards any form of unethical behavior. Your Company has formulated a Vigil Mechanism and WB Policy intending to provide a mechanism for employees to report violations. It also assures them of

of IND AA+/Stable outlook & Short-Term rating of IND A1+. India Ratings has also affirmed your Company’s Commercial Paper ratings as IND A1+. The Commercial Paper was fully redeemed and pursuant to which the Credit rating was withdrawn.

The ratings ascribe to your Company’s Strong Market Position & Brand Recall, Well-Diversified Revenue Portfolio, Strong Liquidity & its strategic acquisition of Butterfly Gandhimathi Appliances Ltd., that would provide sustained future synergies.

whistleblowing rights. This ensures compliance and a controlled environment, while achieving our objectives. The Managing Director & Chief Executive Officer (“MD & CEO”) and Chief Financial Officer (“CFO”) provide a certification statement in this Integrated Annual Report on the adequacy of internal control systems and procedures.

Process controls with evolving SAP solutions

Your Company is constantly working to enable IT in key processes, embedding major controls in SAP for accuracy. Third-party validation is initiated to ensure system configuration effectiveness.

Periodic reviews are conducted to control authorisation to SAP, based on function-based user access supported by the Governance Risk and Controls module. Evolving SAP solutions are utilised for process controls, with continued monitoring through automations and exception management.

Standardising processes for better decision-making

To ensure data and IT system security, your Company has implemented a single sign-on (SSO) feature for authorised access to the systems and applications. Your Company is standardising processes across key functions such as Innovation, Design, Procurement and Quality for superior decision-making. Shared services for Accounts Payable process have been implemented to drive process improvement and better decision-making, with potential for expansion to other operational areas.

The Certificate provided by MD & CEO in the Certification Section of this Integrated Annual Report discusses the adequacy of the internal control systems and procedures.

13.2 Internal Controls over Financial Reporting

The Company’s internal financial controls are commensurate with the scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The Company has put in place robust policies and procedures, which *inter alia*, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records and prevention & detection of frauds & errors.

the process that will be observed to address the reported violation. The Policy also lays down the procedures to be followed for tracking complaints, giving feedback, conducting investigations and taking disciplinary actions. It also provides assurances and guidelines on confidentiality of the reporting process and protection from reprisal to complainants. No personnel have been denied access to the Audit Committee of the Board. The Audit Committee oversees the functioning of this policy. Protected disclosures can be made by a whistle-blower through several channels to report actual or suspected frauds and violation of the Company's Code of Conduct.

The Policy also provides a mechanism to encourage and protect genuine Whistleblowing among the Vendors.

Any incident that is reported is investigated and suitable action is taken in line with the WB Policy.

The WB Policy of your Company is available on the website of the Company and can be accessed at the weblink: <https://www.crompton.co.in/investors/corporate-governance/>

The WB policy of the Company was last amended on May 19, 2023.

Your Company has also initiated the e-learning tool on WB Policy for all regular employees and also for induction of new employees. Your Company has also provided a Toll Free No. for registering any whistle blower complaint telephonically.

Eleven (11) Whistle Blower complaints were received during the F.Y. 2022-23 and suitable action has been taken in accordance with the WB policy.

15.

SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURE COMPANIES

Your Company has Four (4) Subsidiaries, the details of which are as follows:

15.1 Subsidiaries

1. Pinnacles Lighting Project Private Limited
(CIN:U74999MH2018PTC318891), a wholly owned subsidiary incorporated on December 31, 2018 to execute, design, manufacture, test, supply, O&M of LED Street Lights & Poles and other related works for the implementation of Greenfield Street Lighting Project for Nineteen (19) Urban Local Bodies (ULBs) in Odisha. This contract received from Government of Odisha, Housing & Urban Development Department is on Public-Private Partnership (PPP) basis.

Total Revenue booked for the F.Y. ended March 31, 2023 was ₹4.02 Crore (including ₹0.43 Crore as other income). Profit after Tax was ₹0.50 Crore as compared to a profit of ₹5.26 Crore in the previous year.

2. Nexustar Lighting Project Private Limited
(CIN:U74999MH2019PTC318955), a wholly owned subsidiary was incorporated on January 2, 2019 to execute, design, manufacture, test, supply, O&M of LED Street Lights & Poles and other related works for the implementation of Greenfield Street Lighting Project for Thirty Six (36) Urban Local Bodies (ULBs) in Odisha. This contract received from the Government of Odisha, Housing & Urban Development Department is on Public-Private Partnership (PPP) basis.

Total Revenue for the F.Y. ended March 31, 2023 ended was ₹3.69 Crore (including ₹0.55 Crore as other income) and Profit After Tax was ₹0.55 Crore as compared to a Profit After Tax of ₹4.43 Crore in the previous year.

3. Crompton CSR Foundation
(CIN:U85300MH2019NPL324784) (CSR Unique Identification No: CSR00001086), a wholly owned subsidiary was incorporated under Section 8 of the Act (being a Company limited by guarantee not having share capital) on May 1, 2019 primarily with an objective of undertaking/ channelising the CSR activities of the Company. Crompton CSR Foundation is registered under Section 80G and Section 12A of the Income Tax Act, 1961. Based on the control assessment carried out by the Company, the same is not consolidated as per Ind AS 110.

4. Butterfly Gandhimathi Appliances Limited
(CIN:L28931TN1986PLC012728) became a subsidiary of your Company on March 30, 2022. It was incorporated on February 24, 1986 to carry on the business as Importers, Exporters, Manufacturers and Dealers of household and industrial vessels and utensils from all type of metals, plastics, ebonite and in particular all household appliances.

Total Revenue for the F.Y. ended March 31, 2023 ended was ₹1,063.14 Crore (including ₹6.59 Crore as other income) and Profit After Tax was ₹51.67 Crore as compared to a profit of ₹16.13 Crore in the previous year.

Pursuant to the requirements of Regulation 34(3) read with Schedule V of the Listing Regulations, the details of Loans/ Advances made to and investments made in the subsidiary have been furnished in Notes forming part of the Accounts.

15.2 Joint Ventures ("JV's")/ Associate Companies

Further, the Company does not have any joint venture or associate companies during the year or at any time after the closure of the year and till the date of this Integrated Annual Report.

16.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in compliance with the Indian Accounting Standards (the "Ind AS") notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The said Consolidated Financial Statements forms part of this Integrated Annual Report.

Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 and 8 of the Companies (Accounts) Rule, 2014, a statement containing salient features of financial statements of subsidiaries in Form AOC-1 is attached herewith as **Annexure 2**. The separate audited financial statements in respect of each of the subsidiary companies are open for inspection and are also available on the website of Company and can be accessed at: <https://www.crompton.co.in/investors/accounts-of-subsi-diary-companies/>

The Financial Statements of the subsidiaries are available for inspection by the Members at the Registered Office of the Company pursuant to the provisions of Section 136 of the Act. The Company shall provide free of cost, a copy of the Financial Statements of its Subsidiary Companies to the Members upon their request. The statements are also available on the website of the Company and can be accessed at: <https://www.crompton.co.in/investors/accounts-of-subsi-diary-companies/> under the "Investors" Section.

17.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

17.1 Directorate

a. Appointments/ Re-appointments

The appointment and remuneration of Directors are governed by the Policy devised by the Nomination and Remuneration Committee ("N&RC") of your Company. The detailed Nomination and Remuneration Policy is mentioned in the Corporate Governance Section of this Integrated Annual Report. There was no appointment during the year under review.

In terms of Section 152 of the Act, Mr. Promeet Ghosh, Non-Executive Non-Independent Director, being liable to retire by rotation, was re-appointed by the Members at the AGM held on July 22, 2022.

The Board of Directors of the Company on April 24, 2023 with the recommendation of N&RC has appointed Mr. Promeet Ghosh as an Executive Director on the Board w.e.f. April 24, 2023 and as the Managing Director & CEO ("MD & CEO") w.e.f.

May 1, 2023 till April 30, 2028 subject to the approval of Members of the Company at the ensuing AGM.

Mr. Shantanu Khosla has relinquished his position as the Company's Managing Director w.e.f. April 30, 2023 & has elevated to the position of Executive Vice Chairman w.e.f. May 1, 2023 till April 30, 2024. Thereafter, Mr. Khosla will assume position of Non Executive Director w.e.f. May 1, 2024 till December 31, 2025.

b. Cessation

Mr. Mathew Job, Executive Director & Chief Executive Officer has tendered his resignation from the position of Executive Director on the Board w.e.f. April 24, 2023 and also resigned as the Company's CEO w.e.f. close of business hours on April 30, 2023 to pursue other career interests. Mr.Job has confirmed that there was no other material reason other than those provided herein above. The Board has placed on record its appreciation of the leadership provided by Mr. Job during his tenure as Executive Director & CEO of the Company.

17.2 Key Managerial Personnel ("KMPs")

During the year under review, Mr. Sandeep Batra, Chief Financial Officer, resigned w.e.f. May 30, 2022 and Ms. Pragya Kaul, Company Secretary & Compliance Officer, resigned w.e.f. September 15, 2022.

Mr. Kaleeswaran Arunachalam was appointed as the Chief Financial Officer, w.e.f. September 5, 2022 and Ms. Rashmi Khandelwal was appointed as Company Secretary & Compliance Officer w.e.f. November 28, 2022.

In accordance with the provisions of Section 2(51) and Section 203 of the Act read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force below are the KMP's of the Company:

1. Mr. Shantanu Khosla, Managing Director till April 30, 2023;
2. Mr. Mathew Job, Executive Director till April 24, 2023 & Chief Executive Officer till April 30, 2023;
3. Mr. Kaleeswaran Arunachalam, Chief Financial Officer w.e.f. September 5, 2022;
4. Mr. Promeet Ghosh, Executive Director w.e.f. April 24, 2023 & MD & CEO w.e.f. May 1, 2023; and
5. Ms. Rashmi Khandelwal, Company Secretary & Compliance Officer w.e.f. November 28, 2022.

17.3 Independent Directors

The Company’s Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the the Listing Regulations. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company’s Code of Conduct. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company and can be accessed at: <https://www.crompton.co.in/investors/corporate-governance/>

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the varied fields and holds high standards of integrity.

All the Independent Directors of the Company have registered themselves with Indian Institute of Corporate Affairs, Manesar (“IICA”) for the inclusion of their names in the data bank maintained by IICA. In terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014 as amended, since all the Independent Directors of the Company have served as Directors for a period of not less than Three (3) years on the Board of listed companies as on the date of inclusion of their names in the database, they are not required to undertake online proficiency self-assessment test conducted by the said Institute.

Mr. H. M. Nerurkar, Mr. D. Sundaram, Mr. P. M. Murty, Ms. Smita Anand, Mr. P. R. Ramesh and Ms. Hiroo Mirchandani are the Independent Directors. The details of the membership of committees and the qualifications and expertise of all the Directors is covered in the Report on Corporate Governance which forms part of this Integrated Annual Report.

17.4 Non-Independent Directors

As on March 31, 2023, Mr. Promeet Ghosh, Mr. Shantanu Khosla, and Mr. Mathew Job were the Non-Independent Directors.

Mr. Shantanu Khosla has been elevated as the Executive Vice Chairman of the Board for a period of One (1) year w.e.f. May 1, 2023 to April 30, 2024, and thereafter he shall assume the position of Non-Executive Director till December 31, 2025 as per the terms approved by the Board.

Mr. Mathew Job has tendered his resignation from the position of Executive Director on the Board w.e.f. April 24, 2023 and has also resigned as the Company’s CEO w.e.f. April 30, 2023 to pursue other career interests. Mr. Job has confirmed that there was no other material reason other than those provided herein above. The Board has placed

on record its appreciation of the leadership provided by Mr. Job during his tenure as Executive Director & CEO of the Company.

The Board of Directors of the Company on April 24, 2023 basis the recommendation of N&RC, appointed Mr. Promeet Ghosh as an Executive Director w.e.f. April 24, 2023 and as MD & CEO w.e.f. May 1, 2023 till April 30, 2028, subject to the approval of the Members at the ensuing AGM.

17.5 Board Effectiveness

(a) Familiarisation Programme for Independent Directors

29 Programs | 139 hours

Over the years, the Company has developed a robust familiarisation process for the newly appointed Directors with respect to their roles and responsibilities, way ahead of the prescription of the regulatory provisions. The process has been aligned with the requirements under the Act and other related regulations. This process *inter alia* includes providing an overview of the industry, the Company’s business model, the risks and opportunities, the new products, innovation, sustainability measures, digitisation measures etc.

Your Company has in place a structured induction and familiarisation programme for its Directors. Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities, obligations, Code of Conduct to regulate, monitor and report trading by Designated Persons for Prevention of Insider Trading and Code of Conduct applicable to all Directors and Senior Management Personnel (“SMP”). They are also updated on all business-related issues and new initiatives.

Regular presentations and updates on relevant statutory changes encompassing economic outlook; market trends; peer trends; changes in laws where Company is operating are made to the Directors at regular Board Meetings of the Company.

The MD & CEO along with senior leadership team make(s) presentation(s) on the performance & strategic initiatives of the Company. Brief details of the familiarization Programme are uploaded on the website of the Company and can be accessed at: <https://www.crompton.co.in/wp-content/uploads/2023/04/Familiarization-Programme-for-FY-22-23.pdf>

(b) Formal Board Performance Annual Evaluation

In terms of requirements of the Act read with the Rules issued thereunder and the Listing Regulations, the Board carried out the annual performance evaluation of the Board of Directors as a whole, Committees of the Board and individual Directors. Your Company believes that the process of performance evaluation at the Board level is pivotal to its Board Engagement and Effectiveness. Criteria for Board evaluation is duly approved by N&RC. Performance evaluation is facilitated by the Chairman of the Board who is supported by the Chairman of N&RC.

The process of Board Evaluation is conducted through structured questionnaires for the Board as a whole, Committees of the Board and individual Directors and has been undertaken digitally.

The parameters for performance evaluation of the Board *inter alia* includes the composition of the Board, process of appointment to the Board of Directors, common understanding of the roles and responsibilities of the Board Members, timelines for circulating Board papers, content and quality of the information provided to the Board, attention to the Company’s long-term strategic issues, evaluating strategic risks, overseeing and guiding acquisitions, strengths of Board Members and their contribution to Governance etc.

The performance indicators for the Committees *inter alia* includes understanding the terms of reference, adherence to the charters, the effectiveness of discussions at the Committee Meetings, the information provided to the Committee to discharge its duties/ obligations and performance of the Committee, support provided to the Board vis-à-vis its responsibilities.

Performance of individual Directors was evaluated based on parameters such as attendance at the meeting(s), contribution to Board deliberations, engagement with colleagues on the Board, ability to guide the Company in key matters, knowledge, and understanding of relevant areas, and responsibility towards stakeholders. All the Directors were subject to self-evaluation and peer evaluation.

The performance of the Independent Directors was evaluated taking into account the above factors as well as independent decision-making and non-conflict of interest.

Further, the evaluation process was based on the affirmation received from the Independent Directors that they meet the independence criteria as required under the Act and the Listing Regulations.

In addition to the questionnaires, detailed one-on-one in-sighting was carried out by the Chairperson of the N&RC with individual Board Members. A quantitative analysis and Board Effectiveness brief with in-sighting feedback and trends was shared by the Chairperson of the N&RC to all the Board Members. Thereafter, the following process was followed to assimilate and process the feedback:

- A separate meeting of the Independent Directors was held on November 28, 2022 wherein performance of Non-Independent Directors including the MD and CEO, Chairman of the Board and of the Board as a whole was evaluated;
- The entire Board discussed the findings of the evaluation with the Independent Directors and also evaluated the performance of the Individual Directors including the MD and CEO, the Board as a whole and all Committees of the Board;and
- As an outcome of the above process, individual feedback was shared with each Director.

The Board Evaluation discussion was focused on how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was apprised of relevant business issues and related opportunities and risks. The Board discussed various aspects of its functioning and that of its Committees such as structure, composition, meetings, functions and interaction with management and what needs to be done to further augment the effectiveness of the Board’s functioning.

The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board. They were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the reporting period. The Board also noted that the actions identified in the past questionnaires based evaluations had been acted upon.

During F.Y. 2022-23, the Company actioned the feedback from the Board evaluation process conducted in F.Y. 2021-22.

The Board noted the key improvement areas emerging from this exercise in F.Y. 2022-23 and action plans to address the same are in progress. These include strengthening the succession planning for key positions, improving the talent management process with specific focus on strengthening top talent pipeline, improving the attrition rate, business strategy and annual plan etc.

17.6 Remuneration policy and criteria for selection of candidates for appointment as Directors, KMPs and SMPs

The Company has in place a policy for remuneration of Directors, KMPs and SMPs as well as a well-defined criterion for the selection of candidates for appointment to the said positions, which has been approved by the Board. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-Executive Directors (by way of sitting fees and commission), KMPs and SMPs. The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the N&RC and the Board of Directors while selecting candidates. The policy on remuneration of Directors, KMPs and SMPs is given as an Annexure to the Report on Corporate Governance and is also available on the website of the Company and can be accessed at: <https://www.crompton.co.in/wp-content/uploads/2023/02/Nomination-and-Remuneration-Policy-2.pdf>

17.7 MD and CEO Remuneration

As on March 31, 2023, Mr. Shantanu Khosla was the Managing Director of the Company & Mr. Mathew Job was Executive Director & Chief Executive Officer of the Company.

Mr. Shantanu Khosla has been elevated as the Executive Vice Chairman of the Board for a period of One (1) year w.e.f. May 1, 2023 to April 30, 2024, and thereafter he shall assume the position of Non-Executive Director till December 31, 2025 as per the terms approved by the Board. Mr. Mathew Job tendered his resignation from the position of Executive Director on the Board w.e.f. April 24, 2023 and also resigned as the Company’s CEO w.e.f. April 30, 2023.

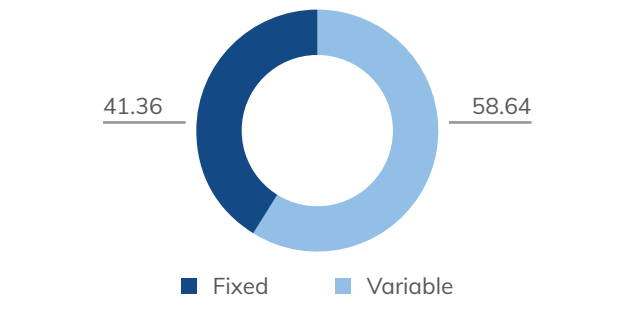
The remuneration to MD and CEO includes the fixed pay and the variable pay. The variable pay of MD and CEO is paid annually which is determined by N&RC after factoring in the individual performance, i.e. KPIs achieved and the Company’s performance. There is no clawback provision in the remuneration paid to the MD and CEO of the Company. In terms of applicable laws, there is no mandatory stock ownerships requirement for MD and CEO.

Stock Options granted to MD and CEO are governed by various Employee Stock Option Plans & Performance Share Plans of the Company as approved by Members from time to time. N&RC is responsible for administrating the stock incentives and performance incentives plans of the Company and determines the eligibility of all the employees including MD and CEO of the Company. For granting and vesting of options, N&RC factors in both

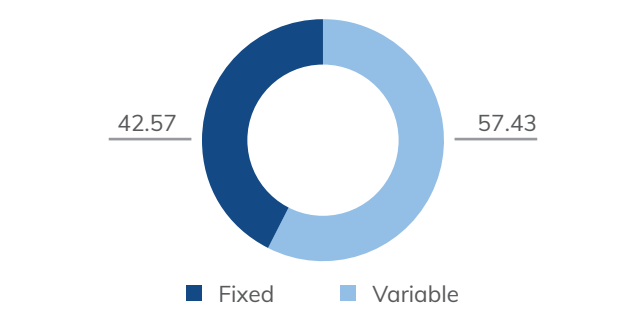
individual performance and Company’s performance. For details of grant, vesting and exercised options please refer to Report on Corporate Governance which forms part of this Integrated Annual Report.

The bifurcation of fixed pay and variable pay for MD and CEO as on March 31, 2023 is as under:

Fixed and Variable pay - Mr. Shantanu Khosla, MD*



Fixed and Variable pay - Mr. Mathew Job, Executive Director & CEO**



Further pursuant to elevation of Mr. Shantanu Khosla & resignation of Mr. Mathew Job, the N&RC and Board resolved to merge both the positions into a combined role and appoint one person as MD & CEO of the Company to ease the organizational hierarchy and thereby drive the execution excellence.

The N&RC and Board at its meeting held on April 24, 2023 appointed Mr. Promeet Ghosh, who was a Non-Executive Non Independent Director on the Board of the Company since 2016, to take over as the MD & CEO subject to the approval of the Members of the Company. The appointment of Mr. Promeet Ghosh & payment of remuneration forms part of the ensuing AGM notice.

18. NUMBER OF MEETINGS OF THE BOARD & ITS COMMITTEES

18.1 Board meetings

Regular meetings of the Board and its Committees are held to discuss and decide on various business policies,

strategies, financial matters and other businesses. The schedule of the Board/ Committee Meetings to be held in the forthcoming Financial Year is circulated to the Directors in advance to enable them to plan their schedule for effective participation in the meetings. Due to business exigencies, the Board has also been approving several proposals by circulation from time to time. Your Board of Directors met Nine (9) times during the F.Y. 2022-23. The details of the meetings and the attendance of the Directors are mentioned in the Report on Corporate Governance which forms part of this Integrated Annual Report.

18.2 Board Committees

The Board has established Committees as a matter of good corporate governance practices and as per the requirements of the Act and the Listing Regulations.

The Company has the following Eleven (11) Board-level Committees, which have been established in compliance with the requirements of the business and relevant provisions of applicable laws and statutes:

1. Audit Committee;
2. Nomination and Remuneration Committee (“N&RC”);
3. Corporate Social Responsibility Committee (“CSR Committee”);
4. Stakeholders’ Relationship & Share Transfer Committee (“SRC”);
5. Risk Management Committee (“RMC”);
6. Allotment Committee for allotment of shares arising out of Stock Options;
7. Strategic Investment Committee (“SIC”);
8. Committee for Debentures;
9. Environment Social and Governance Committee (“ESG Committee”);
10. Executive Committee for achieving Minimum Public Shareholding (“MPS”) in Company’s subsidiary M/s. Butterfly Gandhimathi Appliances Limited;
11. Committee of Commercial Papers.

The composition, terms of reference, number of meetings held and business transacted by the Committees are mentioned in the Report on Corporate Governance which forms part of this Integrated Annual Report.

The details and composition of the mandatory Committees of the Board is as follows:

19.1 AUDIT COMMITTEE

The Audit Committee comprises of Four (4) Members. The Committee is chaired by Mr. D. Sundaram (Independent Director). The other Members of the Committee are Mr. P. M. Murty (Independent Director), Mr. H. M. Nerurkar

(Independent Director), and Mr. P. R. Ramesh (Independent Director). Details of the role and responsibilities of the Audit Committee, the particulars of meetings held and attendance of the Members at such Meetings are mentioned in the Report on Corporate Governance, which forms part of this Integrated Annual Report. During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

19.2 CORPORATE SOCIAL RESPONSIBILITY (“CSR”) COMMITTEE

The CSR Committee comprises of Five (5) Members out of which Three (3) are Independent Directors. The Committee is chaired by Mr. Shantanu Khosla (Executive Vice-Chairman w.e.f. May 1, 2023). The other Members of the Committee are Mr. H. M. Nerurkar (Independent Director), Mr. D. Sundaram (Independent Director), Ms. Smita Anand (Independent Director) and Mr. Promeet Ghosh (MD & CEO w.e.f. May 1, 2023). Details of the role and responsibilities of the CSR Committee, the particulars of meetings held and attendance of the Members at such Meetings are mentioned in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended, the Company has set up CSR Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as Annexure 3. The CSR Policy as recommended by the CSR Committee and as approved by the Board is available on the website of the Company and can be accessed at: <https://www.crompton.co.in/wp-content/uploads/2023/02/Corporate-Social-Responsibility-Policy-1.pdf>

19.3 NOMINATION & REMUNERATION COMMITTEE (“N&RC”)

As on the date of this report, the N&RC comprises of Four (4) Members.

The Committee is chaired by Mr. P. M. Murty (Independent Director). The other Members of the Committee are Mr. D. Sundaram (Independent Director), Mr. H. M. Nerurkar (Independent Director), Ms. Smita Anand (Independent Director) and Mr. Promeet Ghosh till May 1, 2023. Pursuant to the appointment of Mr. Promeet Ghosh as Executive Director w.e.f. April 24, 2023 and as MD & CEO w.e.f. May 1, 2023, he ceased to be the member of N&RC w.e.f. May 1, 2023. Details of the role and responsibilities of the N&RC, the particulars of meetings held and attendance of the Members at such Meetings are mentioned in the Report on Corporate Governance, which forms part of this Integrated

* Ceased to be MD w.e.f. April 30, 2023
** Ceased to be Executive Director w.e.f. April 24, 2023 & ceased to be CEO w.e.f. April 30, 2023

Annual Report. During the year under review, all the recommendations made by the N&RC were accepted by the Board.

N&RC is responsible for, *inter alia*, recommendation and approval of the remuneration of the Directors, KMPs and SMPs. The Committee also acts as the Compensation Committee for the purpose of administration of the several Employee Stock Option Plans & Performance Share Based plans, as amended from time to time. N&RC is also entrusted with the responsibility of framing the criteria for evaluation of the individual Directors, Chairperson of the Board, the Board as a whole and its Committees. It also routinely evaluates the working and effectiveness of the Board and manages the succession planning for Board Members, KMPs and SMPs.

19.4 STAKEHOLDERS' RELATIONSHIP & SHARE TRANSFER COMMITTEE ("SRC")

As on the date of this report the SRC comprises of Four (4) Members. The Committee is chaired by Mr. H. M. Nerurkar (Independent Director). The other Members of the Committee are Mr. Shantanu Khosla (Executive Vice-Chairman w.e.f. May 1, 2023), Mr. D. Sundaram (Independent Director) and Mr. Promeet Ghosh (MD & CEO) appointed w.e.f. May 1, 2023. The majority Members of the SRC are Independent Directors. Details of the role and responsibilities of the SRC, the particulars of meetings held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of this Integrated Annual Report. During the year under review, all the recommendations made by the SRC were accepted by the Board.

SRC is responsible for *inter alia* various aspects of interest of the stakeholders, monitoring the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when the need arises, resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends and issue of duplicate certificates, etc.

19.5 RISK MANAGEMENT COMMITTEE ("RMC")

The RMC comprises of Four (4) Members. The Committee is chaired by Mr. D. Sundaram (Independent Director). The other Members of the Committee are Mr. H. M. Nerurkar (Independent Director), Mr. P. M. Murty (Independent Director), and Mr. P. R. Ramesh, (Independent Director). Details of the role and responsibilities of the RMC, the particulars of meetings

held and attendance of the Members at such Meetings are given in the Report on Corporate Governance, which forms part of this Integrated Annual Report. During the year under review, all the recommendations made by the RMC were accepted by the Board.

RMC assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management and mitigation framework of the Company. The main objective of the RMC is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of risks including risks related to cyber security.

20. RISK MANAGEMENT FRAMEWORK

The detailed Section on key business risks and opportunities forms part of this Integrated Annual Report.

21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

In accordance with the requirements of the Act and the Listing Regulations, your Company has a Policy on Related-Party Transactions ("RPT") uploaded on the website of the Company and can be accessed at: <https://www.crompton.co.in/wp-content/uploads/2023/02/Policy-on-Materiality-of-and-dealing-with-Related-Party-Transactions-1.pdf>

All RPTs are placed before the Audit Committee for review and recommendation and to the Board for approval, wherever required. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature. A statement giving details of all RPTs is placed before the Audit Committee for their noting/ approval every quarter.

There were no material significant transactions with related parties during the year as per the last audited financial statements.

Accordingly, the disclosure of transactions entered into with related parties pursuant to the provisions of Section 188(1) of the Act and Rule 8(2) of the Companies (Accounts), Rules 2014 in Form AOC-2 is attached as **Annexure-4**.

None of the Directors and the KMPs has any pecuniary relationships or transactions *vis-à-vis* the Company.

All RPTs are mentioned in the notes to the accounts. The Directors draw attention of the Members to the Notes to the financial statements which sets out the disclosure for RPTs.

22. TRANSFER OF EQUITY SHARES UNPAID/ UNCLAIMED DIVIDEND TO THE IEPF

Pursuant to the applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after completion of Seven (7) years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the Members for Seven (7) consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

However, since Seven (7) years have not elapsed from the date of declaration and payment of dividend since incorporation, transfer of unpaid dividend and the shares on which dividend has not been paid or claimed, to Investor Education and Protection Fund ("IEPF") is not applicable to the Company.

In terms of Regulation 43A of the Listing Regulations, the Company has adopted a Dividend Distribution Policy and the same is available on the website of the Company and can be accessed at: <https://www.crompton.co.in/wp-content/uploads/2023/02/Dividend-Distribution-Policy-1.pdf>

23. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

24. RISK ARISING OUT OF LITIGATION, CLAIMS AND UNCERTAIN TAX POSITIONS

The Company is exposed to a variety of different laws, regulations, positions and interpretations thereof which encompasses direct taxation and legal matters. In the normal course of business, provisions and contingencies may arise due to uncertain tax positions and legal matters. Based on the nature of matters, the management applies significant judgement when considering evaluation of risk, including how much to provide for the potential exposure of each of the matters. These estimates could change substantially over time as new facts emerge as each matter progresses, hence these are reviewed regularly. For matters where expert opinion is required, the Company involves the best legal counsel. Reference is drawn to the "Key audit matters" by the auditors in their reports on the above matters.

25. AUDITORS

a. Statutory Auditors

M/s. M S K A & Associates, Chartered Accountants (ICAI Firm Registration Number 105047W) were appointed as Statutory Auditors of the Company by the Members at the Extra Ordinary General Meeting held on August 27, 2021 to hold office as Statutory Auditors for the term of Five (5) years, i.e. till the conclusion of 12th AGM of the Company to be held in the F.Y. 2025-26.

The Board of Directors at their meeting held on May 19, 2023 on the recommendation of the Audit Committee approved the remuneration of Ms. MSKA & Associates ₹1,16,00,000 (Rupees One Crore Sixteen Lakh) for F.Y. 2023-24.

Established in 1978, M S K A & Associates (the "Firm") is an Indian partnership firm registered with the Institute of Chartered Accountants of India (Registration No. 105047W) and the PCAOB (US Public Company Accountancy Oversight Board). The Firm is a member firm of BDO International and is engaged in the statutory audits of large listed companies in manufacturing, financial services, technology, infrastructure and other sectors. The Firm has around 5,000 professionals and staff and has offices in Ahmedabad, Bengaluru, Chennai, Goa, Hyderabad, Kochi, Kolkata, Mumbai, Gurugram and Pune. The head office of the Firm is at 602, Floor 6, Raheja Titanium, Western Express Highway, Geetanjali Railway Colony, Ram Nagar, Goregaon (East), Mumbai 400 063.

The Auditors' Report for the F.Y. 2022-23 does not contain any reservation, qualification or adverse remark, on the financial statements of the Company. Auditors' Report is self explanatory and therefore, does not require further comments and explanation. The Report given by the Auditors on the financial statements of the Company form part of this Integrated Annual Report.

Further, in terms of Section 143 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, notifications / circulars issued by the Ministry of Corporate Affairs from time to time, no fraud has been reported by the Auditors of the Company where they have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company and therefore no details are required to be disclosed under Section 134(3)(ca) of the Act.

b. Cost Auditors

The cost accounts and records are required to be maintained under Section 148(1) of the Act. They are duly made and maintained by the Company. In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company at their meeting held

on May 19, 2023 has on the recommendation of the Audit Committee appointed M/s. Ashwin Solanki & Associates, Cost Accountants (Firm Registration Number: 100392) as the Cost Auditors of the Company to conduct audit of the cost records of the Company for the F.Y. 2023-24. A remuneration of ₹6,00,000 (Rupees Six Lakhs) plus applicable taxes and out-of-pocket expenses, has been fixed for the Cost Auditors subject to the ratification of such fees by the Members at the ensuing AGM. Accordingly, the matter relating to the ratification of the remuneration payable to the Cost Auditors for the F.Y. 2023-24 will be placed at the ensuing AGM. Your Company has received consent and eligibility certificate from M/s. Ashwin Solanki & Associates.

M/s. Ashwin Solanki & Associates, have confirmed the cost records for the Financial Year ended March 31, 2022 are free from any disqualifications as specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Act. They have further confirmed their independent status.

c. **Secretarial Auditors & Secretarial Audit Report**

The Board at its meeting held on May 27, 2022, appointed M/s. Parikh & Associates, Practising Company Secretaries as Secretarial Auditors of the Company to conduct the Secretarial Audit for F.Y. 2022-23. The Secretarial Audit Report is annexed herewith as **Annexure 5** to this Report. There has been no qualification, reservation, or adverse remark given by the Secretarial Auditors in their Report.

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, based on the recommendation of the Audit Committee, approved the appointment of M/s. Parikh & Associates, Practising Company Secretaries (ICSI Unique Code P1988MH009800) as the Secretarial Auditors to conduct audit of the secretarial records of the Company for the F.Y. 2023-24 at a remuneration of ₹2,00,000 (Rupees Two Lakh).

Further, the wholly-owned subsidiaries of the Company as mentioned above are not material unlisted subsidiaries. Therefore, the provisions regarding the Secretarial Audit as mentioned in Regulation 24A of the Listing Regulations, do not apply to such subsidiaries.

d. **Internal Auditors**

Pursuant to the provisions of Section 138 of the Act, the Board, at its meeting held on May 27, 2022 based on the recommendation of the Audit Committee, had approved the appointment of M/s. Grant Thornton Bharat LLP (Identity number AAA-7677) to conduct the internal audit of your Company for the F.Y. 2022-23.

The Board of Directors at their meeting held on May 19, 2023 has re-appointed M/s. Grant Thornton Bharat LLP as the Internal Auditors of your Company for the F.Y. 2023-24 to review various operations of the Company at remuneration of ₹68.95 Lakh (Rupees Sixty Eight Lakh Ninty Five Thousand).

26. **MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY**

There are no material changes and commitments affecting the financial position of the Company, which has occurred between the end of the Financial Year for the Company, i.e March 31, 2023 and the date of this Board's Report, i.e. May 19, 2023.

27. **AWARDS AND RECOGNITIONS**

The detailed Section on awards & recognitions forms part of this Integrated Annual Report.

28. **ENHANCING SHAREHOLDER VALUE**

Your Company is committed to creating and returning value to members. Accordingly, the Company is dedicated to achieving high levels of operating performance, cost competitiveness, and striving for excellence in all areas of operations. The Company firmly believes that its success in the marketplace and good reputation are among the primary determinants of shareholder value. Its close relationship with customers and a deep understanding of their challenges and expectations drive the development of new products and services. Anticipating customer requirements early and being able to address them effectively requires a strong commercial backbone. Your Company continues to develop this strength by institutionalizing sound commercial processes and building world-class commercial capabilities across its marketing and sales teams. The Company uses an innovative approach in the development of its products and services, as well as execution of growth opportunities. The Company is also committed to creating value for all its stakeholders by ensuring that its corporate actions positively impact the economic, societal and environmental dimensions of the triple bottom line.

29. **CORPORATE GOVERNANCE**

The Board of Directors reaffirm their continued commitment to good corporate governance practices. During the year under review, the Company complied with the provisions relating to corporate governance as provided under the Listing Regulations. The compliance report together with a certificate from the Company's auditors confirming the compliance is provided in the Report on Corporate Governance, which forms part of this Integrated Annual Report.

30. **BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**

Your Company believes in communicating its ESG performance in a transparent manner and in line with global standards to our stakeholders. Continuing with this philosophy, Your Company is now moving from Business Responsibility Report ("BRR") to the newly introduced reporting requirements on ESG parameters i.e. Business Responsibility & Sustainability Report ("BRSR"). Your Company is proud to publish its first BRSR for the F.Y. 2022-23. The BRSR would follow the format detailed in the amendment to Regulation 34(2)(f) of the Listing Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 and forms part of this Integrated Annual Report.

The BRSR for F.Y. 2022-23 is aligned with the Nine (9) principles of the National Guidelines on Responsible Business Conduct notified by the Ministry of Corporate Affairs, Government of India. Your Company has further enhanced our existing strong reporting structure and mechanisms to ensure we capture reliable and accurate data for the requirements of BRSR disclosures. Your Company strongly believes that resilient and inclusive growth is only possible on strong pillars of environmental and social responsibility balanced with good governance. While setting aspirational targets and improving economic performance to ensure business sustainability, the Company has been resilient to the impacts of pandemic fluctuations to a larger degree.

Your Company is committed to our focus on indigenous manufacturing to build competitive advantage. Our value creation is realised through imbibing customer centricity, innovation, good governance and inclusive human development while being conscious of our impact on the environment. The report is a testimony to our continuous efforts towards embracing and implementing balanced approach to ESG parameters in our business operations that are communicated to the stakeholders. Your Company has also provided the requisite mapping of information and principles between the Sustainability disclosures and the BRSR as prescribed by the Listing Regulations. The same is also available on the website of the Company and can be accessed at: www.crompton.co.in

31. **PARTICULARS OF EMPLOYEES**

There are Twenty Three (23) employees who were in receipt of remuneration of not less than ₹1,02,00,000 (Rupees One Crore Two Lakh) if employed for the full year or not less than ₹8,50,000 (Rupees Eight Lakh Fifty Thousand) per month if employed for part of the year.

Disclosures concerning the remuneration of Directors, KMPs and employees as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 is mentioned in **Annexure 6** to this Report. Your Directors affirm that the remuneration is as per the remuneration policy of the Company.

Details of employee remuneration as required under provisions of Section 197(12) of the Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection at the Registered Office of your Company during working hours. The Integrated Annual Report & accounts are being sent to the Members excluding the aforesaid exhibit. Any member interested in obtaining such information may write to the Company Secretary & Compliance Officer at crompton.investorrelations@crompton.co.in

32. **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor have reported to the Audit Committee of the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in this Integrated Annual Report.

33. **ANNUAL RETURN**

As required under Section 134(3)(a) of the Act, the Annual Return for the F.Y. 2022-23, is placed on the Company's website and can be accessed at: <https://www.crompton.co.in/investors/annual-report/>

34. **COMPLIANCE WITH SECRETARIAL STANDARDS ("SS")**

Your Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to "Meetings of the Board of Directors" and "General Meetings" respectively have been duly followed by the Company.

35. **STATUTORY DISCLOSURES**

a. **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo**

As required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the prescribed format as **Annexure 7** to this Report.

b. **Research and Development (R&D)**

Your Company endeavours to be best-in-class, promoting strong foundation of Research and Development through one of its behavioral pillars of innovation. Culture

of creativity is embedded in the Company's people and processes. The Company's In-House R&D team strives for best technology- based sustainable product innovations, with efficient product lifecycle, including design, development and manufacturing process.

Crompton has "Innovation & Experience Centre" in Mumbai which house all R&D innovation team and promote fungibility, creativity in Design Studio, experimentation within labs with ultra-modern infrastructure.

Continuing the spirit of creating consumer delight, your Company has launched an array of products, across segments that are designed to prove its class, both technologically and aesthetically:

(A) Fans:

SilentPro Blossom:

- Inspired by the natural fauna, SilentPro Blossom Smart fan makes a style statement. They are 2X more Silent compared to ordinary fan & has the latest ActivBLDC technology which gives it 5 Star rating savings up to 50% as compared to ordinary non star rated fan. It can also set the mood light in warm, neutral & cool hues and adjust the brightness basis mood. Enjoy the convenience of host smart features using MyCrompton app & voice control devices like Alexa & Google home with this piece of stunning beauty.
- SilentPro Blossom is the winner of coveted Red Dot Design award 2022.
- Energion Groove: Leveraging the grandeur experience of fan manufacturing – Energion Groove delivers an amazing 220 CMM air at only 28Watt. New India is stepping out and making bold choices, to complement it Energion Groove is now being offered in Wood finishes which accentuates the modern interiors of your home.
- Energion Roverr: Made of monolithic volumes, Energion Roverr is not just a visual treat, but it delivers functionality through its form. Its uniquely designed fan blades deliver laminar airflow & superior air comfort which feels soothing on the skin. It also comes with a three-step dimming under-light to match your mood. Energion Roverr seamlessly works with Amazon Alexa, Google Home, and MyCrompton app – you can set timer, change speed as well as intensity of under-light.
- The HighSpeed Montania & Versa ceiling fans are a fantastic combination of style and performance. These fans have decorative elements which grab attention. Their stunning colors match the home decor & accentuate the look of your house.

(B) Pumps

- Pumps division has deployed the Brand Architecture in Mini category of Pumps with consumer insights like Faster tank filling time & Durability.
- Received BEE certification for 31 nos. of Energy Efficient star rated SKUs. 61781 nos. of Energy Efficient pumps sold YTD March, 2023 Energy saved 27910MWH YTD March, 2023.
- Developed & launched following products (in Plus & Dura series) in Mini category
 - Glory Plus I & II (Surefill Plus)
 - Star Plus I & II (Rapidfill Plus)
 - Master Plus I & II (Turbofill Plus)
 - Master Dura I & II (Turbofill Dura)
- Launched following pumps in Agro Category
 - MBQ22
 - Janta Ultima Series
 - MBQ 1.5 Magna
 - OW Ultima Series
- This is the fifth consecutive year that Crompton Pumps has been voted & awarded as Super brands.
- Patent application filed for - Toroidal winding.

(C) Appliances

- Water heaters:** In this segment to strengthen the portfolio as well as to capture the market share, Crompton has launched 13 new models in storage water heater (out of which, 11 models are 5 star rating) , 5 in instant water heater with special focus in 5L segment.
- Air coolers:** In this segment better brand identity is defined in the product portfolio with enhanced CMF (color, material, finish). To fill the portfolio gap as well to get a better market share Crompton has launched 6 desert cooler and 1 Window cooler.
- Mixer Grinder & Iron Category:** Mixer Grinder has been revamped with launch of 9 new models in various segment to strengthen portfolio and 1 new model in premium Iron Category with smart and premium ironing features.

- Small Domestic Appliances & Room Heaters:** Strengthen SDA segment with the launch of 21 new model and entered new categories like OTG, Air Fryer, Rice Cooker, Hand Blender and Chopper.
- State of art Validation lab has been developed to test our products.
- All these products are meticulously designed with enhanced aesthetics and packaging.

(D) Lighting:

B2C

- Your Company has introduced many new products which were based on consumer insight and feedback. Consumer lighting space has evolved in last few years from functionality to Décor and style. Connected products are also making entry in consumer homes with technology getting more affordable for masses. Your Company has launched First in Industry range of products like Trio Series which is based on consumer insight of Lighting which adapts to consumer need. Your Company has also expanded our smart products range with Immensa panel which gives 16 Mln colors, works on WI Fi + Bluetooth Technology and has Bio Rhythm.
- Your Company has launched following products :** Trio batten, Immensa Smart ceiling light, Star Dura Pro downlight , Decorative Rope lights, Night Buddy Mobile charger cum night lamp, Desk Light with power backup, 3-1 CCT Batten, Emergency backup lamp and many more.

B2B

- Key Product Launches in Professional Lighting like the range extension of Innovative Wanderer Pro, Wanderer Plus and Aplomado Pro series of Streetlights, Innovative IP65 rated Techlita Battens and IP66 rated Visualine and Complete new FLOGA range of high end flameproof Luminaires including Floodlights and Highbays.
- Augmentation of the Innovation Centre with state-of-the-art testing and reliability equipment and software.

"Promoter and Promoter Group" category to the "public" shareholders category, in accordance with the Listing Regulations as amended.

The Board of Directors of the Company at their meeting held on June 13, 2022 considered and approved the re-classification of the said Promoter Group Members from Promoter and Promoter Group Category to Public Category of the Company, subject to necessary approvals from the Members, Securities and Exchange Board of India (SEBI), Stock Exchanges, as may be required.

Members of the Company at their AGM held on July 22, 2022, have approved the said reclassification. Pursuant to the same, an application in terms of Regulation 31A of the Listing Regulations was made to the stock exchanges for their approval.

The Company has received the approval from National Stock Exchange of India Limited (NSE) and BSE Limited, on December 21, 2022 for re-classification of the said Members of Promoter and Promoter Group as Public Shareholders.

37. OPEN OFFER AND MINIMUM PUBLIC SHAREHOLDING COMPLIANCE

a. Open Offer

Pursuant to the Share Purchase Agreement ("SPA"), your Company has acquired 98,33,754 equity shares representing 55.00% of the equity share capital of Butterfly Gandhimathi Appliances Limited ("Butterfly") through the stock exchange settlement process on March 30, 2022.

The Open Offer was made by your Company to the Public Shareholders of Butterfly in accordance with Regulation 3(1) and Regulation 4 of the SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011 for acquisition of up to 46,48,684 fully paid-up equity shares of face value of ₹10.00 (Rupees Ten) each representing 26% of the voting rights of the Public Shareholders at a price of ₹1,433.90 (Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise). The open offer was fully subscribed and subsequently your Company held 81% of equity share capital of Butterfly.

b. Minimum Public Shareholding Compliance

Your Company sold 10,72,775 equity shares of Butterfly constituting 6% of the total paid-up capital of Butterfly to the public in accordance with the "Comprehensive Guidelines on Offer for Sale ("OFS") of Shares by Promoters through the Stock Exchange Mechanism" issued by the SEBI on February 14, 2020 and February 17, 2020, respectively. Presently the Company holds 75% equity shares of Butterfly.

36. RECLASSIFICATION OF PROMOTERS

During the year under review on June 9, 2022, the Board of Directors of the Company had received requests from MacRitchie Investments Pte Ltd and Seletar Investments Pte Ltd, belonging to Members of Promoter Group of the Company for reclassifying themselves from the

38. | MERGERS AND ACQUISITIONS

During the year under review, the Board of Directors of the Company at their meeting held on March 25, 2023, considered and approved the Scheme of Amalgamation of the Butterfly Gandhimathi Appliances Limited (“Transferor Company or Butterfly”) with the Company (“Transferee Company”) and their respective Members and creditors under Sections 230 to 232 and other applicable provisions of the Act read with rules made thereunder (“Scheme”).

As a next step towards further enriching the experience, It is intended to merge Butterfly with the Company with the rationale of further leveraging & utilizing the strengths of both the entities, accelerating the realization of identified synergies, bringing in integrated and coordinated business approach, and improving organizational capability.

The Board of Directors of both entities have approved the proposed transaction on March 25 2023, which is subject to regulatory approvals. Pursuant to the proposed Scheme, equity shares of the Company shall be issued to the Members of the Transferor Company in accordance with the Share Swap Ratio as determined by the registered valuers and as approved by the Board. The Scheme is subject to the receipt of necessary statutory and regulatory approvals including approval of Stock Exchanges, the Securities and Exchange Board of India, the respective Members and Creditors of respective companies and National Company Law Tribunal(s) (Mumbai & Chennai Benches). Further, the Company has filed the said Scheme of Arrangement with BSE Ltd. and National Stock Exchange of India Ltd. on April 7, 2023.

39. | NON-CONVERTIBLE DEBENTURES

During the year under review, your Company issued Rated, Secured, Listed, Redeemable, Non-Convertible Debentures (“NCDs”) aggregating to ₹925 Crore (Rupees Nine Hundred and Twenty Five Crore) on a private placement basis. These NCDs are listed on Debt Segment of National Stock Exchange of India Ltd. The proceeds of NCDs were used for refinancing existing debt of the Company and general corporate purposes.

Your Company has redeemed Series B NCDs, issued in May 2020, amounting to ₹150 Crore (Rupees One Hundred and Fifty Crore) on May 27, 2022 pursuant to exercise of call option.

Catalyst Trusteeship Limited is the Debenture Trustee for the Debenture holders. The details of the NCDs and the Debenture Trustee is available on the website of the Company and can be accessed at www.crompton.co.in is also provided in the Report on Corporate Governance which forms a part of this Integrated Annual Report.

40. | COMMERCIAL PAPERS

During the year under review, your Company has redeemed Commercial Papers (“CPs”), issued in March 2022, amounting to ₹600 Crore (Rupees Six Hundred Crore) on July 18, 2022 and of ₹600 Crore (Rupees Six Hundred Crore) on March 16, 2023. Presently there are no CPs in the Company.

41. | EMPLOYEE STOCK OPTION PLAN (“ESOP”)

The Company has Employees Stock Option Scheme (“ESOP Scheme”) in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“the SBEB & SE Regulations”) as a measure to reward and motivate employees and to attract & retain talent.

Presently your Company has following ESOP Schemes:

- Crompton Employee Stock Option Scheme - 2016 (“ESOP-2016”)
- Crompton Performance Share Plan - 1 - 2016 (“PSP-1 2016”)
- Crompton Performance Share Plan - 2 - 2016 (“PSP- 2- 2016”)
- Crompton Employee Stock Option Scheme - 2019 (“ESOP-2019”)

The applicable disclosures as stipulated under the SBEB & SE Regulations are provided in Annexure 8 to this Report.

42. | EMPLOYEE ENGAGEMENT

Your Company’s employee engagement initiatives build trust, enthusiasm and a sense of belonging to the organisation. For further details on employee engagement, please refer to Page 100 of this Integrated Annual Report.

Continuous employee feedback is also gathered with the AI enabled employee listening tool “Amber”. The leadership continues to act on the feedback given by the employees in various forums. The strong employee engagement initiatives are continued through multi-layer communication, engagement, and recognition programmes.

42.1 Inclusion & Welfare

Your Company has always been conscious to promote all-round employee welfare. Environment, Health and Safety (“EHS”) guidelines are deployed to promote workplace health and safety and create a healthy environment. Regularly, the policies are benchmarked with market standards and are upgraded as and when necessary.

Some of the practices, programmes, policies, and welfare measures that were put in place to demonstrate care and empathy towards employees are listed below: -

Your Company has well defined policies around “Diversity & Inclusion”. For further details please refer to Page 99 of this Integrated Annual Report.

1. **Capability Building & Employee Wellness related programmes:** Your Company has initiated a new capability-development program for its employees called “EDGE”. An organizational-level program, EDGE has been devised as part of the Company’s long-term learning and development (L&D) strategy. Edge has been designed to enhance the capabilities of the people at Crompton to give an edge to the Company in the competitive Indian market. The courses designed as part of EDGE include upskilling people in functional and behavioral skills. Your Company is following a mixed strategy of virtual, digital and face-to-face learning. Your Company has been making efforts to use gamified solutions, certifications, recognitions and small prizes to encourage employees to take part in learning initiatives.

Your Company has also arranged an online medical facility for all the employees and their families through Doc Online, one of the renowned companies in this field, so that employees can get their health concerns addressed virtually.

2. **Employee & Family Connect:** Your Company always believes that success of employees is in major part dependent on the support system provided by the family members at home and made it a point to engage family Members in events through online talent shows and singing competitions. Your Company believes that our employees are much more than their accomplishments at work and therefore we take every opportunity to celebrate employees and teammates whether its Quarterly Rewards and Recognition program or as simple as sending out personalised birthday cards. To add value and build the manager-employee relationships, we’ve crafted key initiatives like Chai pe Charcha & Dil Se that has boosted real-time conversations that make a difference and enable to bond better. Programs like HR connect allow new joiners to feel more comfortable, put their role into perspective and feel part of the business, which encourages positive contribution to the overall Company goals and vision. The festive fervour is back, with us celebrating festivals in physical mode after the lackluster years of festive exchanging greetings virtually. Every nook and corner of our offices have been decorated along with theme-based employee engagement activities. To add to the joviality of the festive time, personalised greetings on Diwali were sent to employees and

their family Members, letting them know they are important!

Family get-together, Annual Functions and Sports events are conducted.

42.2 Building Talent

Your Company continues to be committed to developing internal leaders and a talent pipeline. The same was further strengthened through the launch of structured training architecture EDGE.

The talent assessment process of the organisation for recruitment and internal talents also continued to be strengthened through the implementation of data- driven tools including Hogan, Korn Ferry and Development Centre by DDI. Eligible employees underwent 360 feedback on Crompton Behaviours to build greater awareness.

42.3 Employee and Leadership Development

In line with your Company’s long-term business strategy, there are robust employee development programmes through structured interventions and on-the-job and experiential learning through career movements, special assignments and projects. It is intended to build best-in- class capability in the area of Go-to-Market, Operational Excellence and Quality, Brand and Portfolio Management and Innovation During the year, following unique initiatives were launched.

- a **Manufacturing Excellence Program** – All employees in the manufacturing team have been enrolled for the program which covers the concepts of quality management basics like continuous and lean management, Value stream mapping, LEAN tools etc. The objective of the program is to build capability on operational excellence.
- b **Functional Capability for Innovation team** – This year the focus was on building functional capability in the innovation process deployment through trainings on PDM, NPD etc. And building core competence through programs like GD&T, ALTIUM etc.
- c **Procurement Value Enhancement Program** – The objective of the program was to identify the procurement levers of value enhancement to the business and learn how to apply these levers through practical examples. The program also helped understand how to strategize supplier collaboration through segmentation, relationship management practices, performance & compliance governance to co-create value and improve customer service. Another focus area for the procurement team this year was to develop and hone negotiation skills which was done through practical case studies and role-plays.

42.4 Sales Capability Development

- a **Taking Ownership for One's Development** - Career development workshop for employees to sensitise them on the importance of life-long learning and how they need to take charge of their own development were conducted. The employees also realised that they continuously need to up-skill/ re-skill themselves if they need to stay relevant in the job market.
- b **Digitalising HR Practices** - Your Company has SAP Success Factors, which is a cloud-based human capital management (HCM) solution that can help automate and streamline HR processes. Success Factors is mainly used to manage employee data, Performance Management, Onboarding. This year, your Company has used AI-powered recruitment platform that uses machine learning algorithms to match job candidates with open positions. The platform can help HR teams save time by automatically screening resumes and identifying top candidates based on their skills and experience. Your Company continues to use a pulse survey platform that allows us to gather feedback from employees on a regular basis. The platform uses AI to analyze employee feedback and provide insights to HR teams, such as identifying areas for improvement or trends in employee sentiment. Best in class learning management platform allows us to provide learning and development opportunities to employees by giving them access to a variety of courses and learning resources, including online courses, books, videos, and articles. The platform also provides analytics and insights to help HR teams track employee learning and development progress.

43.

ENVIRONMENT, HEALTH & SAFETY (“EHS”)

Your Company has a comprehensive EHS manual “KAVACH 3.0” comprising the policies, procedures and work instructions and it has been implemented across all the products lines.

To strengthen the EHS culture, under behavioral based safety (BBS), corporate EHS kicked off various campaign & awareness program like Near Miss Reporting, Hand & Finger Injury control & Prevention and road safety. Manufacturing sites are conducting EHS training programs periodically to enhance EHS activities.

Your Company is committed to conserving and enhancing the EHS culture. Company owned all manufacturing sites has conducted the surveillance audit for its integrated management system (IMS) certification which comprises ISO14001:2015, ISO45001:2018 and ISO9001:2015 which is an important milestone for continuous improvement for an organization.

Corporate EHS has initiated and conducted quantitative self-assessments on various EHS topics like BIS14489:2018, Fire safety and Electrical safety for CGCEL manufacturing sites. Annual EHS audit program has been kicked off, which focuses on manufacturing sites, central warehouses and regional sales offices.

Closure of the safety audit observations is ensured by following PDCA cycle and taking effective Corrective and Preventive Actions (CAPA) in reasonable timeframe. The observations are also shared amongst units for cross-learning and improvement. Learnings from other organization incidents and taking preventive actions are also initiated as a proactive approach in ensuring safety performance.

A comprehensive EHS based Leading and lagging indicator dashboard is being prepared and followed across all manufacturing sites on monthly basis to capture unit wise KPI performance. Monthly EHS meeting is being conducted to discuss the unit performance. EHS meetings are being conducted to promote cross-learning between manufacturing units with an agenda to conserve natural resources through water consumption reduction, electricity consumption reduction and management of hazardous wastes etc.

A brief on EHS programs of your Company is as under:

43.1 Environment – a green pursuit

Your Company is committed to achieving its sustainability targets by implementing management programs and various sustainable initiative projects. All units are complying with zero liquid discharge system and have major pursuit on reduction in emissions factors.

Your Company is highly focused on reduction of its carbon footprint through the world class energy efficient products manufacturing.

43.2 Reduction in energy consumption

During F.Y. 2022-23, organization perspective overall energy consumption is reduced by 57.97%. This gain is basis to various energy conservation activities, closure of energy incentive process of glass plant at Baroda and use of natural gas as a source of energy instead of using GSEB power.

Similarly, in Baddi unit-1, Domex line operation has been kicked of where there is no requirement of grinding which resulted in electricity reduction of **0.0077 kw/unit of production**. In F.Y. 2021-22, there was **93976** KWH electricity consumed and for F.Y. 2022-23, it was **90099** KWH i.e. reduction of **4.13%**.

Baddi Fan Unit-II, 20 KW solar power panel installation is in progress for approval. New grinding machines installed in January, 2023 were 7 KW/day electricity was

saved from each machine. In F.Y. 2021-22, there were 216735 KWH electricity consumed and for F.Y. 2022-23 was 201558 KWH, i.e. reduction of **7.0%**.

Apart from above Baddi II has reduced electricity consumption per unit from **0.113 KWH/unit of production to 0.105 KWH/unit of production** and approx. saving of **15.17 MWH** compared to F.Y. 2021-22. This was achieved by removing exhaust fans from Gold Line Fan Hangers and high Bay lights on shop floor and installed station wise LED battens.

In Baddi III, in F.Y. 2021-22, there was **0.035 KWH/ LED** power consumed and in F.Y. 2022-23, it was reduced to **0.0325**, i.e. **0.0025 KWH/ LED** reduction due to the CFL lights conversion done with LED. Alternate lights provision in plant gangways resulted in increased productivity for maximum utilization of power.

43.3 Reduction in water consumption

For F.Y. 2022-23, overall production increased by 11.97% which resulted in the water consumption increase by 3.83%. Unit specific initiatives are as below;

Baddi unit I- Rigorous awareness & control on water leakages from pipeline and reduction in overall manpower resulted in water conservation. In F.Y. 2021-22, it was 515 KL and in F.Y. 2022-23, it was 496.2 KL of water consumed for domestic purpose. Whereas the, water ratio is increased by 2.64 Ltr/ Person/ Day with respect to water ratio of last year.

Baddi Fans II, has consumed water for F.Y. 2022-23 which was 41.72 Ltr/ Person/ Day and F.Y. 2021-22, it was 34.4 Ltr/ Person/ Day, stated hike of water consumption is due to construction activities inside the facility. From water conservation point of view, unit has installed ‘auto shutoff valve’ on rooftop storage tanks and re-routing of pipelines to prevent water losses.

Baddi Lighting Unit, in F.Y. 2021-22, the total manpower utilized was 54679 and water consumption was 2198 KL which was 40.2 Ltr/ Person/ Day. Whereas for F.Y. 2022-23, total manpower was 60275 and water consumption was 2090 KL and 34.67 Ltr/ Person/ Day. This was achieved by identifying and controlling all leakages from plant. Overall reduction of water consumption is 5.5 Ltr/ Person/ Day.

43.4 Hazardous waste reduction and management

Your Company’s operational units ensure that all hazardous waste is sent to the authorized disposal facility/ recycler approved by the State Pollution Control Board.

Under Extended Producer Responsibility (“EPR”) plastic waste management obligation, organization has channelized 100% of plastic waste from across country to fulfill CPCB target of F.Y. 2022-23.

43.5 Clean and Green Environment

Plantation/ distribution of 6465 sapling done at various locations as a part of the tree plantation drive and environment day celebrations.

43.6 Safety

As an integral part of organisation systems, kicked off EHS induction for new joinees, visitors and contract labours to familiarise with process, job hazards and emergency preparedness in Company’s manufacturing sites.

The business has ensured to achieve and maintain globally approved fire-safety standards. The units are equipped with fire-fighting equipment and trained teams to mitigate any such incident.

All the units are certified for Fire NOC requirements. Apart from the above, Baddi Fans, Baddi Lighting, Bethora Fans, Kundaim Fans, Ahmednagar pumps unit are equipped with fire detection system to trigger a timely alarm in case of any fire incident.

Your Company is committed to building a safety culture by strict adherence to Work Permit System (WPS) and Daily Tool box talks.

Regular interaction is maintained through Safety Committee Meetings with all associates. Fire-safety drills, safety week celebration and continuous safety training to all employees begin with adequate induction. Internal plant safety audits are conducted too. All actions and recommendations are being recorded, evaluated and acted upon by respective EHS leaders.

Safety standards are monitored through a focus on appropriate safety control, elimination of unsafe conditions and fool-proof engineering solutions (Poka-Yoke) as appropriate.

Key Safety programmes implemented during the year include:

- 53rd National Safety Week celebration is planned across all Units by organizing various initiatives and programs.
- Various EHS assessment drive by corporate EHS i.e. Electrical safety assessment, IS14489 assessment, Machine safety and fire safety.
- Corporate EHS kicked off campaigns on Near Miss Reporting, Hand & Finger Injury control & Prevention and road safety.
- IMS recertification audit completed at Baroda, Goa units & Baddi units
- Rooftop Lifeline installed at Baroda Unit & new building at Kundaim

- Installation of XY Rail Crane system on the assembly line in Ahmednagar plant eliminates operators' ergonomic fatigue while handling the higher HP pumps at packing stations.
 - KAIZANS implementation focusing on first aid injury.
 - Baroda unit forklift safety features incorporated by installing the safe indication lights for pedestrian safety.
 - Increase in sell of star rated pumps products in this H1, resulted in more energy savings (17.88%).
 - Hazardous waste reduction of 40 KG/ month for 1-line electrostatic gun installed where 20 % reduction for 2 months till date in F.Y. 2022-23 is approx. 80 KG.
 - Baddi II reduction of 50 kgs less grinding ash from February, 2023 (Initiate taken by changing new grinding m/c).
- Rewards and Recognitions of Safety practices from External forums: Goa unit received 2 awards from various prestigious forums this year in recognition of its excellent safety practices and results. These awards are:
- i. Gomanth Sarvoch Suraskha Puraskar award for F.Y. 2022-23: and
 - ii. National Safety Award from Global Safety Summit F.Y. 2022-23 in the Consumer Electricals Sector.

43.7 Health

This year had been very significant in ensuring the health of all employees including contract workmen and all their families in wake of the COVID challenge which is new to us and the world.

Your Company has taken an excellent effort in taking care of the health of all the employees through the implementation of rigorous COVID prevention measures. A core committee has been formed overseen by Head HR to ensure effective implementation and strict adherence to COVID protocols. Some of the key measures include temperature and oxygen level checking for employees at regular frequency, partition provision between workstations, sanitisation of all touch points, social distance markings, automatic or foot operated water dispensers, sanitisation points creation, regular trainings, tracking, tracing, isolation of employees with symptoms and support in terms of medical treatment etc.

An app named "My Shield" is followed at all manufacturing locations to track and ensure that all employees including contract workmen maintain social distancing norms. The app will trigger an alarm to control points whenever the norms are violated. This helps in contact tracing as well.

An overall untiring effort has been put from all fronts to ensure the safety and health of all in this challenging situation.

43.8 Packaging Materials and Process

The Company has adopted recycling and reuse of metal bins for the handling of semi-finished components for selected categories, thereby eliminating wooden packaging. Your Company is investing to secure cargo during dispatches by improving loading procedures.

44. CORPORATE SOCIAL RESPONSIBILITY ("CSR") FRAMEWORK & VISION

Your Company believes that corporates have a significant role to play in bringing about social change. Crompton has kept its social and development mandate flexible and responsive to development challenges. Crompton's CSR strategy has evolved to focus on areas it sees as a key for positive change.

Your Company has chosen the grant-making route, and back the right implementation partners, leverage their sector expertise and community connect, to positively impact the lives of the end beneficiary.

The Company's CSR programme aligns with its long-term commitment to building positive and shared value for its stakeholders and addressing developmental priorities as identified by the Act. Aimed at igniting a positive social change, your Company's CSR initiatives have evolved over the years to focus on four key areas: skill and entrepreneurship development, water conservation, community care, and employee engagement. The details of the same are mentioned on page number 109 of this Integrated Annual Report.

45. COMPLAINTS RELATING TO SEXUAL HARASSMENT

Your Company is an equal employment opportunity Company and is committed to creating a healthy working environment that enables employees to work without fear of prejudice and gender bias. Your Company is committed to ensure that every employee is treated with dignity and respect and works in a conducive work environment, which promotes professional growth of employee and encourages equality of opportunity. The Company has zero tolerance towards any act on the part of any executive, which may fall under the ambit of "sexual harassment" at workplace, and is fully committed to uphold and maintain the dignity of every woman executive working in the Company. Further, to provide an empowering and enabling atmosphere to women employees, the Company has continuously endeavoured to build the work culture, which promotes the respect and dignity of all women employees across the organisation.

The Company has formulated a comprehensive policy on prevention, prohibition and redressal against sexual harassment of women at workplace, which is also in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH"). The said policy has been made available on the internal portal of the Company as well as the website of the Company. The Company has constituted an Internal Complaints Committee ("ICC") under the POSH and has complied with the provisions relating to the same. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The constitution of ICC is as per the POSH Act and includes an external member who is an independent POSH consultant with relevant experience. Your Company has also initiated the e-learning tool on POSH for all regular employees and also for induction of new employees. Your Company has also provided a Toll Free No. for registering any POSH complaint telephonically.

The employees are sensitised from time to time in respect of matters connected with prevention of sexual harassment. Awareness programmes are conducted at unit levels to sensitise the employees to uphold the dignity of their female colleagues at workplace.

During the year under review, no complaints were received.

46. REGISTRAR & SHARE TRANSFER AGENT ("RTA")

M/s. KFin Technologies Limited (Formerly KFin Technologies Private Limited) is the RTA Agent of your Company. Their contact details are mentioned in the Report on Corporate Governance which forms part of this Integrated Annual Report.

47. LISTING

The equity shares of your Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. ("Stock Exchanges"). The NCDs of the Company are listed on the Debt Segment of National Stock Exchange of India Ltd.

Your Company has paid the Listing fees for Equity Shares to both the Stock Exchanges and Listing fees for NCDs to the National Stock Exchange of India Ltd. for F.Y. 2022-23 and F.Y. 2023-24.

48. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to assure the Members that the Financial Statements for the year under review confirm in their entirety to the requirements of the Act and guidelines issued by SEBI. Pursuant to the provisions of

Section 134(3)(c) of the Act, to the best of their knowledge and based on the information and explanations received from the Company, your Directors confirm that:

1. in the preparation of the Annual Financial Statements for the year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. the Accounting Policies selected and applied consistently, give a true and fair view of the affairs of the Company and of the profit for F.Y. 2022-23;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that the Annual Accounts have been prepared on a going concern basis;
5. that proper internal financial controls laid down by the Directors were followed by the Company and such internal financial controls are adequate and were operating effectively; and
6. proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems were adequate and were operating effectively.

49. INTEGRATED REPORTING

For the 1st year, the Company has drawn up an Integrated Annual Report, which encompasses both financial and non-financial information to enable Members to have a more holistic understanding of the Company's long-term perspective. The Integrated Reporting is more robust and details such as the organization's strategy, governance framework performance and prospects of value creation based on the Six (6) forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social & relationship capital and natural capital have been added.

50. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise as per Section 43(a)(ii) of the Act;
2. The Company does not have any scheme of provision of money for the purchase of its own

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

Regulation 43(A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) requires the top 1000 listed entities based on their market capitalisation calculated on March 31 of every Financial Year to formulate a Dividend Distribution Policy which shall be disclosed in their Integrated Reports and on their websites. a Dividend Distribution Policy.

The Company being one of the top one thousand listed companies as per the market capitalisation as on the last day of the immediately preceding Financial Year, frames this Policy to comply with the requirements of the Listing Regulations.

2. PHILOSOPHY/ OBJECTIVE

The Dividend Policy of the Company aims to strike a balance between the dual objectives of rewarding shareholders through Dividends and ploughing back earnings to support sustained growth.

The objective of this Policy is to reward the shareholders of the Company by sharing a portion of the profits, whilst also ensuring that sufficient funds are retained for future growth of the Company. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time. Through this Policy, the Company would endeavour to maintain a consistent approach to Dividend pay-out plans.

3. DEFINITIONS

“**Act**” shall mean the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.

“**Applicable Laws**” shall mean the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

“**Board or Board of Directors**” shall mean the Board of Directors of the Company.

“**Company**” shall mean Crompton Greaves Consumer Electricals Limited and wherever the context requires, shall signify the Company acting through its Board.

“**Dividend**” shall mean Dividend as defined under the Companies Act, 2013.

“**Financial Year**” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year

“**Policy or this Policy**” shall mean this Dividend Distribution Policy and as may be amended from time to time.

“**SEBI Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4. PARAMETERS FOR DECLARATION OF DIVIDEND

In line with the philosophy stated above, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

FINANCIAL PARAMETERS / INTERNAL FACTORS:

- Consolidated net operating profit after tax;
- Accumulated reserves;
- Working capital requirements;
- Capital expenditure requirements;
- Resources required to fund acquisitions and/or new businesses;
- Cash flow required to meet contingencies;
- Outstanding borrowings;
- Past Dividend Trends (Whenever applicable);
- Earnings outlook;
- Expected future capital / liquidity requirements;
- Any other relevant factors and material events.

EXTERNAL FACTORS:

- Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
- Dividend pay-out ratios of companies in the same industry.

shares by employees or by trustees for the benefit of employees;

3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries;
4. No fraud has been reported by the Auditors to the Audit Committee or the Board;
5. Issue of Shares including Sweat Equity Shares to the employees of the Company under any scheme as per provisions of Section 54(1)(d) of the Act;
6. No instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act;
7. Disclosure of reason for difference between valuation done at the time of taking loan from bank and at the time of one-time settlement. There was no instance of onetime settlement with any Bank or Financial Institution;
8. There was no revision in the Financial Statements;
9. There has been no change in the nature of business of the Company as on the date of this report; and
10. There are no proceedings, either filed by the Company or filed against Company, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the F.Y. 2022-23.

51. RIGHTS OF SHAREHOLDERS

- right to participate in, and to be sufficiently informed of, decisions concerning fundamental corporate changes;
- opportunity to participate effectively and vote in general shareholder meetings;
- being informed of the rules, including voting procedures that govern general shareholder meetings;
- opportunity to ask questions to the Board of Directors at general meetings;
- effective shareholder participation in key corporate governance decisions such as election of Members of Board of Directors;
- exercise of ownership rights by all shareholders, including institutional investors;
- adequate mechanism to address the grievances of the shareholders;
- protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress;

- to receive dividends and other corporate benefits like rights, bonus etc. once approved; and
- to inspect statutory registers and documents, including minutes books of the general meetings, as permitted under law; and
- any other rights as specified in the statutory enactments from time to time.

52. ACKNOWLEDGEMENTS

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

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

53. CAUTIONARY STATEMENT

Statements in the Board’s Report and the Management Discussion and Analysis describing the Company’s objectives, projections, estimates, expectations or predictions may be “**forward looking statements**” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company is not obliged to publicly amend, modify or revise any forward-looking statement, on the basis of any subsequent development, information or events or otherwise.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 19, 2023

H. M. Nerurkar
Chairman
DIN: 00265887

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company or of its clients;
- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or technological environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment;
- Inflation rate;
- Cost of external financing; and
- Any other relevant factors and material events.

5. UTILISATION OF RETAINED EARNINGS

The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as Dividend after having due regard to the parameters laid down in this Policy.

6. DIVIDEND PAYOUT

The dividend payout in each Financial Year, including interim dividends, will be decided by the Board keeping in mind the above-mentioned criteria. Special dividends, if any, will be declared in addition to the regular dividend payout.

7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The shareholders of the Company may or may not expect Dividend under the following circumstances:

- Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital.
- Significant higher working capital requirements adversely impacting free cash flow.
- Whenever it undertakes any acquisitions or restructuring or joint ventures requiring significant allocation or reduction of capital.
- Whenever it proposes to utilise surplus cash for buy-back of securities or

- In the event of inadequacy of profits or whenever the Company has incurred losses.

8. DIVIDEND ELIGIBILITY

The Company has only one class of equity shareholders and does not have any preference share capital.

9. POLICY REVIEW, UPDATES AND AMENDMENTS

This policy will be reviewed annually by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force.

Any changes or revisions to the policy will be disseminated on the Company's Website.

In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

Declaration of Dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board.

10. EFFECTIVE DATE

The policy was first approved by the Board of Directors on October 25, 2016 and has been amended by the Board of Directors on February 2, 2023 and is effective from February 2, 2023.

11. DISCLOSURE

This Policy, as approved by the Board of Directors, at its meeting held on October 25, 2016, shall be disclosed in the Integrated Reports and hosted on the website of the Company www.crompton.co.in

12. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the Listing Regulations, the Regulations shall prevail.

ANNEXURE 2

FORM AOC-1

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures)

PART “A”: SUBSIDIARIES

Sl. No.	Particulars	Details
1.	Name of the subsidiary	(i) Nexustar Lighting Project Private Limited (NLPPL) (ii) Pinnacles Lighting Project Private Limited (PLPPL) (iii) Crompton CSR Foundation (CCF) (iv) Butterfly Gandhimathi Appliances Limited (BGMAL)
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not Applicable as the above-mentioned Subsidiaries are Indian Subsidiaries
4.	Share capital	(i) NLPPL : Authorised Capital: ₹10.00 Crore Paid-Up Capital: ₹7.50 Crore (ii) PLPPL : Authorised Capital: ₹10.00 Crore Paid-Up Capital : ₹6.70 Crore (iii) CCF : Authorised Capital: ---* Paid-Up Capital : ----* (iv) BGMAL : Authorised Capital: ₹40.00 Crore Paid-Up Capital : ₹17.88 Crore
5.	Reserves & Surplus	(i) NLPPL : ₹0.88 Crore (ii) PLPPL : ₹1.23 Crore (iii) CCF : ₹1.44 Crore (iv) BGMAL: ₹267.76 Crore
6.	Total Assets	(i) NLPPL : ₹21.83 Crore (ii) PLPPL : ₹20.73 Crore (iii) CCF : ₹1.45 Crore (iv) BGMAL: ₹502.71 Crore
7.	Total Liabilities	(i) NLPPL : ₹13.45 Crore (ii) PLPPL : ₹12.80 Crore (iii) CCF : ₹0.01 Crore (iv) BGMAL: ₹217.06 Crore
8.	Investments	(i) NLPPL : ₹13.67 Crore (ii) PLPPL : ₹3.39 Crore (iii) CCF : Nil (iv) BGMAL: ₹0.35 Crore
9.	Turnover	(i) NLPPL : ₹3.14 Crore (ii) PLPPL : ₹3.59 Crore (iii) CCF : Nil (iv) BGMAL: ₹1,056.55 Crore
10.	Profit before taxation	(i) NLPPL : ₹0.70 Crore (ii) PLPPL : ₹0.66 Crore (iii) CCF : ₹1.44 Crore (iv) BGMAL: ₹80.46 Crore
11.	Provision for Taxation	(i) NLPPL : ₹0.15 Crore (ii) PLPPL : ₹0.16 Crore (iii) CCF : Nil (iv) BGMAL: ₹28.79 Crore

Sl. No.	Particulars	Details
12.	Profit after Taxation	(i) NLPPL : ₹0.55 Crore (ii) PLPPL : ₹0.50 Crore (iii) CCF : ₹1.44 Crore (iv) BGMAL: ₹51.67 Crore
13.	Proposed dividend	(i) NLPPL:- NIL (ii) PLPPL:- NIL (iii) BGMAL:- NIL
14.	% of shareholding	(i) NLPPL : 100% (ii) PLPPL : 100% (iii) CCF : 0* (iv) BGMAL: 75%#

*CCF, a Company incorporated under Section 8 of the Act (being a Company limited by guarantee not having share capital) primarily with an objective of undertaking/ channelising the CSR activities of the Company, is a subsidiary of the Company w.e.f. May 1, 2019. Based on the control assessment carried out by the Company, the same is not consolidated as per Ind AS 110.

BGMAL became a subsidiary of the Company w.e.f. March 30, 2022. During the year in accordance with regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, after acquisition of 55% stake of BGMAL on March 30, 2022, an open offer was made by the Company for acquisition of upto 26% of the issued and paid-up equity share capital of BGMAL from its public shareholders. The open offer was fully subscribed and therefore the Company's holding increased from 55% to 81% w.e.f. June 4, 2022.

To comply with the minimum public shareholding ("MPS") requirements mandated under Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 38 of the SEBI LODR Regulations, 2015, the Company divested 6.00% of the issued and paid-up equity share capital of BGMAL on September 20, 2022 & September 21, 2022 through Offer for Sale ("OFS") mechanism, which resulted into decrease in holding from 81% to 75%.

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

PART “B”: ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Act related to Associate Companies and Joint Ventures:

Not Applicable as there are no associates and joint ventures

Name of Associates/ Joint Ventures		
1.	Latest Audited Balance Sheet Date	NA
2.	Shares of Associate/ Joint Ventures held by the Company at the year end No.	
	Amount of Investment in Associates/ Joint Venture	
	Extent of Holding %	
3.	Description of how there is significant influence	
4.	Reason why the associate/ joint venture is not consolidated	
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	
6.	Profit/ Loss for the year:	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

Promeet Ghosh
MD & CEO
DIN: 05307658

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Place: Mumbai
Date: May 19, 2023

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE F.Y. 2022-23

[Pursuant to Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. Brief outline on CSR Policy of the Company

Company's CSR strategy framework is based on the principles of "Responsible Business" and "Shared Value". The CSR programme framework is both in line with the Company's long-term commitment to building positive value for the communities (including key stakeholders) as well as addresses key developmental priorities as identified by Schedule VII to the Act.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Shantanu Khosla (DIN: 00059877)	Chairman	1	1
2	Mr. H. M. Nerurkar (DIN: 00265887)	Member	1	1
3	Mr. D. Sundaram (DIN: 00016304)	Member	1	1
4	Ms. Smita Anand (DIN: 00059228)	Member	1	0
5	Mr. Promeet Ghosh (DIN: 05307658)	Member	1	1

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.

- Composition of CSR committee: <https://www.crompton.co.in/about-us/>
- CSR Policy : <https://www.crompton.co.in/wp-content/uploads/2023/02/Corporate-Social-Responsibility-Policy-1.pdf>
- CSR Project : <https://www.crompton.co.in/csr/>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Summary of Impact Assessment Reports is available on the website of the Company and can be accessed at: <https://www.crompton.co.in/wp-content/uploads/2023/06/Summary-of-Impact-Assessment-Reports-for-the-financial-year-2022-23.pdf>

Detailed Impact Assessment Reports are also available on the website of the Company and can be accessed at: <https://www.crompton.co.in/wp-content/uploads/2023/06/Detailed-Impact-Assessment-Reports-for-the-financial-year-2022-23.pdf>

5. (a) Average net profit of the Company as per sub-Section (5) of Section 135: ₹677.97 Crore
- (b) Two percent of average net profit of the Company as per sub-Section (5) of Section 135. ₹13.56 Crore
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. Nil

- (d) Amount required to be set-off for the Financial Year, if any. : Nil
- (e) Total CSR obligation for the Financial Year [(b)+(c)-(d)]. ₹13.56 Crore
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). ₹12.89 Crore
- (b) Amount spent in Administrative Overheads. ₹0.44 Crore
- (c) Amount spent on Impact Assessment, if applicable. ₹0.26 Crore
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. ₹13.58 Crore
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-Section (6) of Section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-Section (5) of Section 135.		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹13.58 Crore	NA	NA	NA	NA	NA

- (f) Excess amount for set-off, if any:

Sl. No.	Name of Director	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per sub-Section (5) of Section 135	13.56 Crore
(ii)	Total amount spent for the Financial Year	13.58 Crore*
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.03 Crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

*The Company has fulfilled its CSR obligations and transferred the amount of ₹13.58 Crore to implementation agencies during F.Y. 2022-23. However, ₹1.45 Crore which was transferred to Crompton CSR Foundation is pending to be utilized. In the view of the same Crompton CSR Foundation has transferred this amount to an ‘Unspent CSR Account’ and this amount shall be spent in the upcoming years throughout the tenure of the approved projects.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-Section (6) of Section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-Section (6) of Section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- Section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency if any
					Amount (in ₹)	Date of Transfer		
1	F.Y. 2021-22	NA	NA	NA	NA	NA	NA	NA
2	F.Y. 2020-21	NA	NA	NA	NA	NA	NA	NA
3	F.Y. 2019-20	NA	NA	NA	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the F.Y.: Yes

If Yes, enter the number of Capital assets created/ acquired: 5 (Five)

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the F. Y.:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent (₹ in Crore)	Details of entity/ Authority/ beneficiary of the registered owner		
					Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
1	15 high speed fans and 15 LED batten lights Gram Panchayat Lehi, Block Nalagrah, Solan, Himachal Pradesh	173205	May 16, 2022	0.0035	NA	NA	NA
2	10 Pedestal fans Sub District Hospital Ponda Kurtarkar Nagari, Ponda, Goa	403401	June 7, 2022	0.0021	NA	NA	NA
3	30 Ceiling fans Satguru foundation School Shree Kshetra Tapobhoomi, Kundaim, Goa	403115	July 20, 2022	0.0071	NA	NA	NA
4	4 Office table and 4 chairs Gram Panchayat, Gametha village, Padra, Vadodara, Gujarat	521072	October 10, 2022	0.0100	NA	NA	NA
5	67 Street Lights and 20 LED Battan Gram Panchayat, Gametha village, Padra, Vadodara, Gujarat	521072	November 15, 2022	0.0182	NA	NA	NA

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub- Section (5) of Section 135.

In the said rules, in the e-form CSR 1, for serial number 1 and the entries relating thereto, the following serial number shall be substituted, namely:-

- Company established under Section 8, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 and approved under Section 80G of the Income Tax Act, 1961.
- Company established under Section 8, registered under Section 12A and approved under Section 80G of the Income Tax Act, 1961.
- Registered public trust, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 and approved under Section 80G of the Income Tax Act, 1961.
- Registered public trust, registered under Section 12A and approved under Section 80G of the Income Tax Act, 1961
- Registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 and approved under Section 80G of the Income Tax Act, 1961.
- Registered society, registered under Section 12A and approved under Section 80G of the Income Tax Act, 1961.
- Company established under Section 8 or registered Trust or registered Society established by the Central Government or State Government.
- Entity established under an ACT of Parliament or State Legislature.”

Promeet Ghosh
MD & CEO
DIN:05307658

Shantanu Khosla
Chairman of CSR Committee
DIN:00059877

H. M. Nerurkar
Chairman
DIN:00265887

Place: Mumbai
Date: May 19, 2023

ANNEXURE 4

FORM NO. AOC -2

Particulars of contracts / arrangements made with related parties.

[Pursuant to clause (h) of sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

The details of contracts or arrangements or transactions not at arm's length basis for the year ended March 31, 2023 are as follows:

[illegible]

Details of material contracts or arrangements or transactions at arm’s length basis

The details of material contracts or arrangements or transactions at arm’s length basis for the year ended March 31, 2023 are as follows:

Particulars	Nature of Relationship	Duration of Contract	Date of Approval by Board*	Salient Terms	Amount (₹ in Crore)
Nature of Contract					
Purchase of Goods					
Butterfly	Subsidiary	01-07-2022 to 31-03-2023	July 21, 2022	Purchase of Goods	0.20
Sale of Goods					
Pinnacles Lighting Project Private Limited (“Pinnacles”)	Wholly owned subsidiary	01-04-2022 to 31-03-2023	May 26, 2022	Sale of Streetlights and Spares for Maintenance.	0.22
Nexustar Lighting Project Private Limited (“Nexustar”)	Wholly owned subsidiary	01-04-2022 to 31-03-2023	May 26, 2022	Sale of Streetlights and Spares for Maintenance.	0.22
Butterfly	Subsidiary	01-07-2022 to 31-03-2023	July 21, 2022	Sale of Products	
Leasing of property					
Swaminathan Enterprises Private Limited	Related party of subsidiary (Butterfly)	01-04-2022 to 31-03-2023	July 21, 2022	Rental income from premises on land owned by the Company	0.08 [#]
Butterfly	Subsidiary	01-07-2022 to 31-03-2023	July 21, 2022	Consideration for usage of trade mark of the Company	0.52
Availing or rendering of services					
Butterfly	Subsidiary	01-04-2022 to 31-03-2023	May 26, 2022	Management fees for legal support	0.08
		One time	September 12, 2022	Sales promotional expenses	
Opera Gratia Private Limited	Erstwhile Director (Mr. Mathew Job) is a Member of Opera Gratia Private Limited	01-04-2022 to 31-03-2023	July 21, 2022	Defectives inspection services	1.47 [§]
Crompton CSR Foundation	Wholly Owned Subsidiary	01-04-2022 to 31-03-2023	October 26, 2022	Undertaking the CSR activities/ projects of the Company	13.15
Total					15.94

*All the transaction(s) were approved by the Audit Committee of the Board
An amount of ₹0.02 Crore was ratified by the Audit Committee
§ An amount of ₹0.43 Crore was ratified by the Audit Committee

Note:
The transactions mentioned above are not material as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. However, the same are disclosed under AOC-2 as a matter of good corporate governance practice.

ANNEXURE 5

SECRETARIAL AUDIT REPORT

FORM MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Crompton Greaves Consumer Electricals Limited

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the covid-19 pandemic, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the F.Y. ended on March 31, 2023 according to the provisions of:

- (i)

The Companies Act, 2013 (‘the Act’) and the rules made thereunder;
- (ii)

The Securities Contract (Regulation) Act, 1956 (“**SCRA**”) and the rules made thereunder;
- (iii)

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv)

Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign
- Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v)

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”)
- (a)

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b)

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c)

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
- (d)

The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e)

The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (f)

The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;(Not applicable to the Company during the audit period)
- (g)

The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
- (h)

The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi)

Other laws specifically applicable to the Company namely
 - Bureau of Indian Standards The National Standards Body of India

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

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period the Company had following events which had bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- a. Acquisition of further 26% equity share capital of Butterfly Gandhimathi Appliances Limited on June 8, 2022;
- b. Buy Back of Commercial Papers of ₹600 Crore (Rupees six Hundred Crore) on July 18, 2022;
- c. Redemption of Commercial Papers of ₹600 Crore (Rupees Six Hundred Crore) on March 16, 2023;
- d. Redemption of Non-Convertible Debentures (“NCDs”) of ₹150 Crore (Rupees One Hundred Fifty Crore) on May 27, 2022;
- e. Issuance of Non-Convertible Debentures (“NCDs”) of ₹325 Crore (Rupees Three Hundred Twenty-Five Crore) on July 12, 2022;
- f. Issuance of Non-Convertible Debentures (“NCDs”) of ₹600 Crore (Rupees Six Hundred Crore) on July 22, 2022;
- g. Sale of stake of 6% equity share capital of Butterfly Gandhimathi Appliances Limited on September 19, 2022;
- h. Announcement of scheme of amalgamation of the Company with Butterfly Gandhimathi Appliances Limited on March 25, 2023.

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331E000310798
PR No.: 1129/2021

Place: Mumbai
Date: May 15, 2023

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

‘Annexure A’

To,
The Members,
Crompton Greaves Consumer Electricals Limited

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

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

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: F008331E000310798
PR No.: 1129/2021

Place: Mumbai
Date: May 15, 2023

ANNEXURE 6

Details pertaining to remuneration as required under Section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for F.Y. 2022-23

The median remuneration of employees of the Company during F.Y. 2022-23 was ₹8,53,272 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the F.Y. 2022-23 is provided in the table below:

Sr. No.	Name of Director	Designation	Remuneration of Director for F.Y. 2022-23 (In ₹)	Ratio of Remuneration of each Director to Median Remuneration of employees for F.Y. 2022-23
1	Mr. Shantanu Khosla* (DIN: 00059877)	Executive Vice Chairman #	9,76,99,263.00	114.50
2	Mr. Mathew Job** (DIN: 02922413)	Executive Director & Chief Executive Officer #	7,40,28,415.00	86.76
3	Mr. H. M. Nerurkar (DIN: 00265887)	Chairman, Independent Director^	38,70,000.00	4.54
4	Mr. D. Sundaram (DIN: 00016304)	Independent Director^	34,90,000.00	4.09
5	Mr. P. M. Murty (DIN: 00011179)	Independent Director^	32,60,000.00	3.82
6	Ms. Smita Anand (DIN: 00059228)	Independent Director^	23,40,000.00	2.74
7	Mr. P R Ramesh (DIN: 01915274)	Independent Director^	26,33,400.00	3.09
8	Ms. Hiroo Mirchandani (DIN: 06992518)	Independent Director^	9,30,000.00	1.09
9	Mr. Promeet Ghosh (DIN 05307658)	MD & CEO\$	6,60,000.00	0.77

The remuneration includes fixed pay and variable pay. Variable pay is for F.Y. 2021-22 paid in F.Y. 2022-23

#The remuneration to Mr. Khosla is excluding ESOPs of ₹15,08,25,131

^The remuneration of Independent Directors consists of sitting fees and commission. Commission is for F.Y. 2021-22 paid in F.Y. 2022-23

* Managing Director upto April 30, 2023 and elevated as Executive Vice Chairman w.e.f. May 1, 2023 to April 30, 2024 and then will assume position of Non-Executive Director till December 31, 2025

** Executive Director till April 24, 2023 and Chief Executive Director till April 30, 2023

\$ Non-Executive Non-Independent Director till April 23, 2023. Appointed as Executive Director w.e.f. April 24, 2023 and as MD & CEO w.e.f. May 1, 2023 till April 30, 2028 subject to approval of Members at the ensuring AGM

b. The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the Financial Year:

The percentage Increase/ Decrease in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in F.Y. 2022-23 is provided in the table below:

Sr. No.	Name of Director/ KMP	Designation	% decrease in Remuneration in F.Y. 2022-23*
1	Mr. Shantanu Khosla	Executive Vice Chairman \$	13.08%#
2	Mr. Mathew Job	Chief Executive Officer‡	7.31%
3	Mr. Sandeep Batra**	Chief Financial Officer	47.36%
4	Ms. Pragya Kaul^	Company Secretary & Compliance Officer	17.66%
5.	Mr. Kaleeswaran Arunachalam@	Chief Financial Officer	Not Applicable
6.	Ms. Rashmi Khandelwal^^	Company Secretary	Not Applicable

*Managing Director till April 30, 2023 and elevated as Executive Vice Chairman w.e.f. May 1, 2023 to April 30, 2024 and then will assume position of Non-Executive Director till December 31, 2025

‡Executive Director till April 24, 2023 and CEO till April 30, 2023

*Calculation is excluding perquisite value on exercise of ESOP

**Resigned w.e.f. May 30, 2022

@Appointed w.e.f. September 5, 2022

^Resigned w.e.f. September 15, 2022

^^Appointed w.e.f. November 28, 2022

##During F.Y. 2022-23, decrease in remuneration is 78.93% including the perquisite value of ₹15.08 Crore

c. The percentage increase in the median remuneration of employees in the Financial Year:

In the F.Y. 2022-23, there was an increase of 2% in the median remuneration of employees.

d. The number of permanent employees on the rolls of the Company:

There were 2,190 permanent employees and workers on the rolls of the Company as on March 31, 2023.

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase/ decrease made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. F.Y. 2022-23 was 11% whereas the increase/ decrease in managerial remuneration for the F.Y. 2022-23 was 8% (Calculated as per Weighted Average).

Justification: Increase in remuneration of the Managing Director is decided based on the individual performance, inflation, prevailing industry trends and benchmarks.

The remuneration of Independent Directors consists of commission and sitting fees. While deciding the remuneration, various factors such as Director’s participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees etc., were taken into consideration.

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

“Median” means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one. If there is an even number of observations, the median shall be the average of the two middle values.

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 19, 2023

H. M. Nerurkar
Chairman
DIN: 00265887

ANNEXURE 7

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

A. CONSERVATION OF ENERGY

a. Energy Conservation Measures Taken

As a manufacturer and seller of electrical goods, your Company has a special responsibility towards energy conservation. This is reflected in our product development efforts and process upgrades.

Some of the activities carried out in the area of energy conservation were:

- 1. CGCEL lighting unit, Baroda has reduced approx. 1090 MWH i.e. 19.85% of overall electricity consumption per unit over the last year. This is due to process elimination of glass manufacturing as well as use of renewable source- natural gas for electricity generation instead of using GEB power.
- 2. Baddi Plant - Domex line operation has been kicked off where there is no requirement of grinding which resulted in electricity reduction of 16 kw/ day.
- 3. Fans with BLDC technology in the SilentPro (42W) and Energion series (28-37W) save 50-60% more energy than traditional fans that consume 75-80W. In comparison to the previous F.Y., the Company has doubled its sales of energy efficient fans.

Reduction in energy consumption

- 1. During F.Y. 2022-23 our lighting unit facility located at Baroda has efficiently reduced approx. 1090 MWH i.e. 19.85%. of overall electricity consumption per unit over the last year consumption. This gain is basis to use of natural gas as a source of energy instead of using GSEB power. Further Baroda facility has stopped the glass manufacturing activity since F.Y. 2020-21.
- 2. Similarly, in Baddi unit-1, Domex line operation has been kicked off where there is no requirement of grinding which resulted in electricity reduction of 0.0077 kw/unit of production. In F.Y. 2021-22 there was 93976 KWH electricity consumed and for F.Y. 2021-22 it is 90099 KWH i.e. reduction of 4.13%.
- 3. Baddi Fan Unit-II, 20 KW solar power panel installation is in progress for approval. New grinding machines installed in January, 2023 where 7 KW/

day electricity will be saved from each machine. In F.Y. 2021-22 there were 216735 KWH electricity consumed and for F.Y. 2022-23 it was 201558 KWH i.e. reduction of 7.0%.

- 4. Apart from above Baddi II has reduced electricity consumption per unit from 0.113 KWH/unit of production to 0.105 KWH/unit of production and approx. saving of 15.17 MWH compare to F.Y. 2021 -22. This was achieved by removing exhaust fans from Gold Line Fan Hangers and high Bay lights on shop floor and installed station wise LED battens.
- 5. Baddi III, in F.Y. 2021-22 there was 0.035 KWH/ LED power consumed and in F.Y. 2022-23 it reduced to 0.0325, i.e. 0.0025 KWH/ LED reduction due to the CFL lights conversion done with LED. Alternate lights provision in plant gangways resulted in increased productivity for maximum utilization of power.

Reduction in water consumption

For F.Y. 2022-23 overall production was increased by 11.97% which resulted in the water consumption increase by 3.83%. Unit specific initiatives as below:

- 1. Baddi unit I- Rigorous awareness & control on water leakages from pipeline and reduction in overall manpower resulted in water conservation. In F.Y. 2021-22 it was 515 KL and for F.Y. 2022-23 it is 496.2 KL of water consumed for domestic purpose. Whereas the, water ratio is increased by 2.64 Ltr/ Person/ Day with respect to water ratio of last year.
- 2. Baddi Fans Unit-II plant has reduced water consumption from 49.9 Ltr/ Person/ Day to 34.4 Ltr/ Person/ Day, approx. saving of 900.9 KL over last year. This was achieved by installing Auto shutoff valve on rooftop Tanks and re-routing of pipelines to prevent water losses.
- 3. Baddi Lighting Unit, in F.Y. 2021-22 total manpower utilized were 54679 and water consumption was 2198 KL which calculated 40.2 Ltr/ Person/ Day. Whereas for F.Y. 2022-23 total manpower was 60275 and water consumption was 2090 KL and 34.67 Ltr/ Person/ Day. This was achieved by identifying and controlling all leakages from plant. Overall reduction of water consumption is 5.5 Ltr/ Person/ Day.

Hazardous waste reduction and management

The Company's operational units ensure that all hazardous waste are sent to the authorised disposal facility/ recycler approved by the State Pollution Control Board.

b. Capital Investment on Energy Conservation Equipment

Nil

B. TECHNOLOGY ABSORPTION

The technology focus for the Company has been on process improvement for better quality, lower cost, new product development speed and to get the better technology working with international companies.

Some of the areas of technology focus and initiatives have been:

- 1. State of art lab creation in Mumbai Innovation & Experience Centre.
- 2. Building Capabilities in Electronics to cater to future technology requirement.
- 3. Investments in latest software for simulation capability building.
- 4. Evaluating new motor technologies like Axial flux motors for Pump and Fan.
- 5. Establishment of R&D for electrical motor technologies like BLDC, PMSM, SRM to take care of future needs.
- 6. All our water heaters are energy efficient and certified as per the new amendment.
- 7. Our 86% of water heater are certified for 5 star by Bureau of Energy Efficiency ("BEE").
- 8. Our lab is in the process of NABL certification.
- 9. Investments in latest software for simulation capability building.
- 10. Initiatives for process improvement through PDM solutions.
- 11. Expansion of portfolio in the automation space using various sensors.
- 12. Bathing modes introduced in water heater which is certified by IMA panel of doctors.
- 13. Strengthen smart products portfolio with the launch of Solarium Qube IoT.

- 14. Forayed into healthy cooking range with the launch of Air Fryer and OTG.
- 15. Breakfast series strengthen by the launch of Sandwich maker and Pop Up Toaster.
- 16. Some of the new products launched were new range of connected lighting products like Trio series, Immensa Panels etc.
- 17. Expanded range of flameproof luminaires Viz FLOGA series of flood and highbay series.
- 18. Techlita series of batten for industrial application.
- 19. Aplamado series street light with innovative optics to meet the stringent NHAI highway requirements.
- 20. Some landmark installations that were executed were the NINL, ITC connected lighting, JSW factory lighting etc.
- 21. Energy efficiency continued to drive innovation. Products in professional segment with improved energy efficiency of > 10% were launched at product and system level.
- 22. Received BEE certification for 31 nos. of Energy Efficient star rated SKUs. 61781nos. of Energy Efficient pumps sold F.Y. 2022-23 Energy saved 27910MWH F.Y. 2022-23.
- 23. This is the fifth consecutive year that Crompton Pumps has been voted & awarded as Superbrands.

C. IMPORTED TECHNOLOGY

NIL

D. EXPENDITURE ON R&D

R&D expenditure for the year was: ₹77.72 Crore

E. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned: ₹66.02 Crore
Foreign exchange used: ₹181.66 Crore

For and on behalf of the Board of Directors

H. M. Nerurkar

Chairman

DIN: 00265887

Place: Mumbai

Date: May 19, 2023

ANNEXURE 8

As per the disclosure requirement specified under SEBI(Share Based Employee Benefits) Regulations, 2014 and Section 62(1)(B) of the Act read with Rule 12(9) of the Companies (Share Capital & Debentures) Rules, 2014, the following information is disclosed with respect to Employee Stock Benefit Plans

Details of ESOP	Crompton Employee Stock Option Plan 2016 ("ESOP- 2016")	Crompton Performance Share Plan 1 2016 ("PSP 1-2016")	Crompton Performance Share Plan 2 2016 ("PSP 2-2016")	Crompton Stock Option Plan 2019 ("ESOP- 2019")
I. Description of each ESOP that existed at any time during the year				
1. Date of Members approval	October 22, 2016	October 22, 2016	October 22, 2016	January 19, 2020 and amended on January 6, 2021
2. Total number of options approved under ESOP	40,00,000	1,09,68,057	31,33,731	98,00,000
3. Vesting requirements	As specified by the Nomination and Remuneration Committee subject to minimum one year from the date of grant			
4. Exercise price or pricing formula (₹)	Exercise Price is the closing market price on the Stock Exchange which has higher Trading Volume, as on the day prior to the date on which the Nomination and Remuneration Committe ("N&RC") approves the grant.	Exercise price per Option is ₹92.83	Exercise price per Option is ₹185.66	Exercise Price is the closing market price on the Stock Exchange which has higher Trading Volume, as on the day prior to the date on which the ("N&RC") approves the grant.
5. Maximum term of options granted (years)	Options granted under ESOP-2016 would vest not earlier than One (1) year and not later than Five (5) years from the date of grant	Options granted under PSP-1-2016 and PSP-2-2016 would vest not earlier than One (1) year and not later than Ten (10) years from the date of grant.		Options granted under ESOP-2019 would vest not earlier than One (1) year and not later than Five (5) years from the date of grant.
6. Source of shares (Primary, Secondary or combination)	Primary			
7. Variation in terms of options	There have been no variations in the terms of the options			

II. Method used to account for ESOP

The Company has calculated the employee compensation cost using the Fair value method of accounting for the Options granted. The stock-based compensation cost was calculated as per the fair value method prescribed by SEBI.

III. Option Movement during the year

Details of ESOP	ESOP- 2016	PSP 1-2016	PSP 2-2016	ESOP- 2019
1. Number of options outstanding at the beginning of the year	18,93,854	55,38,176	30,79,392	82,64,317
2. Number of options granted during the year	-	-	-	15,25,000
3. Number of options forfeited/ lapsed during the year	1,78,256	-	-	11,21,867
4. Number of options vested during the year*	1,98,669	-	-	10,30,631
5. Number of options exercised during the year	7,23,022	11,28,143	7,52,095	1,00,500
6. Total number of shares arising as a result of exercise of options	7,23,022	11,28,143	7,52,095	1,00,500
7. Money realised by exercise of options (₹)	14,56,88,852	10,47,25,515	13,96,33,958	2,59,94,325
8. Number of options outstanding at the end of the year	9,92,576	44,10,033	23,27,297	85,66,950
9. Number of options exercisable at the end of the year	8,40,076	44,10,033	23,27,297	17,15,881

*Note: Vested during the year includes Vested Exercised and Vested Unexercised during the year.

IV. Weighted average exercise price of options granted during the year whose

Details of ESOP	ESOP- 2016	PSP 1-2016	PSP 2-2016	ESOP- 2019
i. Exercise price equals market price	Nil	Nil	Nil	₹330.95
ii. Exercise price is greater than market price	Nil	Nil	Nil	Nil
iii. Exercise price is less than market price	Nil	Nil	Nil	Nil

Weighted average fair value of options granted during the year whose

i. Exercise price equals market price	Nil	Nil	Nil	₹138.21
ii. Exercise price is greater than market price	Nil	Nil	Nil	Nil
iii. Exercise price is less than market price	Nil	Nil	Nil	Nil

Details of ESOP	ESOP-2016	PSP 1-2016	PSP 2-2016	ESOP-2019
-----------------	-----------	------------	------------	-----------

V. Employee-wise details of options granted during the F.Y. 2022-23 to

i. Senior Managerial Personnel	Nil	Nil	Nil	Mr. Pravin Saraf – 1,50,000 options Mr. Sanjeev Agrawal-30,000 options Mr. Kaleeswaran Arunachalam – 6,00,000 options
ii. Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Employee-wise details are available for inspection by the Members at the Registered Office of the Company during business hours on all working days except Saturdays and Sundays up to the date of the 9 th Annual General Meeting. The Member may also write to the Company Secretary & Compliance Officer for details.			
iii. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant		Nil		

Method and Assumptions used to estimate the fair value of options granted during the year:
The fair value has been calculated using the Black Scholes Option Pricing model
The Assumptions used in the model are as follows:

Particulars	ESOP-2016	PSP 1-2016	PSP 2-2016	ESOP-2019
1. Risk-Free Interest Rate	No grants during the year			7.21%
2. Expected Life				5.81
3. Expected Volatility				32.61%
4. Dividend Yield				0.76%
5. Price of the underlying share in market at the time of the option grant (₹)				₹330.95

Details of ESOP	ESOP 2016	PSP 1-2016	PSP-2-2016	ESOP -2019
-----------------	-----------	------------	------------	------------

Weighted Average share price of options exercised during the year: ₹378.99

Exercise price and weighted average remaining contractual life of outstanding options:

Scheme Name	Number of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Exercise Price (₹)
ESOP-2016	9,92,576	3.01	227.58
PSP-1-2016	44,10,033	2.26	92.83
PSP-2-2016	23,27,297	2.16	185.66
ESOP-2019	85,66,950	6.53	397.61
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind AS) 33; "Earning Per Share"		₹7.46	

For and on behalf of the Board of Directors

Place: Mumbai
Date: May 19, 2023

H. M. Nerurkar
Chairman
DIN: 00265887

REPORT ON CORPORATE GOVERNANCE

CROMPTON'S PHILOSOPHY ON CORPORATE GOVERNANCE

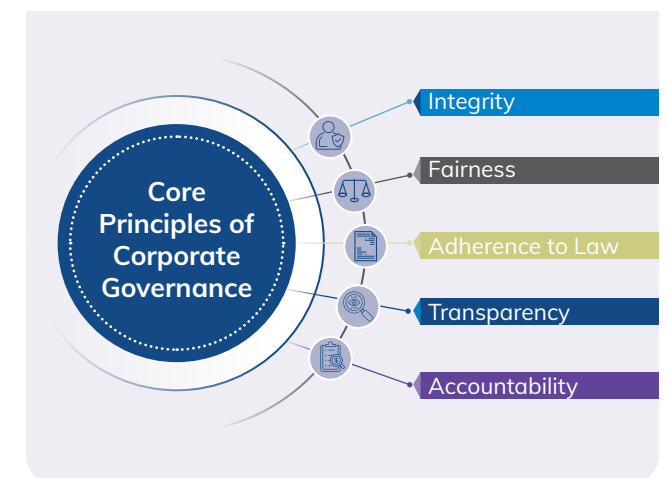
Your Company's commitment towards the adoption of best corporate governance practices goes beyond compliance with the law and endeavors to embrace responsibility for corporate actions and the impact of its initiatives on all its stakeholders. Your Company continuously strives for the betterment of its corporate governance mechanisms to improve efficiency, transparency, accountability and achieve business excellence in its day-to-day operations within which all stakeholders of the Company, viz., its Members, Directors, management, society and environment at large have aligned objectives. Company's Governance framework enshrines ethical and responsible conduct of business to create lasting stakeholder value and ensuring that the Company's businesses are being conducted in an accountable and fair manner.

Crompton is professionally managed Company, which is run by highly qualified and expert professionals. The Board is responsible and committed to sound principles of Corporate Governance & Sustainability. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of the members and other stakeholders, this belief is also reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. The Board strongly agrees that good governance is not merely an objective, but only the means to achieve the objective of operating as a global citizen. We keep our governance practices under continuous review and benchmark ourselves to the best practices. The Board and its Committees guide, support and complement the management team's ideas and initiatives, which in turn assumes accountability, strives to achieve the set objectives and enhance value creation for all. The responsibilities of your Board thus include implementing the principles of Corporate Governance in the Company, setting the Company's strategic aims, guiding the management with their leadership, and reporting to the members on their stewardship. Your Company has been recognized under the "NEXT LEADERS" category on the "IFC-BSE-IIAS Indian Corporate Governance Scorecard", a study conducted by the Institutional Investor Advisory Services.

Further, your Company has complied with the following discretionary requirements as listed out in Part E of Schedule II of the SEBI Listing Obligations and Disclosure Requirement Regulations, 2015 ("SEBI Listing Regulations") which are elaborated as under:

- The office of the Chairman is occupied by a Non-Executive Independent Director of the Company;

- As on March 31, 2023, the Company has a distinct Non-Executive Chairman and a Managing Director and CEO, who were not related to one another;
- The audit report of the Company's Financial Statements for the F.Y. ended March 31, 2023 is unmodified;
- The Internal Auditor of the Company directly reports to the Audit Committee of the Board; and
- The Company follows a robust process of communicating with the members which have been elaborated in this Report under the heading "Means of Communication".



Integrity

Your Company is committed to achieve highest standards of integrity, transparency, and business ethics. The Company follows high ethical standards in its dealings with all its stakeholders, including members, employees, customers, value chain partners, regulators, investors, and the community.

Transparency

For us, transparency is key to healthy, self-sustaining growth and promotes self-enforcing checks and balances. It also fosters deep and long-standing trust among our stakeholders. We strive to demonstrate the highest levels of transparency, over and above statutory requirements, through accurate and prompt disclosures.

Fairness

We practice fair play and integrity in our transactions with all stakeholders, both within and outside the organisation. We conduct ourselves in the most equitable manner.

REPORT ON CORPORATE GOVERNANCE & ANNEXURES

Accountability

For us, accountability is about holding ourselves firmly responsible for what we believe in and for delivering what we have promised. We ensure this by promoting a mindset of end to end ownership throughout the organisation. By means of openness and transparency, we consider ourselves accountable to the entire universe of stakeholders including our employees, members, vendors, government agencies, society, customers, business partners and supply chain participants.

Adherence to law

Full adherence to all regulatory and statutory requirements in letter and spirit is a key guiding principle. Your Company believes that effective compliance and risk management activities will drive the corporate performance.

A Report on compliance with the Corporate Governance provisions as prescribed under the SEBI Listing Regulations is given below:

BOARD OF DIRECTORS

The Board of Directors (“Board”) is responsible for the strategic supervision and overseeing the management performance and governance of the Company on behalf of the Members and other stakeholders. Crompton is a professionally managed Company functioning under the overall supervision of the Board. The Board has ultimate responsibility of reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation, and corporate performance, and overseeing major capital expenditures, acquisitions, mergers, general affairs, direction, performance and long-term success of the business as a whole.

We believe that an active, well-informed, diversified and independent Board is necessary to ensure the highest standards of corporate governance. At Crompton, the Board is at the core of our corporate governance practices. The Board oversees the management’s functions and protects the long-term interests of our stakeholders.

The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustained growth. The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behavior and ensures compliance with laws and regulations impacting the Company’s business.

The primary role of the Board is that of trusteeship to protect and to enhance shareholder value. As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value.

The Company’s Board is an ideal mix of knowledge, perspective, professionalism, divergent thinking and experience. Board’s uniqueness lies in the fact that the Board balances several deliverables, achieves sound corporate governance objectives and acts as a catalyst in creation of stakeholder value.

Availability of information to Board Members

The Board has unrestricted access to all Company related information, including that of our employees. At Board Meetings, functional heads who can provide additional insights on their areas are invited. Information is provided to the Board Members on a continuous basis for their review, inputs and approval. Strategic and operating plans along with the Annual Budgets are also presented to the Board in addition to the quarterly and annual financial statements. Specific cases of acquisitions, important managerial decisions, material positive/ negative developments and statutory matters are presented to the Committees of the Board and later, with the recommendation of the Committees, to the Board for its approval. As a process, information to Directors is submitted along with the agenda well in advance of Board/ Committee Meetings. Inputs and feedback of Board Members are taken and considered while preparing the agenda and documents for the Board Meetings. At these Meetings, Directors provide their inputs and suggestions on various strategic and operational matters. The Board also invites experts from the industry and seeks their valuable opinions on various strategic/ operational/ governance matters to ensure a comprehensive review on the subject and to arrive at suitable decisions.

Committees of Directors

The independent Board Committees engage through the year to deliver best-in-class governance practices and periodically review the policy framework to maintain its robustness. Having regard to the significant contributions that Committees make in assisting the Board of Directors in discharging its duties and responsibilities, the Board through its Committees closely monitor various areas of business.

The Committees of the Board function as an extended arm of the Board and play a pivotal role in ensuring good governance while also periodically monitoring the affairs of the Company.

The Committees of the Board are:

- (i) Audit Committee
- (ii) Nomination & Remuneration Committee ("N&RC")
- (iii) Stakeholders’ Relationship & Share Transfer Committee ("SRC")
- (iv) Corporate Social Responsibility Committee ("CSR")
- (v) Risk Management Committee ("RMC")

- (vi) Strategic Investment Committee ("SIC")
- (vii) Environmental, Social & Governance Committee ("ESG")
- (viii) Committee of Debentures
- (ix) Allotment Committee for allotment of shares arising out of Stock Options
- (x) Committee of Commercial Papers
- (xi) Executive Committee for achieving Minimum Public Shareholding ("MPS") in Company’s subsidiary M/s. Butterfly Gandhimathi Appliances Limited

The matters of the Board are segregated and delegated to the Committees as under:

- Audit Committee is responsible for, *inter alia*, review of internal controls and audit systems, oversight on risk management systems, financial reporting, compliance issues and vigil mechanism, appointment and remuneration of various auditors of the Company and their scope of work and approval of related party transactions etc. The Audit Committee additionally also meets to have detailed deliberations *inter-alia*, on matters relating to Governance, Risk Management, Statutory Compliances, Internal Controls, Internal Audit, and other matters. The Audit Committee also discusses the summary of cases (if any) and the status of compliance under Prevention of Sexual Harassment Policy, Company’s Prevention of Insider Trading Policy, the Code of Conduct and Whistle Blower Policy.
- N&RC is responsible for, *inter alia*, recommendation and approval of remuneration of the Directors, Key Managerial Personnel(s) and Senior Management Personnel. The Committee also acts as the Compensation Committee for the purpose of administration of the several Employee Stock Option Plans ("ESOPs"), as amended from time to time. N&RC is also entrusted with the responsibility of framing the criteria for evaluation of the individual Directors, Chairperson of the Board, the Board as a whole and its Committees. It also routinely evaluates the working and effectiveness of the Board and manages the succession planning for Board Members and Key Managerial Personnel.
- SRC is responsible for *inter alia* various aspects of interest of the stakeholders, monitoring the performance of the Registrar and Share Transfer Agent ("RTA") and recommends measures for overall improvement of the quality of investor services as and when the need arises, resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends and issue of duplicate share certificates, etc.

- CSR Committee recommends, reviews and monitors the impact of CSR initiatives taken by the Company. The role of CSR Committee includes formulating and recommending to the Board, the CSR Policy and CSR activities to be undertaken by the Company, recommending the amount of expenditure to be incurred and reviewing the performance of the Company in the areas of CSR and to strive for overall sustainable development in the conduct of Company’s business.
- RMC assists the Board in monitoring and reviewing the risk management plan and implementation of the risk management and mitigation framework of the Company. The main objective of the RMC is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of risks including risks related to cyber security.
- The SIC assists in evaluation and assessment of Strategic Investment opportunities feasible for the Company and to make recommendations to the Board on such strategic investment/ disinvestment opportunities.
- The ESG Committee is responsible to support the Company’s on-going commitment to environmental, health and safety, sustainability, and other public policy matters relevant to the Company (collectively “ESG Matters”). The Committee is also responsible for reporting progress of various initiatives and in making appropriate disclosures on a periodic basis.
- The Committee of Debentures is constituted for issue and allotment of Non-Convertible Debentures and for approval of matters connected thereto.
- The Board of the Company constituted the Allotment Committee for allotment of shares arising out of the exercise of stock options by Eligible Employees under various ESOP Schemes of the Company.
- The Committee of Commercial Paper is responsible for issue and allotment of Commercial Papers and for approval of matters connected thereto.
- The Executive Committee is constituted for the purpose of deciding and approving the way of achieving Minimum Public Shareholding ("MPS") in Company’s subsidiary M/s. Butterfly Gandhimathi Appliances Limited ("Butterfly").

COMPOSITION OF BOARD

Crompton’s Board comprises the requisite combination of Independent and Non-Independent Directors, including Independent Women Directors in line with the Regulation 17 and 17A of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ("the Act").

As on March 31, 2023, Mr. Shantanu Khosla was the Managing Director. Mr. Mathew Job was the Executive Director & Chief Executive Officer. Mr. Hemant Nerurkar, Mr. D. Sundaram, Mr. P. M. Murty, Ms. Smita Anand, Mr. P. R. Ramesh and Ms. Hiroo Mirchandani are Non-Executive Independent Directors in terms of Regulation 17 of the SEBI Listing Regulations and the Act. Mr. Promeet Ghosh was Non-Executive Non-Independent Director.

Mr. Shantanu Khosla has been elevated as the Executive Vice Chairman of the Board for a period of One (1) year w.e.f. May 1, 2023 to April 30, 2024, and thereafter he shall assume the position of Non-Executive Director till December 31, 2025.

Mr. Mathew Job has tendered his resignation from the position of Executive Director w.e.f. close of business hours of April 24, 2023 and has also resigned as the Company's CEO with his last day in office as CEO being the close of business hours of April 30, 2023 to pursue other career interests outside organisation. Mr. Job has confirmed that there was no other material reason other than those provided herein above. The Board has placed on record its appreciation for the leadership provided by Mr. Job during his tenure as Executive Director & CEO of the Company.

The Board of the Company on April 24, 2023 basis the recommendation of N&RC has appointed Mr. Promeet Ghosh as the Managing Director & CEO ("MD & CEO") for a period of Five (5) years. He has been appointed as an Executive Director on the Board w.e.f. April 24, 2023 and assumed charge as MD & CEO w.e.f. May 1, 2023 up till April 30, 2028 subject to the approval of the Members at the ensuing AGM.

We believe that a truly diverse Board will leverage differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge and skills, including expertise in financial, global business, leadership, information technology, Mergers & Acquisitions (M&A), board service and governance, sales and marketing, ESG, risk management and cybersecurity and other domains, to ensure that Company retains its competitive advantage.

The Board of Directors comprises of highly qualified and experienced persons of repute and eminence, who ensure that the time-honoured culture of maintaining sound standards of corporate governance are further nurtured. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustained growth. The Board seeks accountability of the management in creating long-term sustainable growth to ensure that the aspirations of stakeholders are fulfilled. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations impacting the Company's business.

The Composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the Company's business.

The profiles of Board Members encompassing details of age, date of initial appointment, tenure on Board, term ending date, shareholding, Board memberships in Indian listed companies, committee details as per Regulation 26 of the SEBI Listing Regulations and areas of expertise are given in the forth coming sections.

There are no *inter-se* relationships between our Board Members. The Company does not have any pecuniary relationship with any of the Non-Executive Directors.

As on March 31, 2023, the Board of your Company comprises of Nine (9) directors, out of which Seven (7) Directors were Non-Executive Directors (77.78% NED's representation on the Board). The Chairman of the Board is Non-Executive Independent Director. Out of Six (6) Independent Directors ("ID's"), which comprises more than half of the Board, Two (2) are women Directors (22.22% women representation on Board). The composition of the Board of your Company is in conformity with the SEBI Listing Regulations as well as provisions of the Act.

As on the date of this Report, the Board of your Company comprises of Eight (8) Directors, out of which Six (6) Directors were Non-Executive Independent Directors ("NED's & ID's") (75% NED's & ID's representation on the Board.) Out of Six (6) Independent Directors ("ID's") which comprises more than half of the Board, Two (2) are women ID's (25% women representation on the Board).

Your Company has formulated and adopted the Nomination and Remuneration Policy to ensure that the composition of the Board is optimum, balanced and diverse to benefit from fresh perspectives, new ideas and broad experience.

During the year under review, none of the IDs on the Board of the Company have resigned.

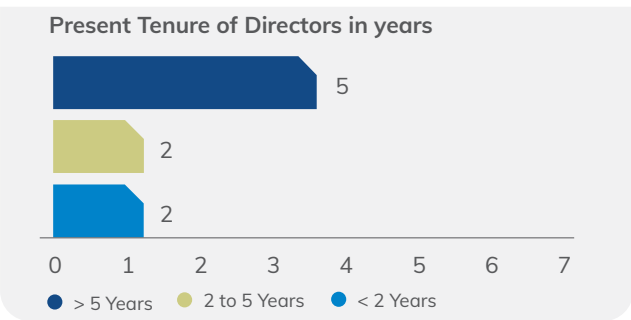
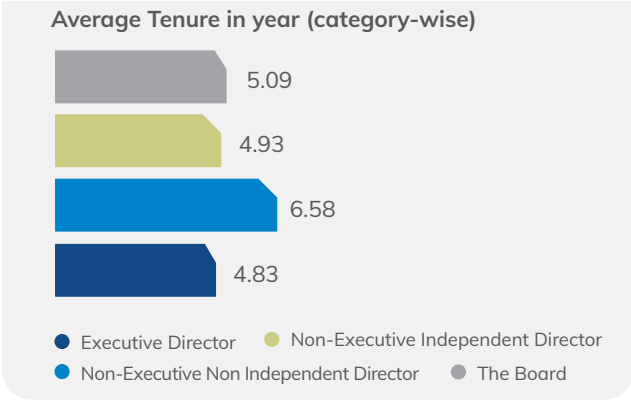
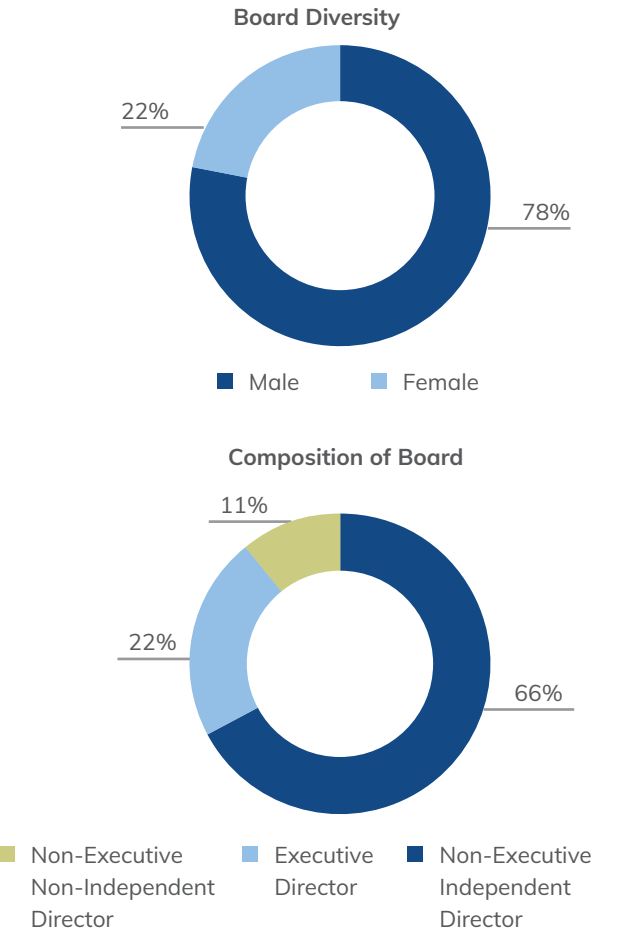
In terms of the provisions of the Act and the SEBI Listing Regulations, the Directors of the Company submit necessary disclosures regarding the positions held by them on the Board and/ or the Committees of other companies with changes therein, if any, on periodical basis. On the basis of such disclosures, it is confirmed that as on March 31, 2023, none of the Directors of the Company:

- holds Directorship positions in more than Twenty (20) companies [including Ten (10) public limited companies and Seven (7) listed companies;
- holds Executive Director position and serves as an Independent Director in more than Three (3) listed companies;

- is a Member of more than Ten (10) Committees and/ or Chairperson of more than Five (5) Committees, across all the Indian public limited companies in which they are Directors; and
- None of the Directors have attained the age of Seventy-Five (75) years.

For the purpose of calculating the limit of the Board Committees, Chairpersonships and Memberships, Audit Committee and SRC has been considered as per Regulation 26(1)(b) of the SEBI Listing Regulations.

Size and Composition of the Board as on March 31, 2023



Duties and Functions of the Board

The Board of Directors primary responsibility is to foster the Company's short and long-term success through sustainable continuance and progress of its business and thereby create value for its stakeholders. To this end, the Board of Directors sets out the corporate culture, lays down high ethical standards of corporate behaviour and ensures transparency in their dealings.

The Board has the responsibility to oversee the conduct of the Company's business and to supervise and support the Management, who is responsible for the day-to-day operations. It does this by providing strategic guidance, monitoring operational performance and ensuring that robust policies and procedures are in place. The Board through its various Committees also reviews the identified risks and the mitigation measures undertaken/ to be undertaken in respect thereof, ensures integrity in the Company's accounting and financial reporting systems, adequacy of internal controls and compliance with all relevant laws and discharges its functions towards CSR. In particular, the Board basis the recommendation of Audit Committee reviews and approves quarterly/ half-yearly unaudited financial results and the audited annual financial statements (both consolidated and standalone), corporate strategies, business plans, annual budgets, sets corporate objectives and monitors their implementation and oversees major capital expenditure. It monitors overall operating performance, Health & Safety ("H&S") performance and reviews such other items which requires Board's attention. It directs and guides the activities of the Management towards achieving set goals and seeks accountability. The agenda for the Board Meetings covers items as set out in the SEBI Listing Regulations to the extent that they are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions. The agenda is sent to the Directors within the period stipulated in the Secretarial Standards. The Board processes are also in consonance with the requirements of the Secretarial Standard-1 ("SS-1") relating to the meetings of the Board and its Committees. All the recommendations of the various Committees of the Board have been accepted by the Board and none of the Directors are influenced by the Management.

Post-meeting follow-up system

The important decisions taken at the meetings of the Board and its Committees are tracked till their closure and the status of Action Taken Report ("ATR") is placed before Board and Committee Meetings for their noting.

The Board of your Company met at least once in every quarter and the gap between Two (2) Board Meetings did not exceed the period of One Hundred and Twenty days (120) in line with requirements of the Act and the SEBI Listing Regulations. Durig the year, there were Nine (9) Board Meetings.

Managing Director & Chief Executive Officer

The MD & CEO is at the helm of operations and is responsible for the Company’s day-to-day operations, which *inter alia* includes implementation of strategy, monitoring of the external and internal competitive landscape, new industry developments, standards, identifying opportunities for expansion, acquisition, building relationships with customers, markets with an eye to enhance shareholder value, implementation of the organization’s vision, mission & overall direction, provides strategic directions, lays down policy guidelines and ensures the implementation of the decisions of the Board through its various Committees. The MD & CEO acts under the guidance of the Board of Directors and is a link between the Board & the Management.

Independent Directors ("IDs")

IDs play an eminent role in the governance processes of the Board, by virtue of their varied expertise and experience, they enrich the Board’s decision-making and prevent possible conflicts of interest that may emerge in such decision-making and safeguards the interests of all stakeholders.

The appointment of IDs is carried out in a structured manner in accordance with the provisions of the Act and the SEBI Listing Regulations. The N&RC identifies candidates based on certain laid down criteria and takes into consideration the

need for diversity on the Board and accordingly makes its recommendations to the Board of Directors.

The Board confirms that based on the written affirmations received from each IDs, all the IDs fulfils the conditions as stipulated in the Regulation 16(1)(b) of the SEBI Listing Regulations, as amended, read with Section 149(6) of the Act along with rules framed thereunder and are independent of the Management. Further, the IDs have also registered their names in the Databank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014, as amended. They have also given the online self-assessment proficiency test and cleared the same within the timelines as prescribed by the Ministry of Corporate Affairs (“MCA”), to whomever it was applicable. None of the IDs have any other material pecuniary relationship or transaction with the Company or Directors, or Senior Management which, in their judgement, would affect their independence. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Based on the disclosures received from all IDs and in the opinion of the Board, all the IDs fulfils the criteria relating to their independence as specified in the SEBI Listing Regulations and the Act.

Key Skills, Expertise, Competence of the Board of Directors

The Board comprises of professionals, distinguished, qualified and experienced members who bring in the requisite skills, expertise and competence that allows them to make a valuable contribution to the Board and its Committees. The Board Members take an active part at the Board and Committee Meetings and provide valuable guidance to the Management on various aspects of business, governance and compliance, amongst others. The Board’s guidance provides foresight, enhances transparency and adds value in decision-making.

Table below summaries the key skills, expertise and competence required for the Company and is taken into consideration while nominating candidates to serve on the Board.

Skills Identified		Coverage
	Industry Acumen	Industry experience through detailed knowledge of the Company or the sector in which it operates, as well as those who understand the broader industry environment.
	Financial	Ability to analyse and understand the key financial statements, assess financial viability of the projects & efficient use of resources, experience in the fields of taxation, audit, financial management, banking insurance and investments, treasury, fund raising, private equity, venture capital investments and internal controls. Leadership experience in handling financial management of a large organization.
	Gender, Nationality or other Diversity	Representation of gender, geographic, cultural or other perspectives that expand the Board’s understanding of the needs and viewpoints of customers, partners, employees, governments and other stakeholders.
	Leadership	Extended leadership experience resulting in a practical understanding of organisation, processes, strategic planning, and risk management.
	Talent Development	Experience in Leadership Development and ensuring an ongoing process exists which continuously enhances the knowledge and capability of key talent to enable these managers to effectively lead the organisation in achieving key strategic initiatives.
	Mentoring Ability	Demonstrated strengths in developing talent, succession planning, and driving change and long-term growth.
	Innovation & Technology	Understanding the use of digital/ information technology across the business, ability to anticipate technological driven changes & disruption impacting business and appreciation of the need of cyber security and controls across the organization and a significant background in technology, resulting in knowledge as to how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
	Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess “make or buy” decisions, analyse the fit of a target with the Company’s strategy and culture, accurately value transactions, and evaluate operational integration plans.
	Board Service and Governance	Service on a public listed company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
	Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand competitiveness, awareness and equity, and build a strong corporate reputation.
	Compliance and Risk	Experience and background in regulatory affairs and regulatory policies, procedures and risk management.
	Sustainability and ESG	Experience in leading the sustainability and ESG visions of organizations, to be able to integrate these into the strategy of the Company.
	General Management	Experience in leading well-governed large organisations, possessing intrinsic leadership skills including the ability to appropriately represent the Company, set appropriate Board and organisation culture.
	Strategy & Operations	Ability to think strategically, identify and assess strategic opportunities & threats and contribute towards developing effective strategies in the context of the strategic objectives of the Company’s policies & priorities and Demonstrated strengths in developing talent, succession planning, driving change and long term growth.
	Cybersecurity	Experience in assessing and managing cybersecurity-related risks and in implementing the cybersecurity policies, procedures, and strategies.

DIRECTORS' PROFILE

Brief details of Directors as on March 31, 2023 are mentioned as under

 Mr. H. M. Nerurkar (DIN:00265887)	<table><tr><td>Designation:</td><td>Non-Executive Independent Director</td></tr><tr><td>Age:</td><td>74 years</td></tr><tr><td>Date of Initial Appointment:</td><td>January 25, 2016</td></tr><tr><td>Term ending date:</td><td>October 20, 2023</td></tr><tr><td>Shareholding:</td><td>2,041</td></tr><tr><td>Tenure on Board:</td><td>7.3 years</td></tr><tr><td>Areas of expertise:</td><td>Industry Acumen, Mentoring Ability, Leadership, Compliance and Risk, Mergers and Acquisitions, General Management, Financial, Sales, Marketing and Board Service and Governance</td></tr></table>	Designation:	Non-Executive Independent Director	Age:	74 years	Date of Initial Appointment:	January 25, 2016	Term ending date:	October 20, 2023	Shareholding:	2,041	Tenure on Board:	7.3 years	Areas of expertise:	Industry Acumen, Mentoring Ability, Leadership, Compliance and Risk, Mergers and Acquisitions, General Management, Financial, Sales, Marketing and Board Service and Governance
Designation:	Non-Executive Independent Director														
Age:	74 years														
Date of Initial Appointment:	January 25, 2016														
Term ending date:	October 20, 2023														
Shareholding:	2,041														
Tenure on Board:	7.3 years														
Areas of expertise:	Industry Acumen, Mentoring Ability, Leadership, Compliance and Risk, Mergers and Acquisitions, General Management, Financial, Sales, Marketing and Board Service and Governance														
 Mr. D. Sundaram (DIN:00016304)	<table><tr><td>Designation:</td><td>Non-Executive Independent Director</td></tr><tr><td>Age:</td><td>70 years</td></tr><tr><td>Date of Initial Appointment:</td><td>August 26, 2015</td></tr><tr><td>Term ending date:</td><td>September 17, 2025</td></tr><tr><td>Shareholding:</td><td>NIL</td></tr><tr><td>Tenure on Board:</td><td>7.7 years</td></tr><tr><td>Areas of expertise:</td><td>Industry Acumen, Mentoring Ability, Leadership, Strategy & Operations, Mergers and Acquisitions, General Management, Financial, Compliance & Risk , Board Service and Governance Cyber Security and Innovation & Technology</td></tr></table>	Designation:	Non-Executive Independent Director	Age:	70 years	Date of Initial Appointment:	August 26, 2015	Term ending date:	September 17, 2025	Shareholding:	NIL	Tenure on Board:	7.7 years	Areas of expertise:	Industry Acumen, Mentoring Ability, Leadership, Strategy & Operations, Mergers and Acquisitions, General Management, Financial, Compliance & Risk , Board Service and Governance Cyber Security and Innovation & Technology
Designation:	Non-Executive Independent Director														
Age:	70 years														
Date of Initial Appointment:	August 26, 2015														
Term ending date:	September 17, 2025														
Shareholding:	NIL														
Tenure on Board:	7.7 years														
Areas of expertise:	Industry Acumen, Mentoring Ability, Leadership, Strategy & Operations, Mergers and Acquisitions, General Management, Financial, Compliance & Risk , Board Service and Governance Cyber Security and Innovation & Technology														
 Mr. Shantanu Khosla (DIN:00059877)	<table><tr><td>Designation:</td><td>Executive Vice Chairman*</td></tr><tr><td>Age:</td><td>63 years</td></tr><tr><td>Date of Initial Appointment:</td><td>September 21, 2015</td></tr><tr><td>Term ending date:</td><td>December 31, 2025</td></tr><tr><td>Shareholding:</td><td>16,99,593</td></tr><tr><td>Tenure on Board:</td><td>7.6 years</td></tr><tr><td>Areas of expertise:</td><td>Industry Acumen, Mentoring Ability, Leadership, Strategy & Operations, Mergers & Acquisitions, General Management, Financial, Compliance & Risk , Board Service & Governance, Cybersecurity, Talent Development, Innovation & Technology and Sales & Marketing</td></tr></table>	Designation:	Executive Vice Chairman*	Age:	63 years	Date of Initial Appointment:	September 21, 2015	Term ending date:	December 31, 2025	Shareholding:	16,99,593	Tenure on Board:	7.6 years	Areas of expertise:	Industry Acumen, Mentoring Ability, Leadership, Strategy & Operations, Mergers & Acquisitions, General Management, Financial, Compliance & Risk , Board Service & Governance, Cybersecurity, Talent Development, Innovation & Technology and Sales & Marketing
Designation:	Executive Vice Chairman*														
Age:	63 years														
Date of Initial Appointment:	September 21, 2015														
Term ending date:	December 31, 2025														
Shareholding:	16,99,593														
Tenure on Board:	7.6 years														
Areas of expertise:	Industry Acumen, Mentoring Ability, Leadership, Strategy & Operations, Mergers & Acquisitions, General Management, Financial, Compliance & Risk , Board Service & Governance, Cybersecurity, Talent Development, Innovation & Technology and Sales & Marketing														

* Managing Director till April 30, 2023 and elevated as Executive Vice Chairman w.e.f. May 1, 2023 to April 30, 2024 and then will assume position of Non-Executive Director till December 31, 2025

 Mr. Mathew Job (DIN:02922413)	<table><tr><td>Designation:</td><td>Executive Director & Chief Executive Officer#</td></tr><tr><td>Age:</td><td>53 years</td></tr><tr><td>Date of Initial Appointment:</td><td>January 22, 2021</td></tr><tr><td>Term ending date:</td><td>NA</td></tr><tr><td>Shareholding:</td><td>793</td></tr><tr><td>Tenure on Board:</td><td>2.3 years*</td></tr><tr><td>Areas of expertise:</td><td>Industry Acumen, Leadership, Mentoring Ability, Innovation & Technology, Strategy & Operations, Board Service & Governance, Sales & Marketing, General Management, Strategy & Operations, Financial, Talent Development, Mergers & Acquisitions, Compliance & Risk and Sustainability and ESG</td></tr></table>	Designation:	Executive Director & Chief Executive Officer#	Age:	53 years	Date of Initial Appointment:	January 22, 2021	Term ending date:	NA	Shareholding:	793	Tenure on Board:	2.3 years*	Areas of expertise:	Industry Acumen, Leadership, Mentoring Ability, Innovation & Technology, Strategy & Operations, Board Service & Governance, Sales & Marketing, General Management, Strategy & Operations, Financial, Talent Development, Mergers & Acquisitions, Compliance & Risk and Sustainability and ESG
Designation:	Executive Director & Chief Executive Officer#														
Age:	53 years														
Date of Initial Appointment:	January 22, 2021														
Term ending date:	NA														
Shareholding:	793														
Tenure on Board:	2.3 years*														
Areas of expertise:	Industry Acumen, Leadership, Mentoring Ability, Innovation & Technology, Strategy & Operations, Board Service & Governance, Sales & Marketing, General Management, Strategy & Operations, Financial, Talent Development, Mergers & Acquisitions, Compliance & Risk and Sustainability and ESG														
 Mr. P. M. Murty (DIN:00011179)	<table><tr><td>Designation:</td><td>Non-Executive Independent Director</td></tr><tr><td>Age:</td><td>72 years</td></tr><tr><td>Date of Initial Appointment:</td><td>August 26, 2015</td></tr><tr><td>Term ending date:</td><td>July 25, 2025</td></tr><tr><td>Shareholding:</td><td>13</td></tr><tr><td>Tenure on Board:</td><td>7.7 years</td></tr><tr><td>Areas of expertise:</td><td>Financial, Leadership, Mentoring Ability, Mergers and Acquisitions, Board Service and Governance, Industry Acumen, Compliance & Risk and General Management</td></tr></table>	Designation:	Non-Executive Independent Director	Age:	72 years	Date of Initial Appointment:	August 26, 2015	Term ending date:	July 25, 2025	Shareholding:	13	Tenure on Board:	7.7 years	Areas of expertise:	Financial, Leadership, Mentoring Ability, Mergers and Acquisitions, Board Service and Governance, Industry Acumen, Compliance & Risk and General Management
Designation:	Non-Executive Independent Director														
Age:	72 years														
Date of Initial Appointment:	August 26, 2015														
Term ending date:	July 25, 2025														
Shareholding:	13														
Tenure on Board:	7.7 years														
Areas of expertise:	Financial, Leadership, Mentoring Ability, Mergers and Acquisitions, Board Service and Governance, Industry Acumen, Compliance & Risk and General Management														
 Mr. P. R. Ramesh (DIN:01915274)	<table><tr><td>Designation:</td><td>Non-Executive Independent Director</td></tr><tr><td>Age:</td><td>68 years</td></tr><tr><td>Date of Initial Appointment:</td><td>May 21, 2021</td></tr><tr><td>Term ending date:</td><td>May 21, 2026</td></tr><tr><td>Shareholding:</td><td>NIL</td></tr><tr><td>Tenure on Board:</td><td>1.9 years</td></tr><tr><td>Areas of expertise:</td><td>Financial, Mergers and Acquisitions, Mentoring Ability, Cybersecurity, Compliance & Risk, Board Service and Governance, Industry Acumen and General Management</td></tr></table>	Designation:	Non-Executive Independent Director	Age:	68 years	Date of Initial Appointment:	May 21, 2021	Term ending date:	May 21, 2026	Shareholding:	NIL	Tenure on Board:	1.9 years	Areas of expertise:	Financial, Mergers and Acquisitions, Mentoring Ability, Cybersecurity, Compliance & Risk, Board Service and Governance, Industry Acumen and General Management
Designation:	Non-Executive Independent Director														
Age:	68 years														
Date of Initial Appointment:	May 21, 2021														
Term ending date:	May 21, 2026														
Shareholding:	NIL														
Tenure on Board:	1.9 years														
Areas of expertise:	Financial, Mergers and Acquisitions, Mentoring Ability, Cybersecurity, Compliance & Risk, Board Service and Governance, Industry Acumen and General Management														

Executive Director till April 24, 2023 and Chief Executive Officer till April 30, 2023

* Tenure on Board is considered as an Director



Mr. Promeet Ghosh
(DIN:05307658)

Designation:	MD & CEO [§]
Age:	54 years
Date of Initial Appointment:	August 16, 2016
Term ending date:	NA
Shareholding:	NIL
Tenure on Board:	6.8 years
Areas of expertise:	Industry Acumen, Financial, Leadership, Talent Development, Innovation & Technology, Sales & Marketing, General Management Mentoring Ability, Compliance and Risk, Strategy & Operations, Sustainability and ESG, Mergers and Acquisitions, Talent Development and Board Service and Governance



Ms. Hiroo Mirchandani
(DIN:06992518)

Designation:	Non-Executive Independent Director
Age:	61 years
Date of Initial Appointment:	January 28, 2022
Term ending date:	January 27, 2027
Shareholding:	NIL
Tenure on Board:	1.3 years
Areas of expertise:	Sales and Marketing, General Management, Strategy & Operations, Financial, Industry Acumen, Leadership, Gender, Nationality or other Diversity, Board Service and Governance, Talent Development, Mentoring Ability, Sustainability and ESG and Compliance & Risk



Ms. Smita Anand
(DIN:00059228)

Designation:	Non-Executive Independent Director
Age:	63 years
Date of Initial Appointment:	December 10, 2018
Term ending date:	December 10, 2023 [®]
Shareholding:	NIL
Tenure on Board:	4.4 years
Areas of expertise:	Gender, Nationality or other Diversity, General Management, Mentoring Ability, Talent Development, Leadership, Board Service and Governance and Compliance & Risk



Notes:

Nationality of all Directors is Indian.

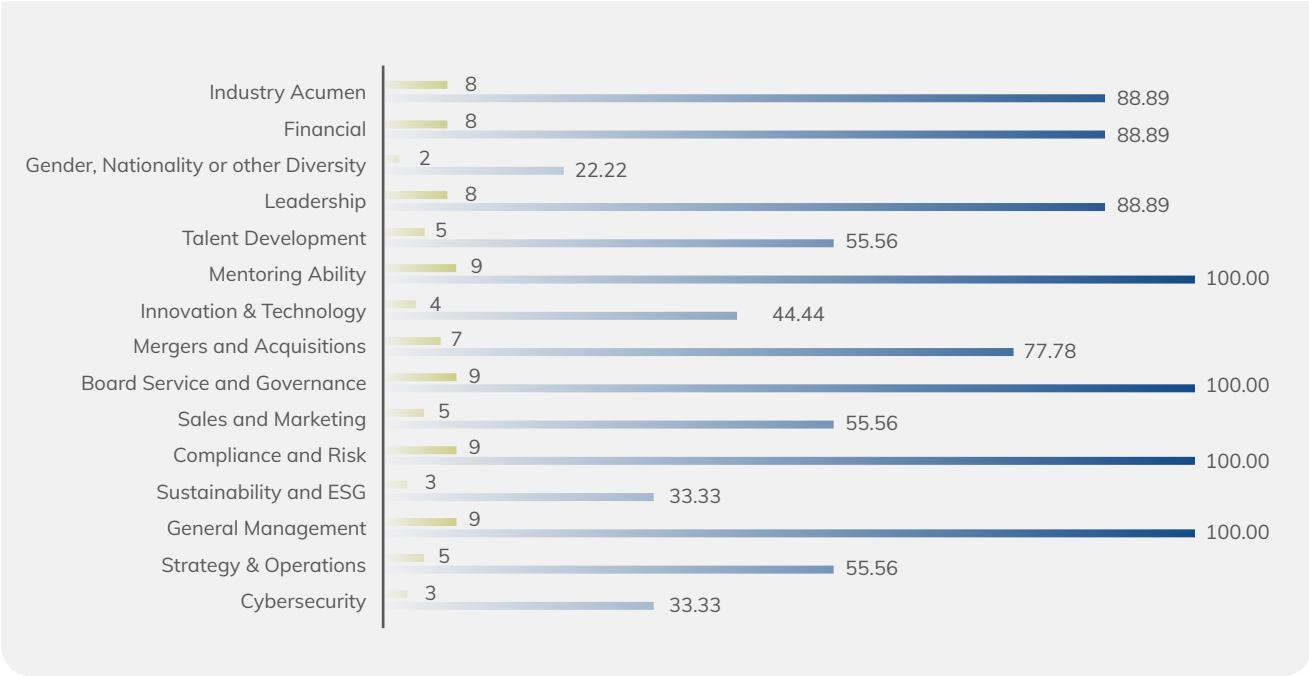
The detailed profile of Directors is available on the Company's website and can be accessed at: <https://www.crompton.co.in/about-us/>

The absence of a mark against a Board Member's name does not necessarily indicate that the Director does not possess the corresponding skill, expertise or competence.

[§] Non-Executive Non-Independent Director till April 23, 2023. Appointed as Executive Director w.e.f. April 24, 2023 and as MD & CEO w.e.f. May 1, 2023 till April 30, 2028 subject to the approval of the Members at the ensuing AGM

[®]The reappointment of Ms. Smita Anand as Independent Director for a second term of 5 years forms part of the ensuing AGM Notice

Gist of skills, expertise and competence of Directors as on March 31, 2023



Composition of the Board of Directors as on March 31, 2023

Name	Category	*No of Directorship(s) held in other Public Companies	*Directorship held in listed Companies (Including Crompton)	**Committee(s) position (Including Crompton)	
				Member	Chairperson
Mr. H. M. Nerurkar	Chairman, Non-Executive Independent Director	7	1. Crompton Greaves Consumer Electricals Limited ^{##} 2. DFM Foods Limited [#] 3. Raghav Productivity Enhancers Limited [#] 4. Igarashi Motors India Limited [@] 5. Adani Enterprise Limited [#] 6. NCC Limited [#]	9	3
Mr. Shantanu Khosla	Executive Vice Chairman ^{&&}	1	1. Crompton Greaves Consumer Electricals Limited [^] 2. Butterfly Gandhimathi Appliances Limited [@]	2	0
Mr. Mathew Job (DIN:02922413)	Executive Director & Chief Executive Officer ^{^^}	1	1. Crompton Greaves Consumer Electricals Limited [^] 2. Butterfly Gandhimathi Appliances Limited [@]	1	1
Mr. D. Sundaram (DIN:00016304)	Non-Executive Independent Director	2	1. Crompton Greaves Consumer Electricals Limited [#] 2. Infosys Limited [#] 3. Glaxosmithkline Pharmaceuticals Limited [#]	5	2
Mr. P. M. Murty (DIN:00011179)	Non Executive Independent Director	2	1. Crompton Greaves Consumer Electricals Limited [#] 2. Butterfly Gandhimathi Appliances Limited ^{##}	3	0

Name	Category	*No of Directorship(s) held in other Public Companies	*Directorship held in listed Companies (Including Crompton)	**Committee(s) position (Including Crompton)	
				Member	Chairperson
Ms. Smita Anand (DIN:00059228)	Non Executive Independent Director	1	1. Crompton Greaves Consumer Electricals Limited# 2. Butterfly Gandhimathi Appliances Limited#	2	0
Mr. P. R. Ramesh (DIN:01915274)	Non Executive Independent Director	8	1. Crompton Greaves Consumer Electricals Limited# 2. Nestle India Limited# 3. Cipla Limited# 4. Housing Development Finance Corporation Limited# 5. Tejas Networks Limited#	6	3
Ms. Hiroo Mirchandani (DIN:06992518)	Non Executive Independent Director	4	1. Crompton Greaves Consumer Electricals Limited# 2. Nilkamal Limited# 3. Tata Teleservices (Maharashtra) Limited# 4. MedPlus Health Services Limited#	4	1
Mr. Promeet Ghosh (DIN:05307658)	MD & CEO \$\$	Nil	1. Crompton Greaves Consumer Electricals Limited	0	0

*excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

** Committees considered are Audit Committee and Stakeholder’s Relationship Committee.

Category of Directorship held

@Non-Executive & Non-Independent

#Non Executive Independent Director

^Executive

% Chairman

^^ Executive Director till April 24, 2023 and CEO till April 30, 2023

\$\$ Managing Director till April 30, 2023 and elevated as Executive Vice Chairman w.e.f. May 1, 2023 to April 30, 2024 and then will assume position of Non-Executive Director till December 31, 2025

\$\$ Non-Executive Non-Independent Director till April 23, 2023. Appointed as Executive Director w.e.f. April 24, 2023 and as MD & CEO w.e.f. May 1, 2023 till April 30, 2028 subject to approval of Members at the ensuing AGM

Board Meetings

The dates for the Board Meetings for the next year are fixed well in advance. The Company conducts thematic Board Meetings to deep dive in the areas like Compliance, Enterprise Risk Management, Supply Chain, Manufacturing Excellence, Innovation, Digitization, Succession Planning etc.

A detailed Agenda, setting out the business to be transacted at the Meeting(s), supported by detailed notes and presentations, if any, is sent to the Directors in advance before the date of the Board Meeting(s) and the Committee Meeting(s) through a web-based solution. A soft copy of the said agenda(s) is uploaded on the Board portal at least Seven (7) days before the Meeting. The Directors are also provided the facility of video-conferencing to enable them to participate effectively in the Meeting(s). The Chairman or the Company Secretary propose the Agenda for each Meeting, along with the explanatory notes, in consultation with the MD & CEO.

Input and feedback from the Board Members are taken and considered while preparing the agenda and documents for the Board and Committee Meetings.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the MD & CEO apprise the Board at every Meeting of the overall performance of your Company, followed by presentation(s) by the others. A detailed functional report is also presented at the Board Meeting(s).

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, the performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company’s governance practices for enhancing the stakeholders’ value.

The Company has established a framework for the Meetings of the Board and its Committees which seeks to systematize the decision-making process at the Meetings in an informed and efficient manner.

Apart from the Board Members and the Company Secretary, the Board and Committee Meetings are also attended by Chief Financial Officer and other departmental/ functional heads wherever required.

The Meetings are generally held at the Company’s Registered & Corporate Office located at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070.

The Board has complete access to all Company-related information, including that of employees. Information is provided to the Board Members on a continuous basis for their review, inputs and approval.



There were Nine (9) Board Meetings held during F.Y. 2022-23.

The Composition of Board as on March 31, 2023 and details of the Members participation at the Board Meeting are as under:



The details of the Board Meetings and participation at the Meetings are as under:

Attendance of Directors at Board meetings and Annual General Meeting

Board of Directors	Meeting Date									
	May 27, 2022	June 13, 2022	July 22, 2022	August 25, 222	September 14, 2022	October 26, 2022	November 28, 2022	February 2, 2023	March 25, 2023	Last AGM July, 22, 2022
Mr. H. M. Nerurkar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Shantanu Khosla*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Mathew Job#	✓	✓	✓	✓	✓	LOA	✓	✓	✓	✓
Mr. D. Sundaram	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. P. M. Murty	✓	✓	✓	✓	✓	✓	✓	✓	LOA	✓
Ms. Smita Anand	LOA	✓	✓	LOA	LOA	✓	✓	✓	LOA	✓
Mr. P. R. Ramesh	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Hiroo Mirchandani	✓	✓	✓	✓	✓	✓	✓	✓	LOA	✓
Mr. Promeet Ghosh\$	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

* Managing Director till April 30, 2023 and elevated as Executive Vice Chairman w.e.f. May 1, 2023 to April 30, 2024 and then will assume position of Non-Executive Director till December 31, 2025

Executive Director till April 24, 2023 and Chief Executive Officer till April 30, 2023

\$Non-Executive Non-Independent Director till April 23, 2023 and appointed as Executive Director w.e.f. April 24, 2023 and as MD & CEO w.e.f May 1, 2023 till April 30, 2028 subject to the approval of the Members at the ensuing AGM.

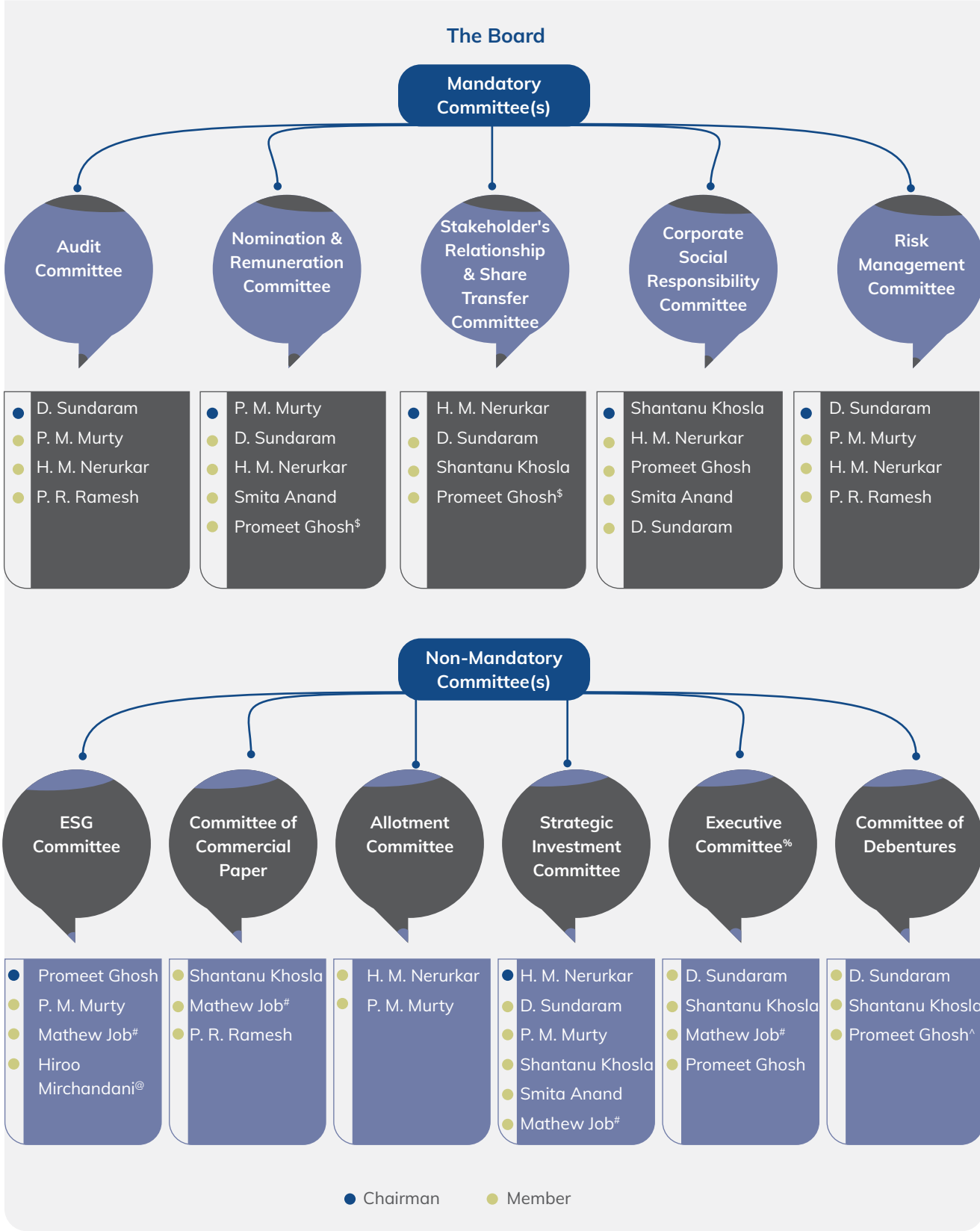
COMMITTEES OF THE BOARD

The Board Committees plays a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/ activities as mandated by applicable regulations/ laws. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. Each Committee demonstrates the highest levels of governance standards and has the requisite expertise to handle issues relevant to their fields. These Committees spend considerable time and provide focused attention to various issues placed before them and the guidance provided by these Committees lend immense value and support in enhancing the qualitiveness of the decisions making process of the Board. In order to strengthen governance, the Board has adopted terms of reference for majority of Committees of the Company. The Board reviews the functioning of these Committees from time to time.

The Meetings of each of these Committees are convened by the respective Chairpersons. The minutes of the Committee Meetings are sent to all Members of respective Committees individually for their comments and approval as prescribed in SS – 1 and after the minutes are duly approved, the same is being placed before the Board for its review in immediate next meeting.



The constitution, terms of reference and the functioning of the existing Committees of the Board is elaborated hereunder



^{\$} ceased to be a member in N&RC w.e.f May 1, 2023 and appointed as a member of SRC w.e.f May 1, 2023

[#] ceased to be a member w.e.f April 24, 2023

[@] appointed as a member of ESG w.e.f May 1, 2023

[%] constituted w.e.f. September 14, 2022

[^] appointed w.e.f. June 13, 2022

AUDIT COMMITTEE

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. More than two-third (2/3rd) of the Members of the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter, which is in line with the regulatory requirements mandated by the Act and the SEBI Listing Regulations. All the members of the Audit Committee are financially literate and possess sound knowledge in finance and accounting practices. As on March 31, 2023, the total strength of the Audit Committee is Four (4) members, all of whom are Independent Directors.

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Board has appointed M/s. Grant Thornton Bharat LLP as Internal Auditors to conduct the internal audit of the various areas of operations and records of the Company.

The periodical reports of the said internal auditors are regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

The Audit Committee also receives the report on compliance under the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further, Compliance Reports under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Whistle Blower Policy are also placed before the Audit Committee periodically.

Meetings of the Audit Committee are also attended by the other Directors, Chief Financial Officer, Vice President - Finance, Head Audit - Risk & Control. The representatives of the Statutory Auditors have attended all the meetings held during the year at which Financial Statements have been placed for review and approval. The representatives of Internal Auditor and Cost Auditor are invited to attend the meetings at which their respective reports are presented for discussion. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee also meets the Internal Auditors and Statutory Auditors without the presence of the management.

Terms of reference of Audit Committee are

A. General

- i. Develop, with the appropriate assistance from the statutory auditors, the internal auditors and management, an annual audit plan, internal audit plan and other plans/ matters to be reviewed as part of the responsibilities of the Committee.
- ii. Perform such other role as mandated to the Committee by the Board of Directors and under the applicable rules/ regulations/ laws.

B. Financial Reporting and Financial Reporting Processes

- i. Oversight of the Company's financial reporting process and the disclosure of financial statements/ results and information submitted to the stock exchanges, regulatory authorities or the Members to ensure that the financial statement reflect a true and fair view correct and the same time sufficient and credible.
- ii. Review with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of sub-Section 3 of Section 134 of the Act.
 - b) Changes, if any, in the accounting policies and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of the judgment by the management.
 - d) Significant adjustments, if any, made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements concerning financial statement.
 - f) Disclosure of any related party transactions.
 - g) Qualification/ modified opinion, if any, in draft audit report.
- iii. Review accounting adjustments, if any, that are noted or proposed by the statutory auditors but were 'passed' (as immaterial or otherwise).
- iv. Scrutiny of inter-corporate loans and investments.
- v. Valuation of undertakings or assets of the Company, wherever it is necessary.

- vi. Monitoring the end use of funds raised through public offers/ private placements/ debt issues and related matters.
- vii. Review with the management the quarterly financial statements before submission to the Board for approval.
- viii. Review of the Management Discussion & Analysis of financial condition and result of operations.
- ix. Consider and discuss with the statutory auditors its judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting with reference to Generally Accepted Accounting Principles in India.
- x. Review details of significant transactions/ investments by the subsidiaries.

C. Risk Management, Internal Control and Governance Processes

- i. Review and discuss with Management the adequacy of the Company's system of business risk assessment including the risk of fraud. Discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- ii. Review and discuss with the statutory auditors, the internal auditors and management the adequacy and effectiveness of the Company's system of internal controls.
- iii. Review any material defalcations or acts of fraud / misconduct as reported by the Risk Management Committee.

D. Statutory Audit

- i. Recommend to the Board the appointment, re-appointment, terms of reference and, if required the replacement or removal of the Statutory Auditors, Cost Auditors and Secretarial Auditors considering their independence and effectiveness and also recommend the audit fees.
- ii. Give approval of all auditing and permissible non-auditing services (services other than those services which cannot be rendered by the Statutory Auditors as per Section 144 of the Act) to be rendered by the Statutory Auditors and determining the remuneration for all such services.
- iii. Annual review and discuss with the Statutory Auditors all significant relationships that they have with the Company or any of its related parties to determine the auditors' independence.

- iv. Review the performance of the Statutory Auditors.
- v. Review and discuss the nature and scope of the Statutory Auditors' before audit commence, annual audit as well as post-audit discussion with the Auditors to ascertain any area of concern.
- vi. Mandatory review of Management Letters/ letters of internal control weaknesses and any significant findings and recommendations issued by the Statutory Auditors together with Management's response thereto.
- vii. Following completion of the annual audit, review and discuss with the Statutory Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- viii. Meet separately with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed separately.
- ix. Review the annual Cost Audit report submitted by the Cost Auditors.

E. Internal Audit

- i. Review the Internal Audit scope and recommend changes, if any.
- ii. To approve appointment, removal and terms of remuneration of Chief Internal Auditor.
- iii. Review with the Management the performance of the internal auditors and adequacy of the internal controls.
- iv. Consider and approve, in consultation with the Statutory Auditors and the Head of Internal Audit, the annual scope and plan of the Company's Internal Audit and any significant changes thereto.
- v. Review the adequacy of the Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- vi. Review with the Internal Auditor and the Statutory Auditors the co-ordination of audit efforts to assure adequacy of coverage, reduction of redundant efforts and the effective use of audit resources.
- vii. Review internal audit reports relating to internal control weaknesses.

- viii. Review any significant findings and recommendations of Internal Audit, together with Management’s responses thereto.

ix. Review the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of an internal control system of a material nature and reporting the matters to the Board. Review with the Internal Auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

x. Meet separately with the Chief Internal Auditor to discuss any matters that the Committee or the Chief Internal Auditor believes should be discussed separately.

F. Other Responsibilities

i. (a) Approval of related party transactions (RPTs) or subsequent modifications thereto. Such approval can be in the form of omnibus approval of RPTs subject to conditions specified in Regulation 23 of SEBI Listing Regulations.

(b) Review of Related Party Transactions on a quarterly basis.

ii. Review of internal control systems, policies and procedures under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

iii. Review of key new developments in Tax, Incentive and Legal matters.

iv. Perform other activities as required by law or determined by the Board.

v. Approval of appointment of Chief Financial Officer ("CFO") after assessing his qualification, experience & background etc.

vi. Reviewing, with the management, the statement of uses/ application of funds raised through an issue

(public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter.

vii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

viii. Institute and oversee special investigations as needed.

ix. Periodically report to the Board or Committee of the Board *inter alia* all significant matters that have come to the knowledge of the Committee, covering internal controls, financial statements, policies and statutory/ regulatory compliances.

x. Consider and comment on rational, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., in the listed entity and its shareholders.

xi. Confirm annually that all responsibilities outlined in this Charter have been carried out by the Committee.

xii. Self-evaluation of the Committee’s performance once every year.

G. Vigil Mechanism

To oversee and review the Vigil Mechanism/ Whistle Blower function established by the Company to report the genuine concerns against the suspected or confirmed fraudulent activities, allegations of corruption, violation of the Company’s Code of Conduct.

The Company will provide adequate safeguards against victimization of persons who use this mechanism. Such persons shall have direct access to the Chairman of the Audit Committee when appropriate.
- | Activities of the Committee during the year | Frequency |
|--|----------------------|
| Overseeing the Company’s financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible | Quarterly |
| Reviewing and examining with management, the quarterly and annual financial results and the auditors’ report thereon before submission to the Board for approval | Quarterly |
| Reviewing management discussion and analysis of financial condition and results of operations | Annually |
| Recommending the remuneration of Statutory Auditors of the Company and approval for payment of any other services | Annually |
| Reviewing and monitoring the Statutory Auditor’s independence and performance and effectiveness of audit process | Annually |
| Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company | Quarterly |
| Reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues | Quarterly |
| Reviewing management letters/ letters of internal control weaknesses issued by the Statutory Auditors | Quarterly |
| Evaluating internal financial controls and risk management systems | Quarterly |
| Verifying that the systems for internal controls in relation to SEBI (Prohibition of Insider Trading) Regulations, 2015 are adequate and are operating effectively | Quarterly & Annually |
| Reviewing the functioning of the Code of Business Principles and Vigil Mechanism | Annually |
| Recommending the appointment and the remuneration to be paid to the Cost Auditor | Annually |
| Undertake an annual performance evaluation of its own effectiveness | Annually |
| The annual assessment of statutory and internal auditors conducted by the Management | Annually |
- There were Six (6) Audit Committee Meetings held during F.Y. 2022-23.

The Composition of Audit Committee as on March 31, 2023 and details of the Members participation at the Meeting are as under:
- 100%
Independence

4
Members

6
Meetings

95.83%
Attendance
- | Name | Designation | Meeting Date | | | | | | | | |
|--------------------|-------------|--------------|-------------------------|------------|-------------------------|------------|------------|------------|-------------------------|------------|
| | | 26-05-2022 | 27-05-2022 ¹ | 21-07-2022 | 22-07-2022 ² | 25-08-2022 | 26-10-2022 | 01-02-2023 | 02-02-2023 ³ | 25-03-2023 |
| Mr. D. Sundaram | Chairman | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. P. M. Murty | Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | LOA |
| Mr. H. M. Nerurkar | Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mr. P. R. Ramesh | Member | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
- ¹Audit Committee Meeting held on May 26, 2022 was adjourned to May 27, 2022

²Audit Committee Meeting held on July 21, 2022 was adjourned to July 22, 2022

³Audit Committee Meeting held on February 1, 2023 was adjourned to February 2, 2023

NOMINATION AND REMUNERATION COMMITTEE ("N&RC")

The N&RC of the Board is constituted in compliance with the requirements of Section 178 of the Act and Regulation 18 of the SEBI Listing Regulations. The N&RC is governed by a Charter in line with the Act and the SEBI Listing Regulations. As on March 31, 2023, the total strength of the N&RC was Five (5) members, all of whom were Non-Executive Independent Directors of the Company, out of which Four (4) members were Independent Directors. The Chairman of the Committee is an Independent Director and two-third (2/3rd) of the Members of the Committee are Independent Directors. The Chairman of the Board is a Member of the Committee but does not chair the Committee. As on the date of this Report, N&RC comprises of Four (4) members all of whom are Non-Executive Independent Directors of the Company.

The Chief Human Resources Officer ("CHRO"), MD & CEO, CFO also attends the meetings wherever required for discussion of certain items.

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

The N&RC Committee is responsible for formulating evaluation policies and reviewing all major aspects of Company's HR processes relating to hiring, training, talent management, succession planning and compensation structure of the Directors, KMPs and Senior Management. The N&RC is also responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The Committee also anchored the performance evaluation of the Individual Directors.



Succession Planning

Succession planning is a critical element of the human resources strategy at the Company. As part of the Company's talent review process, individual development plans are discussed on an annual basis, and key talent are identified for potential higher roles in the future. Further, annual feedback process enables employees identify strengths and areas of development to scale up their leadership capacity. As nurturing talent is integral to the Company's culture, senior management is also involved in mentoring to build a stronger succession pipeline. Potential successors for each of the key roles is identified through personal development planning process and a robust development plan is defined by CHRO. The Company has established a well-defined process for the same which includes data-driven tools such as Leading Edge Potential Assessment Processes, 360-degree feedback process, Leadership Development programs in collaboration with reputed Business Schools. The succession plan and depth of Talent for Key Managerial Personnels ("KMPs") &

Senior Management Personnel ("SMPs") is also reviewed by N&RC. N&RC develops and recommends to the Board a succession plan for the appointments of the Board of Directors KMP's and SMP's. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavor to introduce new perspectives while maintaining experience and continuity.

During the year, the N&RC has completed the review of succession planning in its meeting held on February 02, 2023.

Terms of reference of Nomination and Remuneration Committee are

- a) Review the Succession Policy of the Company under the overall guidance of the Board of Directors and succession policy of the Company.
- b) Devise a policy on Board Diversity, if required.
- c) Formulate criteria for determining qualifications, attributes and Independence of a Director.

- d) Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- e) Formulate the criteria for evaluating the performance of the Independent Directors/ Board of Directors.
- f) Formulate a policy relating to the remuneration for the Directors, KMPs and SMPs.
- g) Identify individuals for appointment as KMP and who may be appointed in senior management, recommend to the Board their appointment and removal. The Committee may consider any recommendations made by the Board and/ or parent company in this regard.
- h) Specify the manner for effective evaluation of performance of Board, its committees, individual Directors and review its implementation and compliance.
- i) Review the performance evaluation of the Directors and KMP.
- j) Administration of the Employee Stock Option Schemes (ESOS).
- k) Recommend to the Board, all remuneration, in whatever form, payable to SMPs.
- l) For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.

Activities of the Committee during the year	Frequency
The Committee made regular reports to the Board regarding its actions and made recommendations to the Board, as appropriate	Periodically
Determine/recommend the criteria for appointment of Directors, Members of KMPs and SMPs	Periodically
Identify candidates who are qualified to become Directors and who may be appointed on the Management Committee, or as a KMPs	Periodically
Evaluate the balance of skills, knowledge and experience on the Board and prepare a description of the role and capabilities required for Independent Director(s)	Annually
Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc	Annually & Event based for ESOP's
Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole	Annually
Review of the succession plans for key leadership positions, and helped to shape and monitor the development plans of the key leadership	Annually
Recommend to the Board, all remunerations, in whatever form, payable to SMPs	Annually
Review and recommend to the Board candidates for election as members to the Board Committees and for the election as chairman for each Board Committee from the appointed members of the Board Committee	Periodically
Approval and grant of stock incentives to eligible employees of the Company during the year under the ESOP 2019 scheme of the Company	Periodically
Undertake an annual performance evaluation of its own effectiveness	Annually
Review, approve and recommend amendments to the Nomination and Remuneration Committee Charter and policy	Periodically

There were Four (4) Nomination and Remuneration Committee Meetings held during 2022-23.

The Composition of N&RC as on March 31, 2023 and details of the Members participation at the Meeting of the Committee are as under:

80% Independence	5 Members	4 Meetings	90% Attendance
---------------------	--------------	---------------	-------------------

Name	Designation	Meeting Date			
		27-05-2022	25-08-2022	26-10-2022	01-02-2023
Mr. P. M. Murty	Chairman	✓	✓	✓	✓
Mr. D. Sundaram	Member	✓	✓	✓	✓
Mr. H. M. Nerurkar	Member	✓	✓	✓	✓
Mr. Promeet Ghosh [§]	Member	✓	✓	✓	✓
Ms. Smita Anand	Member	LOA	LOA	✓	✓

[§] Ceased to be member w.e.f. May 1, 2023

STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE ("SRC")

The SRC oversees the various aspects of interests of security holders of the Company, resolving the grievances of Members, ensuring expeditious share transfer process in line with the proceedings of the SRC, evaluating performance and service standards of the Registrar and Share Transfer Agent ("RTA") of the Company and recommends measures for overall improvement of the quality of investor services as and when the need arises. As on March 31, 2023, the total strength of the SRC was Three (3) Members, which consist of Executive Directors and Independent Directors and fulfills the criteria of composition as per Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations. The SRC is governed by a Charter which in line with the Act and the SEBI Listing Regulations. Mr. H. M. Nerurkar, a Non-Executive Independent Director of the Company is the Chairman of the SRC.

Mr. Promeet Ghosh was appointed as a Member of SRC w.e.f. May 1, 2023. As on the date of this report, SRC comprises of Four (4) Members.

The Executive Director & Chief Executive Officer and Chief Financial Officer also attended the Meeting during the previous Financial Year.

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

SEBI had issued guidelines and undertook a number of measures for raising industry standards for RTA to facilitate effective shareholder service. In order to ensure compliance with various guidelines and measures issued by SEBI to improve investor services, the Company has amended the existing agreement with RTA and made the timelines more

stringent as compared to the statutory timelines.

Terms of reference for Stakeholders' Relationship and Share Transfer Committee are

- a) To review the steps taken to resolve the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.
- b) To review the measures taken for effective exercise of voting rights by Members.
- c) To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the RTA.
- d) To review the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the Members of the Company.
- e) To approve issue of duplicate share certificates for shares reported lost, defaced or destroyed as per the laid down procedure.
- f) To issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates/ certificates.
- g) To issue and allot right shares/ bonus shares pursuant to a Rights Issue/ Bonus Issue subject to such approval as may be required.
- h) To monitor dematerialization of shares and all matters incidental or related thereto.

- i) To authorize the Company Secretary & Compliance Officer/ other officers of the Share Department to attend to take such actions as necessary or deemed fit by the Committee for any matter and to monitor action taken.
- j) To monitor Investor Relation activities of the Company and give guidance on the flow of information from the Company to the Investors.
- k) Review of transfer of unpaid/ unclaimed dividend/ shares to the Investor Education and Protection Fund of the Government of India in line with the relevant applicable laws.
- l) All other matters incidental or related to shares of the Company.
- m) Perform such other functions as may be required by law, the Company's Articles of Association or as may be assigned by the Board of Directors.

There was One (1) SRC Meeting held during the F.Y. 2022-23.

The Composition of SRC as on March 31, 2023 and details of the Members participation at the Meeting of the Committee are as under:

66.67% Independence	3 Members
1 Meeting	66.67% Attendance

Name	Designation	Meeting Date
		25-03-2023
Mr. H. M. Nerurkar	Chairman	LOA
Mr. D. Sundaram	Member	✓
Mr. Shantanu Khosla	Member	✓
Mr. Promeet Ghosh [§]	Member	×

[§] Appointed as Member w.e.f. May 1, 2023

Investor Grievance

The status of investor grievance redressal is updated to the Committee and the Board periodically.

For any grievances/ complaints, shareholders may contact the RTA, KFin Technologies Limited. For any escalations, shareholders may write to Ms. Rashmi Khandelwal, Company Secretary & Compliance Officer, at: crompton.investorrelations@crompton.co.in

During the year, Eleven (11), complaints were received from the Members, which have been attended/ resolved to the satisfaction of the Members.

The details of the complaints are:

Quarter ended	Complaints Received
June 2022	1
September 2022	2
December 2022	730*
March 2023	733**

* There were total 4 complaints received during the quarter, rest all were the requests from the Members

**There were total 4 complaints received during the quarter, rest all were the requests from the Members

Communications sent to Members

Your Company had voluntarily sent following communications to its members:

Month	Purpose	No. of Members
February 2023	Communication to shareholders holding shares in physical form to update the email id	549

Stakeholders' Relationship and Share Transfer Committee report for the Financial Year ended March 31, 2023

Activities of the Committee during the year	Frequency
Monitoring & Reviewing the Company's performance in dealing with stakeholder grievances	Periodically
Reviewing various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ notices by the Members of the Company	Periodically
Reviewing the annual audit report submitted by the independent auditors on the annual internal audit conducted on the RTA operations as mandated by SEBI including the mechanism of investor grievance redressal, compliances stipulated by SEBI and other matters concerning the functioning of the RTA	Annually
Periodically providing updates to the Board	Periodically
Reviewing the measures taken for effective exercise of voting rights by Members	Periodically

Activities of the Committee during the year	Frequency
Reviewing the adherence to the service standards and security assessment adopted in respect of various services being rendered by the Registrar & Share Transfer Agent	Periodically
Undertaking an annual performance evaluation of its own effectiveness	Annually
Reviewing the unclaimed dividend	Periodically

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR")

The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and CSR activities to be undertaken by the Company, recommending the amount of expenditure to be incurred and reviewing the performance of the Company in the areas of CSR and to strive for overall sustainable development in the conduct of Company’s business. The total strength of the CSR Committee is Five (5) Members. The Act requires at least one of the Members to be an Independent Director and the Company has complied with the same.

Terms of reference of CSR Committee are

- a) To review from time to time the CSR policy of the Company and to ensure that the CSR policy is in line with Schedule VII of the the Act as amended from time to time.
- b) To review CSR projects with a view to ensure that they are in line with CSR objectives and CSR Policy of the Company.
- c) To ensure that the Company's overall business strategy reflects its long-term objectives on CSR.
- d) To consider and recommend the Board and the Management on various CSR projects to be implemented by the Company either directly or through the **Crompton CSR Foundation ("CCF")**, established for this purpose in furtherance of its social obligations.
- e) The Committee shall formulate and monitor the implementation of the CSR annual action plan, in accordance with the Company’s CSR policy and provisions of applicable laws from time to time. The Committee shall recommend the CSR annual action plan and any modification(s) thereto during the Financial Year, for the approval of the Board from time to time.
- f) To prepare budget and recommend to the Board the amount of expenditure to be incurred on various CSR programmes/ activities either directly or through the CCF

or any other trusts/ Company registered under Section 8 of the Act (considering criteria given)/ registered society.

- g) Modalities of utilization of CSR funds.
- h) Monitor and report to the Board of the projects/ programmes undertaken by the Company.
- i) To oversee impact assessment of CSR projects of the Company and place before the Board.
- j) To advise the Board on significant stakeholder concerns relating to CSR.
- k) To review and recommend to the Board for its approval any other reporting on CSR.
- l) Such other related matters which the CSR Committee may deem appropriate, required by law or assigned to the Committee by the Board of Directors from time to time.

The Executive Director & Chief Executive Officer and Chief Financial Officer also attended the meeting(s) during the previous Financial Year.

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

Activities of the Committee during the year	Frequency
Formulate and recommend to the Board the CSR Policy and activities to be undertaken	Annually
Recommend the amount of expenditure to be incurred on CSR activities	Annually
Formulate and review the Annual Action Plan in pursuance of the CSR Policy	Annually
Oversee the manner of execution of projects or programmes; the modalities of utilisation of funds and implementation schedules for the projects/programmes	Periodically
Monitoring and reporting mechanism for the projects/programmes	Periodically

There was One (1) CSR Committee Meeting held during F.Y. 2022-23.

The Composition of CSR Committee as on March 31, 2023 and details of the Members participation at the Meeting of the Committee are as under:

60% Independence	5 Members
1 Meeting	80% Attendance

Name	Designation	Meeting Date	
		26-05-22	27-05-22*
Mr. Shantanu Khosla	Chairman	✓	✓
Mr. H. M. Nerurkar	Member	✓	✓
Mr. D. Sundaram	Member	✓	✓
Mr. Promeet Ghosh	Member	✓	✓
Ms. Smita Anand	Member	LOA	LOA

*CSR Committee Meeting held on May 26, 2022 was adjourned to May 27, 2022

RISK MANAGEMENT COMMITTEE ("RMC")

Knowing the importance of managing and pre-empting risks effectively for having a sustainable business, the Company has constituted a RMC, in line with the SEBI Listing Regulations.

The Committee comprises of Four (4) members, all are Members of the Board and all are Independent Directors, which is in compliance with Regulation 20 of the SEBI Listing Regulations.

The responsibility of the RMC is to monitor and review risk management plans of the Company and to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of risks including risks related to cyber security.

The role of RMC includes the implementation of Risk Management Systems and Framework, review of the Company’s financial and risk management policies, assess risk and formulate procedures to minimize the same.

The RMC has the overall responsibility for monitoring and approving the risk management framework and associated practices of the Company.

Terms of reference for RMC are

- i. To periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard.
- ii. To formulate a detailed Risk Management Policy which shall also include:

A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

The measures for risk mitigation including systems and processes for internal control of identified risks; and

Business continuity plan.

- iii. To review the Risk Management Policy periodically, considering the changing industry dynamics and evolving complexity.
- iv. To monitor and oversee the implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems.
- v. To formulate and ensure that appropriate methods, processes and systems are in place to monitor and evaluate the risks associated with the business of the Company.
- vi. To periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- vii. To evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing activities such as business continuity planning and disaster recovery planning & testing).
- viii. To coordinate its activities with the other Committee(s) formed by the Board, in instances where there is any overlap with any of the activities (e.g., internal or external audit issue relating to risk management policy or practice).
- ix. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- x. The RMC may form and delegate authority to sub-committees when appropriate.
- xi. To make regular reports to the Board, including with respect to risk management and minimization procedures along with its recommendations.
- xii. To approve the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) which shall be subject to review by the Risk Management Committee.
- xiii. The RMC shall evaluate risks related to cyber security and ensure appropriate procedures are placed to mitigate these risks in a timely manner.
- xiii. To approve the Risk Management Framework of the Company periodically.
- xiv. Nurture a healthy and independent risk management function in the Company.
- xv. Help to set the tone and develop a culture of the enterprise *vis-à-vis* risk, promote open discussion regarding risk, integrate risk management into the organisation's goals and compensation structure, and create a corporate culture such that people at all levels manage risks rather than reflexively avoid or heedlessly take them.

- xvi. Monitor the organisation's risk profile - its on-going and potential exposure to risks of various types.
- xvii. Review and confirm that all responsibilities outlined in the charter have been carried out.
- xviii. The role and responsibilities of the RMC shall include such other items as may be prescribed by applicable law or the Board in compliance with applicable law, from time to time.

There were Two (2) RMC Meetings held during F.Y. 2022-23. The Managing Director, Executive Director & Chief Executive Officer, Chief Financial Officer, Vice President - Finance and Head Audit - Risk & Control also attended the meetings. The Company Secretary of the Company acts as the Secretary to the Committee.

Activities of the Committee during the year	Frequency
To identify the internal and external risks, <i>inter alia</i> , financial, operational, sectoral, sustainability/ ESG, information, cyber security risks, legal and regulatory risks	Half- Yearly
Oversee the implementation of the risk management policy and the adequacy of risk management systems	Periodically
Ensure appropriate methodology, processes and systems are in place to monitor and evaluate risks	Half- Yearly
Reviewing and reassessing the adequacy of the Committee's charter and recommended any proposed changes to the Board for approval	Periodically
Reviewing and approving the Enterprise Risk Management Framework of the Company	Annually
Undertaking an annual performance evaluation of its own effectiveness	Annually

The Composition of RMC as on March 31, 2023 and details of the Members participation at the Meeting of the Committee are as under:

100% Independence	4 Members
2 Meetings	100% Attendance

Name	Designation	Meeting Date	
		30-08-2022	01-02-2023
Mr. D. Sundaram	Chairman	✓	✓
Mr. H. M. Nerurkar	Member	✓	✓
Mr. P. M. Murty	Member	✓	✓
Mr. P. R. Ramesh	Member	✓	✓

STRATEGIC INVESTMENT COMMITTEE ("SIC")

The Board of Directors of the Company constituted the SIC for evaluation and assessment of Strategic Investment opportunities feasible for the Company and to make recommendations to the Board of Directors on such strategic investment/ disinvestment opportunities.

The Composition of SIC as on March 31, 2023 is as under:

Name	Designation
Mr. H. M. Nerurkar	Chairman
Mr. D. Sundaram	Member
Mr. P. M. Murty	Member
Mr. Shantanu Khosla	Member
Ms. Smita Anand	Member
Mr. Mathew Job [#]	Member

[#] Ceased to be Member w.e.f. April 24, 2023

ENVIRONMENT, SOCIAL AND GOVERNANCE COMMITTEE ("ESG")

The Board of Directors of the Company constituted the ESG Committee on May 21, 2021 with an objective of supporting its ongoing commitment to environment, health and safety, social responsibility, governance and sustainability matters.

The Composition of ESG Committee as on March 31, 2023 is as under:

Name	Designation
Mr. Promeet Ghosh	Chairman
Mr. P. M. Murty	Member
Mr. Mathew Job [#]	Member
Ms. Hiroo Mirchandani ^{**}	Member

[#] Ceased to be Member w.e.f. April 24, 2023

^{**} Appointed as Member w.e.f. May 1, 2023

Terms of reference for ESG Committee are

A) Oversight of ESG Matters

The Committee will have, without limitation, the following duties and responsibilities:

- Recommend to the Board the Company's overall general strategy with respect to ESG Matters.
- Oversee the Company's policies, practices and performance with respect to ESG Matters.
- Oversee the Company's reporting standards in relation to ESG Matters.
- To set the tone and reinforce the culture within the Company regarding sustainability, promote open discussion and integrate ESG management into the Company's processes and goals.
- To assist in overseeing internal and external communications with employees, investors, customers, suppliers and other stakeholders regarding the Company's position on or approach to ESG matters, including by coordinating and reviewing, as appropriate, draft responses, reports or other disclosures to stakeholders.
- To consider the current and emerging ESG matters that may affect the business, operations, performance or public image of the Company.
- To maintain metrics, systems and procedures, as deemed necessary and appropriate, to monitor and track ESG matters.
- Report to the Board current and emerging topics relating to ESG Matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders and, if appropriate, detail actions taken in relation to the same.
- Advise the Board on stockholder proposals and other significant stakeholder concerns relating to ESG Matters.
- Perform any other activities consistent with this Charter, the Company's Articles of Association and Memorandum of Association as this Committee or the Board may deem necessary, advisable or appropriate for the Committee to perform.

B) Report to the Board of Directors

The Committee must report regularly to the Board regarding the activities of the Committee.

ALLOTMENT COMMITTEE

The Board of Directors of the Company constituted the Allotment Committee for allotment of shares arising out of the exercise of stock options by Eligible Employees under ESOP Schemes of the Company.

The Composition of Allotment Committee as on March 31, 2023 is as under:

Name	Designation
Mr. H. M. Nerurkar	Member
Mr. P. M. Murty	Member

During the year, the Allotment Committee has approved allotment of 27,03,760 shares arising out of the exercise of stock options by Eligible Employees.

COMMITTEE OF DEBENTURES

The Board of Directors of the Company constituted the Committee of Debentures for issue and allotment of Non-Convertible Debentures and for approval of matters connected thereto.

The Composition of Committee of Debentures as on March 31, 2023 is as under:

During the year, the Company has redeemed 1,500 Secure, Rated, Redeemable, Non-Convertible Debentures ("NCDs") of face value of ₹10,00,000 each aggregating to ₹150 Crore and have allotted 9,250 NCDs of face value of ₹10,00,000 each aggregating to ₹925 Crore.

There was One (1) Committee of Debenture Meeting held during F.Y. 2022-23.

The Composition of Committee of Debenture as on March 31, 2023 and details of the Members participation at the Meeting of the Committee are as under:

33.33% Independence	3 Members
1 Meeting	100% Attendance

Name	Designation	Meeting Date
		04-07-2022
Mr. D. Sundaram	Chairman	✓
Mr. Shantanu Khosla	Member	✓
Mr. Promeet Ghosh [*]	Member	✓

^{*}appointed w.e.f. June 13, 2022

Your Company has NCDs amounting to ₹925 Crore as on March 31, 2023, which are listed on the National Stock Exchange of India Ltd. The details of the NCDs are as follows:

Particulars	ISIN: INE299U07064	ISIN: INE299U07072 Series A	ISIN: INE299U07080 Series B
Date of Allotment	July 12, 2022	July 22, 2022	July 22, 2022
Tenure	18 months	24 months	36 months
Amount	₹325 Crore	₹300 Crore	₹300 Crore
Month & Year of Repayment	January, 2024	July, 2024	July, 2025
Embedded option, if any	Not Applicable	January 22, 2024	July 22, 2024
Coupon Rate	7.40% p.a.	7.40% p.a.	7.65% p.a.
Face Value	₹10,00,000	₹10,00,000	₹10,00,000
Rating at the time of issue	CRISIL AA+/Stable	CRISIL AA+/Stable	CRISIL AA+/Stable
Rating at the end of March 31, 2023	CRISIL AA+/Stable	CRISIL AA+/Stable	CRISIL AA+/Stable

COMMITTEE OF COMMERCIAL PAPER

The Board of Directors of the Company constituted the Committee of Commercial Paper on March 9, 2022 for issue and allotment of Commercial Papers ("CPs") and for approval of matters connected thereto.

The Committee of Commercial Paper comprises of total Three (3) Members. The composition of the same is as below:

Name	Designation
Mr. Shantanu Khosla	Member
Mr. Mathew Job [#]	Member
Mr. P. R. Ramesh	Member

[#] Ceased to be Member w.e.f. April 24, 2023

During the year, your Company has redeemed CP's issued in March, 2022, amounting to ₹600 Crore on July 18, 2022 and ₹600 Crore on March 16, 2023.

There are no outstanding CPs as on the date of this Report.

EXECUTIVE COMMITTEE ("EC")

The Board of Directors of the Company constituted the EC for the purpose of deciding and approving the way of achieving Minimum Public Shareholding ("MPS") in Company's subsidiary, Butterfly Gandhimathi Appliances Limited.

The Members of EC comprise of Four (4) Directors as follows:

There was One (1) EC Meeting held during F.Y. 2022-23.

The Composition of EC as on March 31, 2023 and details of the Members participation at the Meeting of the Committee are as under:

25% Independence	4 Members
1 Meeting	75% Attendance

Name	Designation	Meeting Date 19-09-2022
Mr. D. Sundaram	Chairman	✓
Mr. Shantanu Khosla	Member	✓
Mr. Mathew Job [#]	Member	LOA
Mr. Promeet Ghosh	Member	✓

[#] Ceased to be Member w.e.f. April 24, 2023

COMMITTEE OF INDEPENDENT DIRECTORS

The Committee of IDs constitutes Six (6) Directors which are as follows:

Name	Designation	Meeting Date 28-11-2022
Mr. H. M. Nerurkar	Member	✓
Mr. D. Sundaram	Member	✓
Mr. P.M. Murty	Member	✓
Mr. P.R. Ramesh	Member	✓
Ms. Smity Anand	Member	✓
Ms. Hiroo Mirchandani	Member	✓

During the year under review, a Meeting of an Independent Directors was held on November 28, 2022 *inter alia* to discuss:

- evaluation of the performance of Non-Independent Directors and the Board as a whole;

- evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- evaluation of the quality, quantity and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year under review, Board Evaluation process was carried out digitally to maintain confidentiality & anonymity of the responses.

As an outcome of the above process, individual feedback was shared with each Director.

CONFIRMATION BY THE BOARD OF DIRECTORS -ACCEPTANCE OF RECOMMENDATION OF MANDATORY/NON-MANDATORY COMMITTEES

In terms of the SEBI Listing Regulations, the Board of Directors confirm that during the year under review, it has accepted all recommendations received from its mandatory/ non-mandatory committees.

FAMILIARISATION PROGRAMME

Familiarisation Programme undertaken by the Company is detailed out under Board's Effectiveness section of the Board's Report which forms part of this Integrated Annual Report.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

Performance Evaluation Criteria for Directors including Independent Directors is detailed out under Board's Effectiveness section of the Board's Report which forms part of this Integrated Annual Report.

REMUNERATION OF DIRECTORS

Remuneration Policy

In terms of Section 178 of the Act and corresponding provisions contained in the SEBI Listing Regulations, your Company has a well-defined Policy for Remuneration of the Directors, KMPs and other Employees.

The salient features of the policy as follows:

- Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee, which *inter-alia* includes size and composition of Board, positive attributes of Directors, succession plans, evaluation of performance of every Director, Board diversity etc;
- Appointment and Removal of Directors, KMPs and SMPs;

- Remuneration for Directors, KMPs and SMPs;
- Formulation of criteria for evaluation of Independent Directors and the Board; and
- Devising a policy on Board diversity.

The Nomination & Remuneration Policy is uploaded on the website of the Company and can be accessed at: <https://www.crompton.co.in/wp-content/uploads/2023/04/Nomination-and-Remuneration-Policy.pdf>

N&RC while deciding the basis for determining the compensation, both fixed and variable to the Non-Executive Directors, takes into consideration various factors such as Directors' participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, roles and functions as envisaged in Schedule IV of the Act and the SEBI Listing Regulations and such other factors as the N&RC may deem fit.

Non-Executive Director's Remuneration

The Board has approved payment of sitting fees to the Non-Executive Directors, i.e. ₹50,000 for Board Meetings and ₹30,000 for the Committee Meetings. Apart from payment of sitting fees, the Members at the 2nd AGM of the Company held on August 11, 2016, have also approved payment of commission to the Company's Non-Executive Directors, collectively, up to 1% of net profits, as permitted by the Act. Additional commission is paid to the Chairman of the Board, the Chairman of the Audit Committee and the Chairman of the N&RC for their enhanced roles and responsibilities as Chairman. Further, the Members of the Company at the 8th AGM held on July 22, 2022 have approved the payment of Commission to the Non-Executive including Independent Directors, collectively upto 1% of the net profits, as permitted by the Act.

Executive Directors' Remuneration

As on March 31, 2023 Mr. Shantanu Khosla, Managing Director and Mr. Mathew Job, Chief Executive Officer were the only Executive Directors on the Board of the Company. The annual remuneration package of Mr. Khosla and Mr. Job constitutes a fixed salary component including a basket of allowances/ reimbursements; a variable pay component and stock options as approved by the N&RC and the Board of Directors, from time to time. The variable pay of MD and CEO is paid annually which is determined by N&RC after factoring in the individual performance, i.e. KPIs achieved and the Company's performance. There was no claw back provision in the remuneration paid to MD and CEO of the Company. In terms of applicable laws, there is no mandatory stock ownerships requirements for MD and CEO in terms of laws applicable in India. Additionally, the MD and CEO were entitled to grant of employee stock options under various ESOP Schemes of the Company.

Mr. Shantanu Khosla has been elevated as the Executive Vice Chairman of the Board for a period of One (1) year w.e.f May 1, 2023 till April 30, 2024, and thereafter he shall assume the position of Non-Executive Director till December 31, 2025.

Mr. Job has tendered his resignation from the position of Executive Director on the Board w.e.f. April 24, 2023 and has also resigned as the Company’s CEO w.e.f. April 30, 2023 to pursue other career interests. Mr. Job has confirmed that there was no other material reason other than those provided herein above. The Board has placed on record its appreciation of the leadership provided by Mr. Job during his tenure as Executive Director & CEO of the Company.

The Board of Directors of the Company on April 24, 2023 basis the recommendation of N&RC has appointed Mr. Promeet Ghosh as the MD & CEO for a period of Five (5) years. He has been appointed as an Executive Director on the Board w.e.f April 24, 2023 and as the MD & CEO w.e.f. May 1, 2023 till April 30, 2028 subject to the approval of the Members at the ensuing AGM.

The remuneration paid to Directors is in accordance with the provisions of the Act and does not exceed the thresholds specified in the Act and in Regulation 17(6)(ca) of the SEBI Listing Regulations.

None of the Directors of the Company have any pecuniary relationship with the Company apart from receiving remuneration.

In accordance with the SEBI Listing Regulations, no employee including KMPs or Director or Promoter of a listed entity, shall enter into any agreements for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit-sharing in connection with dealings in the securities of the Company, without prior approval from the Board as well as from Members by way of an ordinary resolution. No such instances were reported during the Financial Year ended March 31, 2023.

The details of the remuneration of Director(s) during F.Y. 2022-23 is given below

(₹ in Crore)							
Name of Director	Salary and allowances	Variable Pay [@]	Perquisites	ESOP	Sitting Fees	Commission [@]	Total
Executive Directors							
Mr. Shantanu Khosla*	4.32	5.43	0.02	15.08	-	-	24.85
Mr. Mathew Job [#]	3.33	3.99	0.08	33.35	-	-	40.75
Non-Executive Directors							
Mr. H. M. Nerurkar	-	-	-	-	0.09	0.30	0.39
Mr. D. Sundaram	-	-	-	-	0.10	0.25	0.35
Mr. P. M. Murty	-	-	-	-	0.08	0.25	0.33
Ms. Smita Anand	-	-	-	-	0.03	0.20	0.23
Mr. P. R. Ramesh	-	-	-	-	0.07	0.18	0.25
Ms. Hiroo Mirchandani	-	-	-	-	0.04	0.05	0.09
Mr. Promeet Ghosh [§]	-	-	-	-	0.07	NIL	0.07

* Managing Director till April 30, 2023 and elevated as Executive Vice Chairman w.e.f. May 1, 2023 to April 30, 2024 and then will assume position of Non-Executive Director till December 31, 2025

[#] Executive Director till April 24, 2023 and CEO till April 30, 2023

[§] Non-Executive Non-Independent Director till April 23, 2023. Appointed as Executive Director w.e.f. April 24, 2023 and as MD & CEO w.e.f. May 1, 2023 till April 30, 2028 subject to the approval of the Members at the ensuing AGM

[@] Variable Pay and Commission is for the F.Y. 2021-22 paid in F.Y. 2022-23

Notes:

- a. Notice period is Three (3) months;
- b. Variable Pay is performance-linked and gets paid on the basis of actual performance parameters (including sales growth, profit before tax (growth and as % to sales), cash from operations etc. and as may be fixed by the N&RC and Board from time to time. All other components are fixed; and
- c. Executive Directors are not entitled to severance pay, commission or sitting fees for attending Board and Committee Meetings.

*DETAILS OF EMPLOYEE STOCK OPTIONS (“ESOP”) GRANTED, VESTING CRITERIA ETC. ARE GIVEN IN TABLE BELOW
(₹ in Crore)

Particulars	Crompton Employees Stock Options Plans				
	Mr. Shantanu Khosla, Managing Director*			Mr. Mathew Job, Executive Director & Chief Executive Officer [#]	
Schemes	PSP-1-2016	PSP-2-2016	ESOP 2019	PSP-1-2016	ESOP 2019
No. of options granted	47,00,596	31,33,731	20,13,875	47,00,596	15,10,406
Effective date of grant	October 25, 2016	October 25, 2016	January 21, 2021	October 25, 2016	January 21, 2021
Options Vested	46,19,088	30,79,392	5,03,469	46,19,088	3,77,602
Options Unvested	-	-	4,02,775	-	-
Options Cancelled	81,508	54,339	11,07,631	81,508	11,32,804
Vesting period	Not earlier than 1 year and not later than 10 years from the date of grant of Options	Not earlier than 1 year and not later than 10 years from the date of grant of Options	Not earlier than 1 year and not later than 5 years from the date of grant of Options	Not earlier than 1 year and not later than 10 years from the date of grant of Options	Not earlier than 1 year and not later than 5 years from the date of grant of Options
Vesting Conditions	Time based and performance based	Time based and performance based	20% each year over a 5-year period based on performance	Time based and performance based	20% each year over a 5-year period based on performance
Exercise Period	October 2017 to October 2027	October 2017 to October 2027	January 2022 to January 2031	October 2017 to October 2027	January 2022 to January 2031
Exercise Price	₹92.83	₹185.66	₹405.95	₹92.83	₹405.95

*Managing Director till April 30, 2023 and elevated as Executive Vice Chairman w.e.f. May 1, 2023 till April 30, 2024 and then will assume position of Non-Executive Director till December 31, 2025

[#] Executive Director till April 24, 2023 and CEO till April 30, 2023

SUBSIDIARY COMPANIES

The Company does not have any "material unlisted subsidiary" as defined in the SEBI Listing Regulations. Accordingly, the requirement of appointing an Independent Director of the Company on the Board of the material unlisted subsidiary company given under Regulation 24 of the SEBI Listing Regulations does not apply. Details of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any are placed before the Board for review. Copies of Minutes of the Board and Committee Meeting(s) of the unlisted Subsidiary Companies are placed at the Board Meeting of the Company. The Unaudited Quarterly Financial Results and Audited Annual Financial Statements, along with the Auditors Limited Review and Audit Report respectively, thereon of Subsidiary Companies are presented at the meetings of the Audit Committee and Board of Directors of the Company for an overview prior to their consolidation any with the Parent Company. The Company does not have any material unlisted subsidiary' and the requirements of secretarial audit as specified in Regulation 24A of the SEBI Listing Regulations is not applicable. The Company’s policy on material subsidiary is available on the Company’s website and can be assessed at: <https://www.crompton.co.in/media/Policy-on-Material-Subsidiary.pdf>

DISCLOSURES

D&O Insurance for Directors

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken Directors and Officers Insurance ("D&O") for all its Directors and Members of the Senior Management for quantum and risks as determined by the Board of the Company.

Disclosure of Non-Compliance of any Requirement of Corporate Governance Report with Reasons

The Company has complied with and disclosed all the mandatory corporate governance requirements as mentioned under sub-para (2) to (10) of part C of Schedule V of the SEBI Listing Regulations.

Indian Accounting Standards ("Ind AS")

The Company has prepared its Standalone and Consolidated Financial Statements in accordance with Ind AS as notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

Disclosures in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH")

Your Company has constituted Internal Complaints Committee ("ICC") to consider and resolve all sexual harassment complaints. The constitution of ICC is as per the POSH and ICC includes an external member who is an independent POSH consultant with relevant experience.

The details of sexual harassment complaints for the F.Y. ended March 31, 2023 are furnished as under:

Particulars	No. of Complaints
Number of complaints filed during the Financial Year	0
Number of complaints disposed of during the Financial Year	0
Number of complaints pending as on the end of the Financial Year	0

Loans and Advances in the nature of Loans to firms/ companies in which Directors are interested

No Loans and Advances in the nature of loans to firms/ companies in which Directors are interested were given during the Financial Year under review.

MD & CEO and Chief Financial Officer Certification

The MD & CEO and Chief Financial Officer's annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations forms part of this Integrated Annual Report.

The MD & CEO and Chief Financial Officer also jointly issue a quarterly compliance certificate on financial results and place the same before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.

Other Disclosures

- The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last Three (3) years and accordingly no penalties or strictures were imposed on the Company by the stock exchanges, SEBI or any other statutory authority.
- The securities of the Company were not suspended from trading at any time during the year.
- The auditors have issue have issued an unmodified opinion on the financial statements of the Company.

STATUTORY AUDITOR AND AUDIT FEES

M/s. M S K A & Associates, Chartered Accountants, were appointed as the Statutory Auditors of your Company at the Extra-Ordinary General Meeting held on August 27, 2021 for conducting audit for a period of Five (5) years i.e., till the conclusion of the 12th AGM.

The details of the total fees for all services paid by the Company to the Statutory Auditors are as follows:

(₹ in Crore)		
Type of Service	2022-23	F.Y. 2021-22
Audit Fees	0.56	0.51
Others	0.60	0.38
Total	1.16	0.89

RELATED PARTY TRANSACTIONS

All transactions entered into by the Company during the year with related parties were on arm's length pricing basis and were approved by the Audit Committee as well as by Board as and when required. The policy on related party transactions has been placed on the Company's website and can be accessed at: <https://www.crompton.co.in/wp-content/uploads/2023/02/Policy-on-Materiality-of-and-dealing-with-Related-Party-Transactions-1.pdf> In line with the amended SEBI Listing Regulations, the policy has been amended suitably. There are no materially significant transactions with the related parties that had potential conflict with the interest of the Company at large. During the year under review, no material related party transaction were proposed, in which approval of the Members was required. No related party whether or not it is a party to the particular transaction or not is allowed to vote to approve the transaction in line with the SEBI Listing Regulations.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY ("WB Policy")

Your Company is committed to high standards of corporate governance and stakeholder responsibility. The Company have a Vigil Mechanism and WB Policy to deal with instances of fraud and mismanagement, if any. The policy ensures that strict confidentiality is maintained whilst dealing with concerns and ensures that no discrimination is made towards any person for a genuinely raised concern. The individuals may raise concern through varied channels, i.e. toll free number; e-mails; physical letters; or they can write/ or reach out directly to the Chairman of the Audit Committee. The Company has separately prescribed Whistle Blower Policy for Vendors. No personnel have been denied access

to the Audit Committee. The scope of Vigil Mechanism has been extended during the year to enable reporting if any, on leakage of Unpublished Price Sensitive Information relating to the Company. The Whistle Blower Policy is available on the Company's website and can be accessed at: <https://www.crompton.co.in/investors/corporate-governance/>

During the year under review, WB policy was amended on May 19, 2023.

CODE OF CONDUCT

Your Company has a Code of Conduct for Board and Senior Management Personnel that reflects its high standards of integrity and ethics. The Directors and Senior Management of the Company have affirmed their adherence to this Code of Conduct for F.Y. 2022-23. As required under Regulation 34 of the SEBI Listing Regulations, Mr. Prommeet Ghosh, MD & CEO has signed a declaration stating that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with this Code of Conduct, which is annexed to this Report. The Code of Conduct also includes Code for Independent Directors which is a guide to professional conduct for Independent Directors pursuant to Section 149(8) and Schedule IV of the Act. This Code is available on the Company's website and can be accessed at: <https://www.crompton.co.in/investors/corporate-governance/>

COMPLIANCE WITH MANDATORY/ NON-MANDATORY REQUIREMENTS

Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations and obtained a certificate from M/s. Parikh & Associates, Secretarial Auditors regarding compliance of conditions of Corporate Governance, which is annexed to this Integrated Annual Report.

COMPLIANCE MANAGEMENT TOOLS

The Company has in place an online legal compliance management tool, which has been devised to ensure compliance with all applicable laws that impact the Company's business. The tool is intended to provide an assurance to the Board on legal compliances as ensured by the Company. The application of the tool has been extended to cover all plant locations, sales and corporate offices.

The Company also has in place the tool for managing all its ESOP's, maintenance of database of all the designated employees and tracking of trades by them or their relatives and Company has also adopted a digital platform for creation, maintenance and circulation of notices, agenda papers for all the Board & Committee Meetings.

PREVENTION OF INSIDER TRADING

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), the Company has formulated the "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information", ("Code") which allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in Company's shares, it also prohibits dealings in the Company's shares by Directors, Designated Persons, Connected Persons and their immediate relatives, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's share is closed. The Code has been revised in line with the amendments to the PIT Regulations from time to time.

During the year under review, the code was amended on February 2, 2023.

The Company has put in place adequate and effective system of internal controls to ensure compliance with the requirements of the PIT Regulations.

A structured digital database of all the designated employees is being digitally maintained by the Company on its internal server. These contains the names and other particulars as prescribed of the persons covered under the Code drawn up pursuant to the PIT Regulations.

The Company Secretary has been appointed as the Compliance Officer to ensure the implementation of the Code for fair disclosure and conduct.

The Board of Directors, Designated Persons and other Connected Persons have affirmed compliance with the Code. The Code is available on the webiste of the Company and can be accessed at: <https://www.crompton.co.in/wp-content/uploads/2023/02/Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-Designated-Persons-1.pdf>

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

Certificate, as required under Part C of Schedule V of the SEBI Listing Regulations, received from M/s. Parikh & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified for the Financial Year ended at March 31, 2023 from being appointed or continuing as Directors of the Company by the SEBI/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on May 19, 2023 and is enclosed with this Integrated Annual Report.

CYBER SECURITY INCIDENTS OR BREACHES AND LOSS OF DATA/ DOCUMENTS

In the world of rapidly changing environment of technologies, it has become need of every organisation to adopt digitalization and newer technologies into its business to compete and being agile which also helps in ease of doing business. In view of the same, your Company has adopted and implemented digitalization and newer technologies in its various sections of business.

In line with adoption of technology, there always subsist a risk, which is called a Cyber Risk, being one of the key risks, Crompton is focused on maintaining a positive cybersecurity culture within the organization, thus making cybersecurity a sustainable and repeatable process throughout the organization.

In the past year(s), while our employees operated efficiently as a remote and hybrid workforce, we continued to remain vigilant about the evolving cybersecurity threat landscape. To continue to have robust cybersecurity processes, the team has remained abreast of emerging cybersecurity events so as to achieve higher and continued sustenance.

During the year under review, there was no incident or breach and loss of data/ documents have occurred.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This is given as a separate Chapter which forms part of this Integrated Annual Report.

MEANS OF COMMUNICATON

WEBSITE, NEWS & EVENTS

Your Company announces its financial results in a timely manner and sends it to the Stock Exchanges. The Company also hosts the results on its website together with a detailed information update and media release discussing the results. The results are normally published in “Financial Express” (English Daily) and “Loksatta” (Marathi Daily) within 48 hours of the conclusion of the meeting of the Board in which they are approved. The results are displayed on the Company’s website and can be accessed at: <https://www.crompton.co.in/investors/newspaper-publications/>

Once quarterly results are announced, the Company organizes post-earning calls with the analyst community explaining to them the results and performance of the Company, while also responding to their queries every quarter. The transcripts along with Audio recordings of these calls are intimated to stock exchanges and also posted on the Company’s website. Your Company is a regular participant and organizer of analyst and investor conference calls, one-on-one meetings and investor conferences where analysts and fund managers get regular opportunities to understand medium and long

term strategy from the Senior Management. A detailed investor presentation is additionally sent to stock exchanges and also uploaded on the Company’s website every quarter. Through these meetings, presentations and information updates, the Company shares its broad strategy and business outlook with the investor community. The Company promptly discloses details of the conference calls, investor meetings and event based road shows to the Stock Exchanges and also updates the same on the website simultaneously.

A separate dedicated section under ‘Investors’ at <https://www.crompton.co.in/investors/corporate-governance/> gives information on applicable policies including policy on dealing with related-party transactions which is at <https://www.crompton.co.in/wp-content/uploads/2023/02/Policy-on-Materiality-of-and-dealing-with-Related-Party-Transactions-1.pdf> along with news and events held during the year. A separate dedicated section under "Investors" section on the Company's website at www.crompton.co.in/investors/corporate-governance/ gives information on policy for determining material subsidiary at <https://www.crompton.co.in/wp-content/uploads/2023/02/Policy-on-Material-Subsidiary-1.pdf>

SEBI processes investor complaints in a centralised web-based complaints redressal system, i.e. SCORES. Through this system a shareholder can lodge a complaint against the Company for redressal of his grievance. The Company uploads the action taken report on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

Your Company continues to use a digital platform for sharing the information with the Directors and maintains a seamless and safe flow of information between the Management and the Board. While being secure and user friendly, it is also a quick and efficient means for sharing updates with the Board in an environment friendly manner.

GOVERNANCE OF SUBSIDIARY COMPANIES

The minutes of the Board Meetings of the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis.

GENERAL SHAREHOLDER INFORMATION

9th ANNUAL GENERAL MEETING

Date & Day: Saturday, July 22, 2023

Time: 11.00 A.M.

Mode: Through video conferencing/ other audio- visual means

FINANCIAL YEAR

The Financial Year of the Company is from April 1 to March 31 of every year.

FINANCIAL CALENDAR

First Quarter Results End July/ First fortnight of August	Second Quarter Results End October/ First fortnight of November
Third Quarter Results End January/ First fortnight of February	Last Quarter Results and Annual Audited Results April/ May

DATES OF BOOK CLOSURE AND DIVIDEND PAYMENT DATE

Record date shall be **Friday, July 7, 2023** and Book Closure for Dividend will be from **Saturday, July 8, 2023** to **Saturday, July 22, 2023** both days inclusive and the Dividend would be paid/ dispatched on or after **Tuesday, July 25, 2023** but within a period of Thirty (30) days from the date of the AGM.

REGISTRAR AND TRANSFER AGENT AND ADDRESS FOR CORRESPONDENCE

For any queries relating to the securities of the Company, correspondence may please be addressed to its RTA: KFin Technologies Limited at Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032

Telephone	: 1800 309 4001
Email	: einward.ris@kfintech.com
Website	: www.kfintech.com
Contact Person	: Ms. Krishna Priya Maddula
Designation	: Senior Manager - Corporate Registry
SEBI Registration	: INR000000221

For the benefit of members, documents will continue to be accepted at the Registered and Corporate Office of the Company at: Crompton Greaves Consumer Electricals Limited.

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

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

INVESTOR SERVICING AND GRIEVANCE REDRESSAL

Your Company has adopted Investor FAQs Handbook to effectively redress the investor grievances and improve the services provided to the investors. The Investor FAQs Handbook serves as ready reference material to shareholders holding/ dealing in shares. It is designed to assist shareholders on matters such as transmission of shares, dematerialisation of shares, dividend, IEPF, etc. The FAQ's are uploaded on the Company's website under the Corporate Governance tab of the Investors section at share related information.

SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of the SEBI Listing Regulations, as amended, securities can be transferred only in dematerialised form, w.e.f. April 1, 2019, including in case of transmission or transposition of securities, w.e.f. January 25, 2022. All share transfers and other share-related issues are processed by the RTA. Share transfer is normally affected within the maximum period of fifteen (15) days from the date of receipt, if all the required documentation is submitted. During the F.Y. 2022-23, no shares were transferred in physical form.

DEMATERIALISATION OF SHARES

As on March 31, 2023, 99.49% of the total shares of your Company representing 63,28,37,575 were in dematerialised form, compared with 99.43% as on March 31, 2022.

MARKET INFORMATION

Stock Code	: BSE Ltd. - 539876 Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001.
	: National Stock Exchange of India Ltd. – CROMPTON Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.
ISIN - NSDL & CDSL	: INE299U01018
Corporate Identification Number (CIN)	: L31900MH2015PLC262254

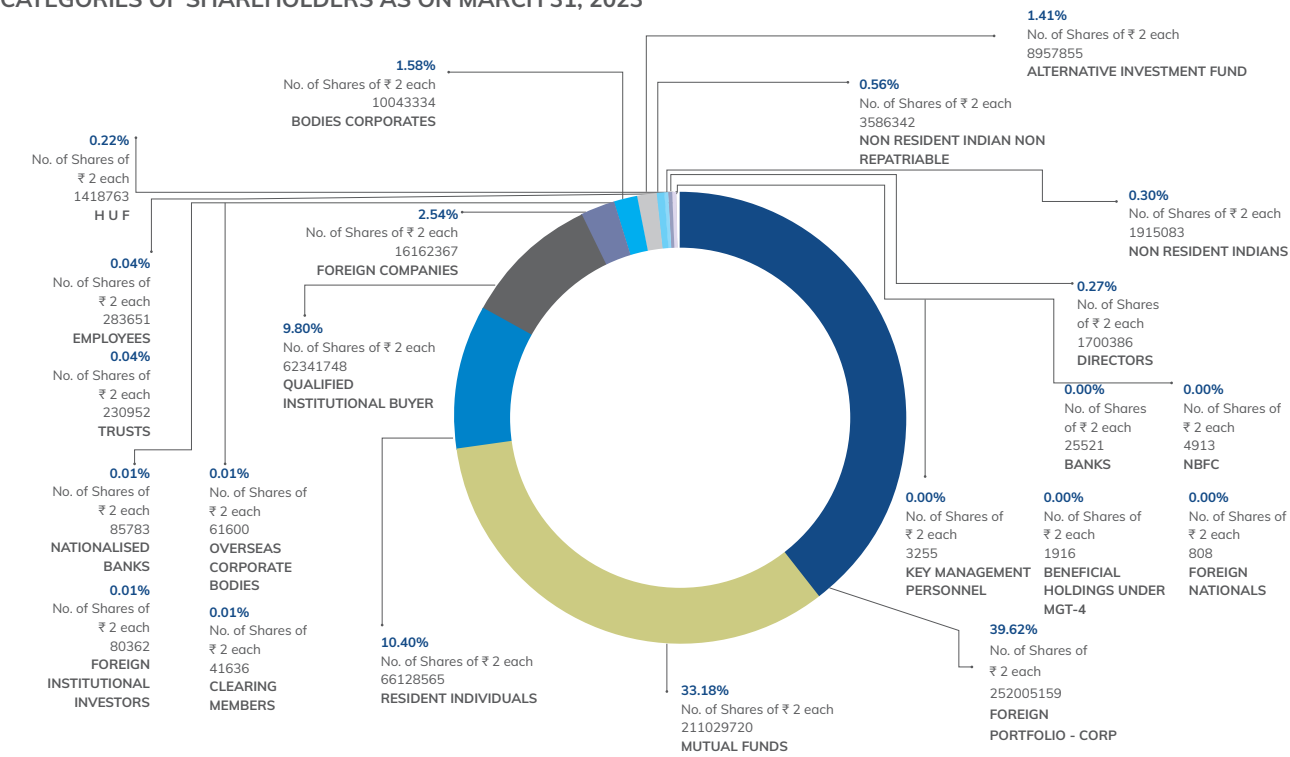
LISTING FEES

Your Company has paid the Listing fees for both the Stock Exchanges for F.Y. 2022-23 and F.Y. 2023-24 for equity shares and to the National Stock Exchange of India Ltd. for NCDs.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023

Sr. No.	Number of Shares held	Number of Shareholders	Number of Shares held	% of Shareholding
1	1 – 5000	198152	41393148	6.51
2	5001 – 10000	1414	9953138	1.56
3	10001 – 20000	683	9299995	1.46
4	20001 – 30000	191	4646046	0.73
5	30001 – 40000	77	2658261	0.42
6	40001 – 50000	39	1771087	0.28
7	50001 – 100000	112	7490692	1.18
8	100001 and above	276	558897352	87.86
	TOTAL	200944	636109719	100.00

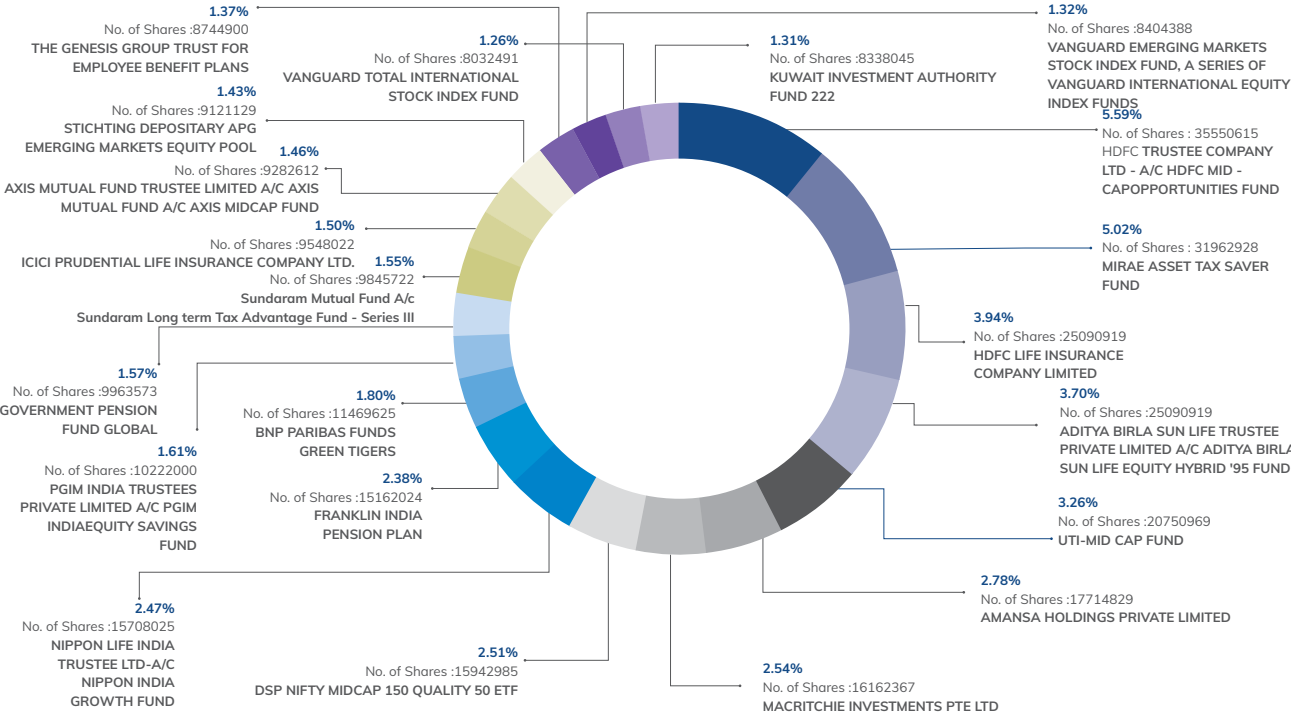
CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2023



Notes:

The Company had received a request from MacRitchie Investments Pte. Ltd and Seletar Investments Pte Ltd. on June 9, 2022 for their re-classification from the Promoter Group category to public category shareholder. In pursuance of the same, the Board of Directors of the Company ("the Board") in their Meeting held on June 13, 2022 had approved the request of re-classification and subsequently upon recommendation of the Board, shareholders of the Company approved the same in an AGM of the Company held on July 22, 2022. In furtherance to the same, an application was made to Stock Exchanges by the Company on July 29, 2022, which was approved by both the stock exchanges on December 21, 2022, following which MacRitchie Investments Pte. Ltd and Seletar Investments Pte Ltd. were reclassified as public shareholders w.e.f. December 21, 2022.

STATEMENT SHOWING SHAREHOLDING OF MORE THAN 1% OF THE CAPITAL AS ON MARCH 31, 2023

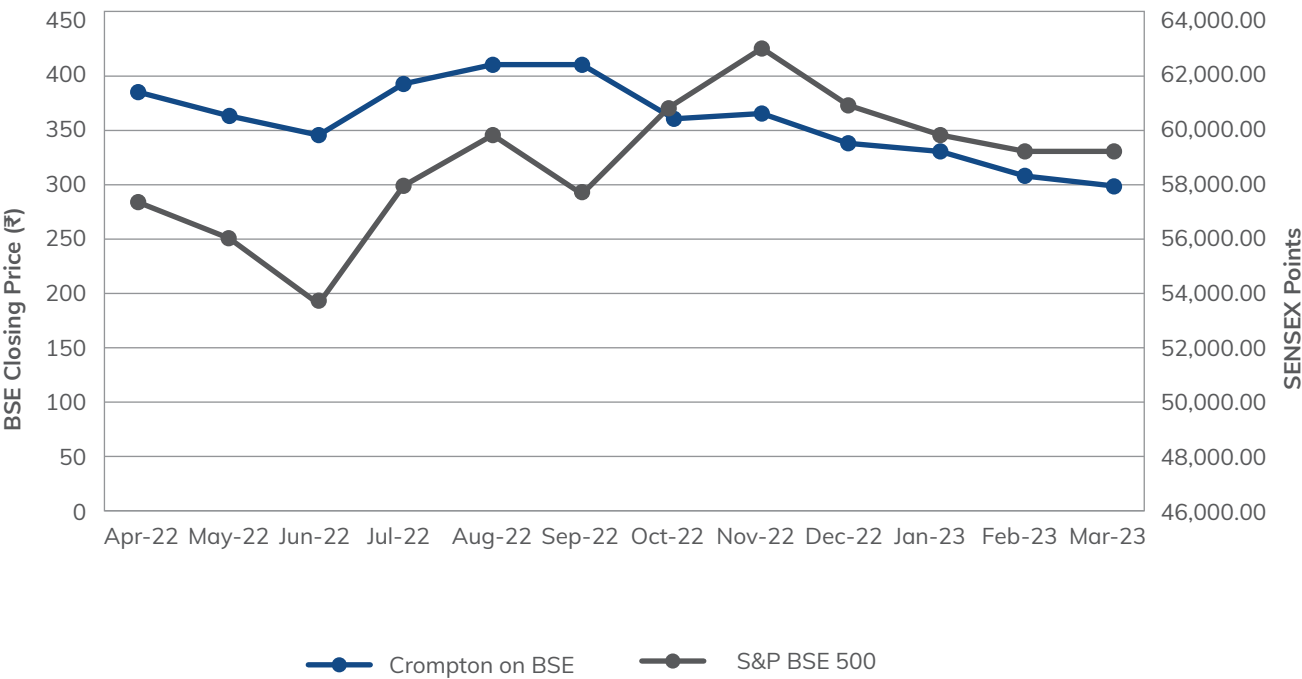


MARKET PRICE DATA

Crompton Share Price on BSE *vis-à-vis* BSE Sensex April, 2022 – March, 2023

Months	BSE Sensex Close	Crompton Share Price			No of shares traded during the month	Total Turnover (₹ Crore)
		High (₹)	Low (₹)	Close (₹)		
April 2022	57,060.87	388.15	365.80	384.75	11,95,435	45.26
May 2022	55,566.41	384.95	323.65	362.35	13,60,577	49.58
June 2022	53,018.94	378.00	312.05	340.4	14,42,374	49.45
July 2022	57,570.25	405.60	338.00	394.65	12,43,843	46.49
August 2022	59,537.07	425.00	368.55	407.3	42,48,216	162.06
September 2022	57,426.92	428.8	387.65	411.75	24,32,473	98.35
October 2022	60,746.59	411.60	350.55	362	50,25,020	191.73
November 2022	63,099.65	376.05	352.50	362.95	13,16,317	47.95
December 2022	60,840.74	376.20	333.30	336.45	6,06,985	21.49
January 2023	59,549.90	348.85	316.10	330.65	7,30,799	24.35
February 2023	589,62.12	338.90	291.65	304.35	18,87,359	57.81
March 2023	58,991.52	319.00	278.10	292.95	9,79,146	28.96

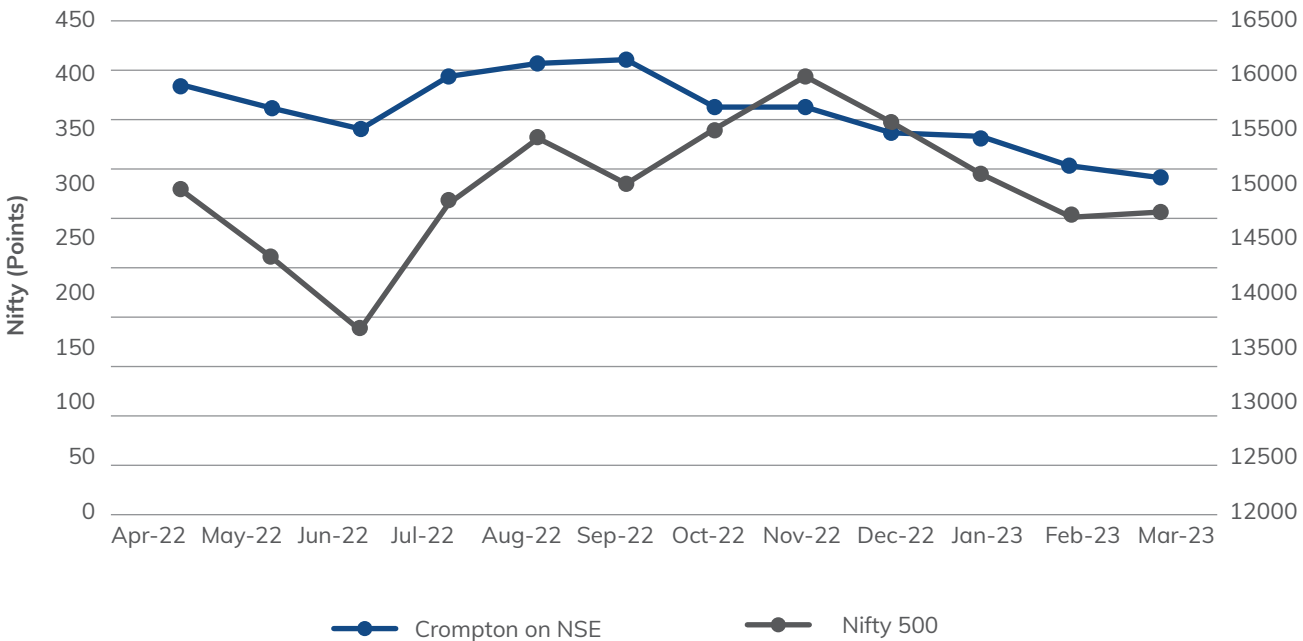
The performance of your Company’s shares relative to the NSE Nifty 500 Index is given in the chart below:



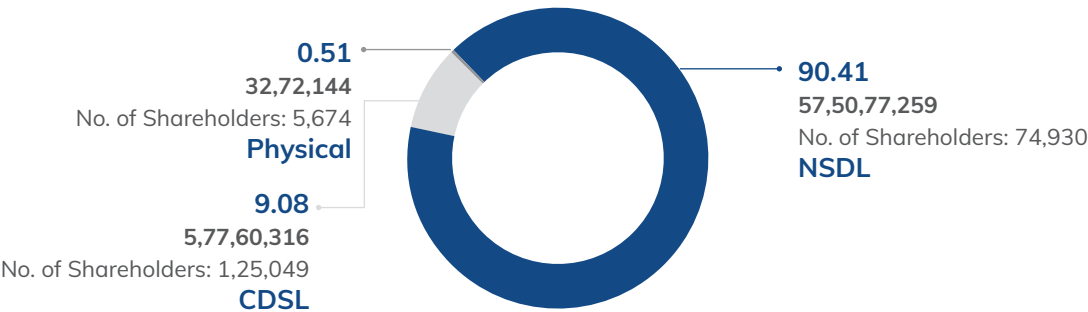
Crompton Share Price on NSE vis-à-vis NSE Nifty 500 April, 2022 – March, 2023

Months	NSE Nifty 500 Close	Crompton Share Price			No of shares traded during the month	Total Turnover (₹ Crore)
		High (₹)	Low (₹)	Close (₹)		
April 2022	14783.35	388.45	365.60	384.80	3,29,61,528	1248.56
May 2022	14119.60	385.20	323.50	361.45	3,04,77,510	1069.3
June 2022	13387.55	378.60	312.00	340.15	3,34,02,067	1132.77
July 2022	14665.65	405.80	337.10	394.40	4,77,52,015	1806.56
August 2022	15325.05	425.00	368.20	407.40	7,49,99,695	2893.89
September 2022	14829.35	429.00	387.35	411.90	5,52,74,946	2249.61
October 2022	15424.00	413.00	350.60	362.30	2,60,89,883	993.38
November 2022	15946.15	376.30	352.65	362.85	2,23,60,687	812.94
December 2022	15448.85	376.50	333.10	336.45	2,26,75,953	800.92
January 2023	14935.50	348.90	316.10	330.95	2,56,23,956	850.47
February 2023	14518.75	339.00	291.35	303.85	4,37,12,479	1346.05
March 2023	14557.85	316.95	278.00	293.00	4,23,46,392	1247.92

The performance of your Company’s shares relative to the NSE Nifty 500 Index is given in the chart below:



BREAK-UP OF SHARES IN PHYSICAL AND DEMAT FORM AS ON MARCH 31, 2023



OUTSTANDING GDRs/ADRs/WARRANTS/CONVERTIBLE INSTRUMENTS AS ON MARCH 31, 2023

Nil

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

Your Company actively monitors the foreign exchange movements and takes forward/ options covers as appropriate to reduce the risks associated with transactions in foreign currencies.

Your Company also undertakes short-term commodity hedging activities to prevent future adverse price movement.

UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT

During the Financial Year, the Company did not raise any funds through preferential allotment or qualified institutions placement.

INFORMATION ON GENERAL BODY MEETINGS

The details of the AGMs and Extra Ordinary General Meeting(s) ("EGM") held during the last three years are as follows:

Information on General Body Meetings

Event	Financial year	Venue	Mode	Day, Date, Time (IST)	Special Resolutions passed
8 th AGM	2022-23	Tower 3, 1 st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070 ("Registered Office")	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	July 22, 2022 at 3.00 P.M	No Special Resolution was passed
7 th AGM	2021-22	Registered Office	Through VC/ OAVM	July 23, 2021 at 3.00 P.M.	1. Managerial remuneration of Mr. Shantanu Khosla (DIN:00059877), Managing Director, in the event of exercise of ESOPs; and 2. Managerial remuneration of Mr. Mathew Job (DIN:02922413), Executive Director and Chief Executive Officer, in the event of exercise of ESOPs.
6 th AGM	2020-21	Registered Office	Through VC/ OAVM	July 24, 2020 at 3.00 P.M.	1. Re-appointment of Mr. Shantanu Khosla (DIN:00059877) as the Managing Director; 2. Re-appointment of Mr. P. M. Murty (DIN:00011179) as an Independent Director; 3. Re-appointment of Mr. D. Sundaram (DIN:00016304) as an Independent Director; and 4. Re-appointment of Mr. H. M. Nerurkar (DIN:00265887) as an Independent Director.
EGM	2020-21	Registered Office	Through VC/ OAVM	August 27, 2021 at 11.00 A.M.	No Special Resolution was passed

POSTAL BALLOT

During the Financial Year under review, the Company has not passed any resolution through postal ballot.

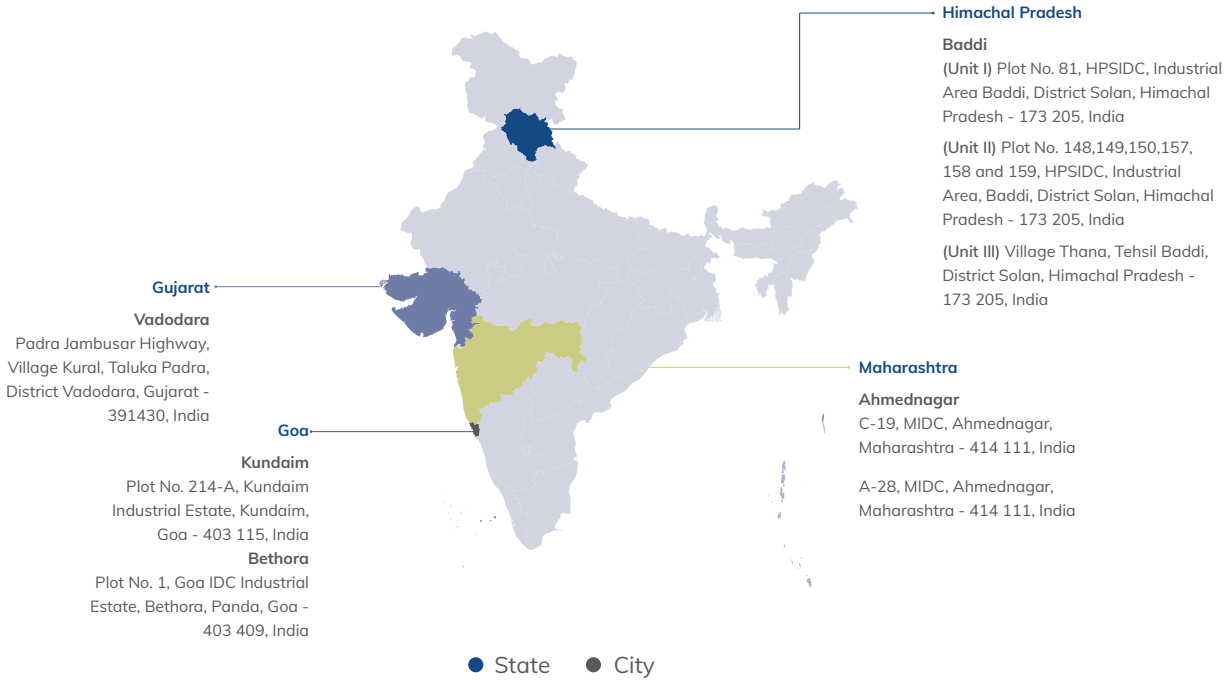
DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY

Legal compliance

In everything we do, we comply with the law of the land. All disclosures and policies to this effect, including details of non-compliance, regulatory orders, certifications and complaints, are made available in this corporate governance report.

No penalties/ strictures were imposed on your Company by the stock exchanges or SEBI or any statutory authority in any matters related to the capital markets since incorporation.

PLANT LOCATIONS



DIVIDEND

Payment of dividend through Automated Clearing House ("ACH")

The Company provides the facility for direct credit of the dividend to the Members' Bank Account. The SEBI Listing Regulations also mandate companies to credit the dividend to the members electronically. Members are therefore urged to avail themselves of this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' ACH mode.

Members who hold shares in demat mode should inform their depository participant, whereas members holding shares in physical form should inform the Company of the core banking account details allotted to them by their bankers. In cases where the core banking account details are not available, the Company will issue the demand drafts mentioning the existing bank details available with the Company.

Unclaimed Dividends

The Company is required to transfer dividends, which have remained unpaid/ unclaimed for a period of Seven (7) years from the date the dividend is due for payment to the Investor Education & Protection Fund ("IEPF") established by the Government. Accordingly, Seven (7) years has not been elapsed from the 1st dividend paid by the Company, hence there is no amount to be transferred to IEPF during the F.Y. 2023-24.

Unclaimed Shares

9,55,925 equity shares were lying in the unclaimed suspense account of CG Power and Industrial Solutions Limited (erstwhile Crompton Greaves Limited) at the time of demerger. Pursuant to the Scheme of demerger, equivalent number of equity shares were allotted on March 22, 2016.

There were 9,11,422 equity shares lying in Unclaimed Suspense Account as unclaimed shares as on March 31, 2023.

Disclosure in Respect of Equity Shares Transferred in the "Crompton Greaves Consumer Electricals Limited – Unclaimed Suspense Account" is as under:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2022	4,016	9,18,657
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	18	7,285
Number of shareholders to whom shares were transferred from suspense account during the year	18	7,285
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2023	3,998	9,11,422

The voting rights on these shares in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

REPORT ON CORPORATE GOVERNANCE

This Chapter read together with the “Annexure to Corporate Governance” constitutes the Compliance Report on Corporate Governance for the F.Y. 2022-23.

Place: Mumbai

Date: May 19, 2023

For and on behalf of the Board of Directors

H. M. Nerurkar

Chairman

DIN:00265887

CERTIFICATE - FOR NON DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34 (3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

Crompton Greaves Consumer Electricals Limited

Tower 3, 1st Floor, East Wing, Equinox Business Park,
LBS Marg, Kurla (West), Mumbai 4000701

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Crompton Greaves Consumer Electricals Limited** having CIN **L24240MH1952PLC008951** and having registered office at Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Particulars	DIN	Date of Appointment in Company
1.	Mr. Sundaram Damodarannair	00016304	26/08/2015
2.	Mr. Pangulury Mohan Murty	00011179	26/08/2015
3.	Mr. Shantanu Maharaj Khosla	00059877	21/09/2015
4.	Mr. Hemant Nerurkar Madhusudan	00265887	25/01/2016
5.	Mr. Promeet Promode Ghosh	05307658	16/08/2016
6.	Ms. Smita Anand	00059228	10/12/2018
7.	Mr. Mathew Job	02922413	22/01/2021
8.	Mr. Prathivadibhayankara Rajagopalan Ramesh	01915274	21/05/2021
9.	Ms. Hiroo Mirchandani	06992518	28/01/2022

*the date of appointment is as per the MCA Portal

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Mumbai

Date: May 15, 2023

For Parikh & Associates

Practising Company Secretaries

MITESH DHABLIWALA

FCS: 8331 CP: 9511

UDIN:F008331E000310842

PRACTISING COMPANY SECRETARIES’ CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Crompton Greaves Consumer Electricals Limited

We have examined the compliance of the conditions of Corporate Governance by **Crompton Greaves Consumer Electricals Limited** (‘the Company’) for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

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

For Parikh & Associates
Practising Company Secretaries

Mumbai
Date: May 15, 2023

MITESH DHABLIWALA
FCS: 327 CP: 1228
UDIN:F008331E000310842
PR No.: 1129/2021

COMPLIANCE CERTIFICATE BY THE MD & CEO AND CHIEF FINANCIAL OFFICER

To
The Members,
Crompton Greaves Consumer Electricals Limited

Dear Sir/ Madam,

Sub: Compliance Certificate for the year ended 31st March, 2023 – Regulation 17(8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) these statements together present a true and fair view of the Company’s affairs and comply with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company’s code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:

1) that significant changes in internal control over financial reporting during the year;

2) that there were no significant changes in accounting policies during the year; and

3) that there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Thanking you,

Promeet Ghosh
MD & CEO
DIN:05307658

Kaleeswaran Arunachalam
Chief Financial Officer

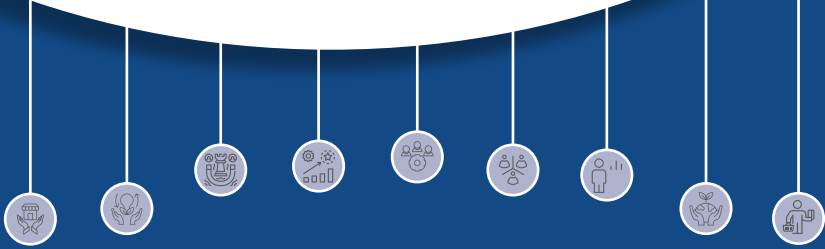
Place : Mumbai
Date : May 19, 2023

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

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the Financial Year ended March 31, 2023.

Place : Mumbai
Date : May 19, 2023

Promeet Ghosh
MD & CEO
DIN:05307658



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT



PRINCIPLE OVERVIEW

Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable



Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe



Principle 3

Businesses should respect and promote the wellbeing of all employees, including those in their value chains



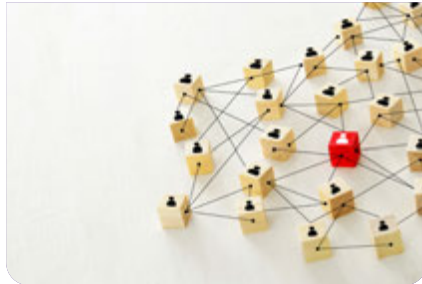
Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders



Principle 5

Businesses should respect and promote human rights



Principle 6

Businesses should respect and make efforts to protect and restore the environment



Principle 7

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent



Principle 8

Businesses should promote inclusive growth and equitable development



Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner



SECTION A: GENERAL DISCLOSURES

I. Details of Listed Entity

1.	Corporate Identity Number (CIN) of the Company	L31900MH2015PLC262254
2.	Name of the Company	Crompton Greaves Consumer Electricals Limited
3.	Year of incorporation	2015
4.	Registered office address	Tower 3, 1 st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070
5.	Corporate address	Tower 3, 1 st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070
6.	E-mail id	crompton.investorrelations@crompton.co.in
7.	Telephone	+91 2261678499
8.	Website	www.crompton.co.in
9.	Financial year reported	F.Y. 2022-23
10.	Name of the Stock Exchanges where shares are listed	1. National Stock Exchange of India Ltd. 2. BSE Ltd.
11.	Paid-up Capital	₹127.22 Crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Mr. Promeet Ghosh Designation: MD & CEO Email Id: secretarial@crompton.co.in Tel No: 2261678499
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

II. Products/ Services

14. Details of business activities (accounting for 90% of the turnover).

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Electrical Consumer Durables and Lighting Products	Manufacturing/ Trading	100

15. Products/Services sold by the Company (accounting for 90% of the turnover).

Sl. No.	Product/ Service	NIC Code	% of total Turnover contributed
1.	Electrical Consumer Durables	27501, 27502, 27503, 28132	81.86
2.	Lighting Products	27400	18.14

III. Operations

16. Number of locations where plants and/ or operations/ offices of the Company are situated.

Location	Number of plants	Number of offices	Total
National	8	27 (4 regional + 23 branch)	35
International	0	0	0

17. Markets served by the Company.

a. Number of locations.

Locations	Number
National (No. of States)	PAN India
International (No. of Countries)	31

b. What is the contribution of exports as a percentage of the total turnover of the Company? Information required.

1.32%

c. Types of customers.

The Company caters to a wide range of consumers, including homeowners, other businesses, corporates, architects, interior designers, real-estate developers, government, wholesalers and distributors. The Company has National & International customer basis.

IV. Employees

18. Details as at the end of Financial Year, i.e., March 31, 2023.

a. Employees and workers (including differently abled).

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1,693	1,582	93	111	7
2.	Other than Permanent (E)	783	660	84	123	16
3.	Total employees (D+E)	2,476	2,242	90	234	10
WORKERS						
4.	Permanent (F)	497	432	87	65	13
5.	Other than Permanent (G)	2,849	2,104	74	745	26
6.	Total workers (F+G)	3,346	2,536	75	810	25

b. Differently abled Employees and workers.

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	NIL	NIL	NIL	NIL	NIL
2.	Other than Permanent (E)	NIL	NIL	NIL	NIL	NIL
3.	Total differently abled employees (D+E)	NIL	NIL	NIL	NIL	NIL
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	2	2	100	NIL	NIL
5.	Other than Permanent (G)	4	4	100	NIL	NIL
6.	Total differently abled workers (F+G)	6	6	100	NIL	NIL

19. Participation/ Inclusion/ Representation of women.

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8*	2	25
Key Managerial Personnel	3**	1	33.33

20. Turnover rate for permanent employees and workers (disclose trends for the past 3 years).

Particulars	F.Y. 2022-23			F.Y. 2021-22			F.Y. 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	528	33	561	411	21	432	152	12	164
Permanent Workers	10	2	12	12	2	14	15	4	19

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Name of holding/ subsidiary/ associate companies/ joint ventures.

Sl. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1	Nexustar Lighting Project Private Limited	Wholly-owned subsidiary	100	No
2	Pinnacles Lighting Project Private Limited	Wholly-owned subsidiary	100	No
3	Crompton CSR Foundation	Wholly-owned subsidiary	The Company is limited by guarantee and does not have share capital.	No
4	Butterfly Gandhimathi Appliances Ltd. (BGMAL)	Subsidiary	75	No

VI. CSR Details

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No).

Yes

(ii) Turnover : ₹5,809.31 Crore

(iii) Net worth : ₹2,838.97 Crore

*As on March 31, 2023 , there were Nine (9) Directors. On April 24,2023, Mr. Mathew Job, resigned from the position of Executive Director w.e.f. close of business hours of April 24, 2023 and from the position of CEO w.e.f. close of business hours of April 30, 2023.

**As on March 31, 2023, Mr. Shantanu Khosla, MD; Mr. Mathew Job, CEO; Mr. Kaleeswaran Arunachalam, CFO, and Ms. Rashmi Khandelwal, Company Secetary & Compliance Officer were designated as KMPs. However, as on the date of this Report, Mr. Promeet Ghosh, MD & CEO; Mr. Kaleeswaran Arunachalam, CFO; and Ms. Rashmi Khandelwal, Company Secretary & Compliance Officer are the designated KMPs.

VII. Transparency and Disclosure Compliances

23. Complaints/ Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct.

Stakeholder group from whom compliant is received	F.Y. 2022-23				F.Y. 2021-22		
	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redressal policy)	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities ¹	YES	NIL	NIL	-	NIL	NIL	-
Investors ² (other than shareholders)	YES	NIL	NIL	-	NIL	NIL	-
Shareholders ²	-	-	-	-	-	-	-
Employees and workers ³	YES	NIL	NIL	Minor complaints are resolved by the respective SPOC, location-wise	NIL	NIL	-
Consumers ⁴	YES	25,80,752	3,702	-	23,65,265	296	-
Value Chain Partners ⁵	YES	NIL	NIL	-	NIL	NIL	-
Other (please specify)	NIL	NIL	NIL	-	NIL	NIL	-

The Company is committed to encourage openness, promote transparency and reporting improvements without fear of rebuttal. The organisation is committed to creating a culture that encourages high standards of ethics and upholds decent and safe working conditions for the entire workforces. <https://www.crompton.co.in/investors/corporate-governance/>

¹Communities while interacting during the community engagement programmes, can report their grievances.

²Investors and stakeholders can correspond with the Company by sending an e-mail to crompton.investorrelations@crompton.co.in or by calling on the below mentioned numbers 0222 61678499.

³Employees and workers can report any grievance by sending an e-mail to wbcrompton@crompton.co.in or in physical form in a sealed envelope.

⁴Consumers can report grievances through the CRM system, the WhatsApp (+91 74287 13838) and the toll-free number (1800 419 0505).

⁵Value chain partners can reach us through the Partner Connect tab on the website.

24. Overview of the Company’s business conduct, pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Product - Right Product Quality	R	Products in compliance with regulatory requirements, meet highest quality parameters, environmentally sustainable and features innovative designs	Redesigning and transitioning all models through process optimization into energy efficient models to comply with BEE norms; Laid down structured KPI review mechanism through quality scorecard, sustainability at stage gate level; DJSI application mode for assessing rating; and Collecting consumer feedback & insights to build strategic focus on smart technology products.	Negative Implications
2	Brand	R	Brand disruption due to negative feedback on social media, substandard service quality & prevalence of counterfeit product	Implemented system of social listening & sentiments analysis to handle feedback; Establish on-line response mechanism; PAN India network of authorized service centers to address customer complaints; Requisite training given to service teams to cater to consumer complaints; Information about counterfeit is obtained by way of monitoring through market intelligence and statutory methods such as publication of trademark journals; and All actions initiated basis methods defined in the IP policy of Company and legal action initiated as appropriate.	Negative Implications
3	EHS	R	Safety & Compliance issues	Adherence to statutory & regulatory compliances including E-waste management and ERP policy EHS policy adherence at in-house & vendor locations being monitored by audits.	Negative Implications
4	Supply	R	Disruption in production due to dependency on single source, volatile commodity cost	Creation of a phased plan for development of local suppliers to minimize import dependency; Identify & development of T2 vendors for key SKUs or in-house design development to minimize dependency on single source; and Cost saving initiatives to mitigate impact of commodity cost volatility.	Negative Implications
5	IT Security & Data Protection	R	Cyber threats, Data breach, use of Company information	AD/ SAP are hosted on Company data centers & these are DR enable; Cloud/ Saas bases applications; Data protection assessment is complete & MDM and AzureAD Prem is implemented; and User access review is completed.	Negative Implications

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	People	R	Attrition & Succession Planning	Various programmes being run to address attrition & retention of key talents like great manager certification; Focus on bringing work-life balance, fun at work & increasing rewards and recognitions; Job rotation plan and succession planning of key positions with talent calibration is done; and Structured leadership programme is rolled out.	Negative Implications
7	Energy Efficient Products	O	Focus on producing energy efficient products, reducing emissions and optimising natural resources	Invested in green, sustainable & energy efficient technologies which will spur demand for energy efficient products; Conservation of limited resources and minimizing harmful emissions - energy reduction across product lines; Eliminated plastic & thermocol during packaging as they are great danger to landfills; and All across manufacturing plants, have we increased percentage of renewable & clean energy in our energy mix. It allows us to decrease carbon footprint and helps in reducing our power costs.	Positive Implications
8	Government Initiatives	O	Government continues to drive initiatives like Har Ghar Nal Yojana, Pradhan Mantri Awas Yojana etc. to address basic needs of the citizens. This creates growth opportunities for business	Government initiatives like Har Ghar Nal Yojana aims to provide piped water supply to ~3.8 Crore households which drives growth for household pumps; and Pradhan Mantri Awas Yojana created new opportunities to cater to demand at competitive prices.	Positive Implications
9	New Technologies	O	Consumers looking for smart, easy-to-use, energy efficient, technologically advanced products	The Crompton brand has long been associated with well-engineered products featuring cutting-edge technology and smart solutions by prioritising deep understanding of consumer needs; 50,000 Sq. ft. state of the art research & development center helps enhance our capabilities in ehancing world-class innovation and optimize product efficiencies; and Crompton implemented automation across its production lines, data analytics is deployed to gain critical insights manufacturing processes to identify areas for optimisation & improvement.	Positive Implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Policy and management processes

1. a. Whether the Company’s policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Y	Y	Y	Y	Y	Y	Y	Y	Y

b. Has the policy been approved by the Board? (Yes/No)

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Y	Y	Y	Y	Y	Y	Y	Y	Y

c. Weblink of the policies, if available : www.crompton.co.in/investors/corporate-governance/

2. Whether the Company has translated the policy into procedures. (Yes/No)

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Y	Y	Y	Y	Y	Y	Y	Y	Y

3. Do the enlisted policies extend to the Company’s value chain partners? (Yes/No)

To emphasise on the values of transparency and ethical behaviour, empowerment and accountability. The Company has formalised the ‘Code of Conduct’ for the Directors and employees of the Company. The Code lays down principles and standards that govern the actions of the employees during conduct of the Company’s business. It covers all dealings with vendors, consumers, and other business partners.

4. Name of the national and international codes/ certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.

ISO 9001, ISO 14001, ISO 45001.

5. Specific commitments, goals and targets set by the Company with defined timelines, if any.

Please refer to the Chairman’s Message, Management Discussion and Analysis Report (“MDA”) and capital-wise sections in the Integrated Annual Report (“IAR”) for our management approach and commitments.

6. Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.

Please refer to the Chairman’s Message, MDA and capital-wise sections in the IAR for our management approach and commitments.

Governance, leadership and oversight

7. Statement by Director, responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).
At Crompton “We make your life better with innovative, Sustainable Solutions. Crompton integrates environmental, social and governance (ESG) principles into its business strategy which is central to improving the quality of life of the communities it serves. As sustainable management is a crucial component of the Company’s strategy across its entire value chain, it is constantly making adequate efforts to protect the environment. Throughout the course of the year, the Company remained committed to making its business operations more eco-friendly.
Please refer to the Chairman’s Message, MDA Report and capital-wise sections in the IAR for our management approach and commitments.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).
Name: Mr. Promeet Ghosh
Designation: MD & CEO
Email Id: secretarial@crompton.co.in
9. Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.
Yes, the Company’s ESG Committee monitors the Company’s ongoing commitment to environment, health and safety, social responsibility, governance, sustainability concerns, and other public policy matters. It has Three (3) members.
10. Details of review of NGRBCs by the Company

Subject for review	Indicate whether review provided below taken by Director/ Committee of the Board/ any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action										Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances										Quarterly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Internal and external auditors, where needed, assess these policies during their audits and reviews. However, no formal evaluation by any internal or external agency has been conducted.								

12. If answer to question (1) above is ‘No’ i.e., not all Principles are covered by a Policy, reasons to be stated.

NA as all principles are covered.

List of the policies

Policies	Links
Code of Conduct	https://www.crompton.co.in/wp-content/uploads/2023/02/Code-of-Conduct-1.pdf
Vigil Mechanism and Whistle Blower Policy	https://www.crompton.co.in/wp-content/uploads/2023/02/Vigil-Mechanism-and-Whistleblower-Policy-1.pdf
Code of Conduct to Regulate, Monitor and Report trading by Insiders	https://www.crompton.co.in/wp-content/uploads/2023/02/Code-of-Conduct-to-Regulate-Monitor-and-Report-Trading-by-Designated-Persons-1.pdf
Prevention of Sexual Harassment Policy	https://www.crompton.co.in/investors/corporate-governance/
Environment, Health and Safety Policy	https://www.crompton.co.in/wp-content/uploads/2023/02/Crompton-EHS-Policy-1.pdf
Corporate Social Responsibility Policy	https://www.crompton.co.in/wp-content/uploads/2023/02/Corporate-Social-Responsibility-Policy-1.pdf
Maternity Leave Policy	The policy is available on the Company’s employee’s portal.
Product Service Policy	The policy is available internally in the Company and has been made available to the product service centres.

Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle



Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year.

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	29	Familiarisation programmes are carried out by way of exhaustive presentations on various topics and areas like 1. Strategy and Annual Budget of the Company; 2. Internal Financial Control Systems; 3. CSR Strategy Framework; 4. Environment; 5. Health and Safety; 6. ESG framework; and 7. Risk Management, and so on.	100
Employees other than Board of Directors and KMPs	3,201*	All employees undergo training programmes at the time of joining and on a regular basis on topics that include the Code of Conduct, a Whistle-Blower Policy and POSH.	
Workers	All workers undergo training programmes on a regular basis in the areas of skill upgradation, process orientation, and safety. These trainings are imparted through online and classroom modes as well as on-the-job. Please refer to the Human Capital section of the Integrated Annual Report for more details.		

* Training was allotted to 3,201 employees however the same was attended by 2,424 employees.

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year.

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity’s website)

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR) Brief of the Case Has an appeal	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	Legal Metrology Department	NIL	A notice was issued by the Legal Metrology Officer on non-compliance under the Legal Metrology Act, 2009. The Company’s representative appeared before the Hon’ble District Court at Meerut and prayed for the compounding of the offence, which the Hon’ble Court agreed upon.	No
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The anti-corruption and anti-bribery policies are included in the Company’s Code of Conduct Policy (“COC”). All new hires are required to undergo training on the COC. The Company believes in maintaining high ethical and legal standards. It is committed to imbibing the appropriate regulatory framework to govern its business performance. The link to access policy is <https://www.crompton.co.in/investors/corporate-governance/>

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	F.Y. 2022-23	F.Y. 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest.

	F.Y. 2022-23		F.Y. 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest.

NIL. There were no cases of corruption or conflicts of interest that required action by regulators, law enforcement agencies, or judicial institutions.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

The Company has built a sustainable supply chain throughout its operations. It aims to improve suppliers’ understanding of their legal obligations, sustainable business practices and the importance of employee health and safety through several programmes. Considering the general panic and fear among the employees, the Company made it a point to have constant dialogue and awareness sessions on COVID-19 and implemented the necessary steps. The shop floor employees actively participated in driving this message to all employees regularly. In factories, the supervisors organised small group interactions continuously to drive the message of safe social distancing, the usage of masks and the need for self-isolation in case of any COVID symptoms. Safety and health-related sessions post-COVID were being conducted across the Company, both internally and with the help of external agencies. EWAP and DocOnline are some of the initiatives implemented with the help of external agencies that proved beneficial for health, wellness and stress-related concerns.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

The COC encourages all its employees not to participate in any activities that might lead to a conflict of interest.

Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

R&D capabilities have been improved by:

- a. Enhancing capabilities by hiring unique and futuristic talent;
- b. Trained R&D manpower for an average of 20 manhours in the years F.Y. 2022-23 in the identified competencies;
- c. Setting up lab infrastructure with added research and testing equipment; and
- d. Digitalised R&D documentation process and NPD/ innovation process.

The Company collaborated with various validation and testing agencies to enhance its R&D capabilities. Some of them are mentioned below:

- a. Collaborated with IIT Kharagpur on a project basis; and
- b. Collaborated with ARAI Pune on a project basis.

70% of the R&D expenditure is directed towards sustainable technologies, specifically the energy efficiency of fans, lighting and appliances.

(₹ in Crore)			
Segment	F.Y. 2022-23	F.Y. 2021-22	Details of improvements in environmental and social impacts
R&D	₹29.20	₹39.12	-
Capex	₹48.52	₹13.35	-

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

To ensure that suppliers also contribute to long-term sustainability, the Company employs ethical procurement practices and stringent selection criteria that promote environmental protection, social benefits and the optimisation of product and service quality. Through several programs, the Company is aiming to increase suppliers' understanding of their legal obligations, sustainable business practices and the importance of employee health and safety. The Company adheres to international standards, including ISO 9001, ISO 14001, ISO 45001 and other Environmental, Health, and Safety (EHS) requirements.
- b. If yes, what percentage of inputs were sourced sustainably?

72.6%
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Plastic- The standards established by the Pollution Control Board determine the amount of plastic used in the product. In addition, a procedure for the receipt and disposal of plastic is in place and complies with the current statutory regulations.

E-waste-The Company complied with EPR for E-waste management with the Central Pollution Control Board (“CPCB”).

In total, the organisation has defined the process to safely reclaim its CFL lighting waste. For EPR e-waste authorisation, the organisation has submitted the EPR renewal application to CPCB.

For plastics packaging waste- As an organisation fulfilling its EPR obligations, CGCEL received the target from CPCB for channeling its plastics waste across the country.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR applies to the Company's business. Its waste collection plan is made in accordance with the EPR action plan filed with the CPCB. The use of plastic in the product is determined by the standards established by the Pollution Control Board. In addition, a procedure for the receipt and disposal of plastic is in place and complies with current statutory regulations. Also, EPR plans for e-waste and plastic waste are submitted to the CPCB.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.

Not applicable, as we have not conducted LCA for any of our products.
2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

The products/ services may have potential environmental concerns

Name of Product/ Service	Description of the Risk/ Concern	Action Taken
Packaging Material	Thermocol and EPS used in packaging were non-biodegradable. It was adversely affecting the environment.	The Company has completely eliminated the use of thermocol and EPS in packaging.
	Plastic bags used in packaging were harmful to the environment.	The Company has eliminated 70% of its use of plastic bags to cover the pumps in its packaging. In places where it cannot be avoided, the thickness was changed to more than 75 microns (the allowable limit). It also started the elimination of thin plastic lamination on duplex cartons by replacing it with UV coating.

Name of Product/ Service	Description of the Risk/ Concern	Action Taken
Lighting PL-CFL manufacturing	The packaging of imported products used to go to waste.	The Company started reusing the same packaging material, thereby reducing waste.
	Wooden boxes were used to pack the pumps. More trees were cut as the number of wooden boxes increased.	The Company replaced the wooden box designs with metal crates.
	CEEW5 category of E-Waste	The EPR (Extended Producer Responsibility) mandates that electronic waste be channeled for recycling and safe disposal through a CPCB registered agency, known as GARCS (Government Approved Recyclers of E-waste).
Non-Star Rated Pumps	High energy consumption	Through BEE certification, the Company aims to offer more energy-efficient products every year. The Company also received BEE certification for thirty (30) energy-efficient star-rated SKUs.
Pumps working on conventional energy	High energy consumption	The Company also developed solar pumps to use renewable sources of energy.
Various Appliances	e-Waste disposal	The Company started using ROHS-compliant raw materials. Products recalls followed at the Company, after the conclusion of their usefulness. Also, recycling and safe disposal under EPR plan.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	F.Y. 2022-23	F.Y. 2021-22
	No recycled or reused input material is being used.	No recycled or reused input material is being used.

The organisation is exploring the materials that can be recycled after end-of-life; currently, the Company is converting all its plastic through the PRO, getting it recycled and converted into pallets, benches, plastic tiles and so on.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format .

	F.Y. 2022-23			F.Y. 2021-22		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	1,234.82	1,234.82	-	1,430.84	1,430.84
E-waste	-	-	90.2	-	-	-
Hazardous waste	-	-	104.17	-	-	-
Other waste	-	0.00	-	-	1.153	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Damaged material comes to the depots and is disposed of as-is through the contracting process. The quantum of such material is almost negligible.	

Principle3

Businesses should respect and promote the wellbeing of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the wellbeing of employees.

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities***	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,582	1,582	100	1,582	100	NA	NA	1,582*	100	Yes	Yes
Female	111	111	100	111	100	111	100	NA	NA	Yes	Yes
Total	1,693	1,693	100	1,693	100	111	6.5	1,582	93.5	-	-
Other than Permanent employees											
Male	660	660	100	660	100	NA	NA	660**	100	Yes	Yes
Female	123	123	100	123	100	123	100	NA	NA	Yes	Yes,
Total	783	783	100	783	100	123	16	660	84	-	-

* Employees can avail leave from their leave pool.

** Employees can avail leave from their leave pool.

***Available at applicable locations.

b. Details of measures for the wellbeing of workers.

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities**	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	432	432	100	432	100	NA	NA	432*	100	NA	NA
Female	65	65	100	65	100	65	100	NA	NA	65	100
Total	497	497	100	497	100	65	13	432	87	65	13
Other than Permanent Workers											
Male	2,104	2,104	100	2,104	100	NA	NA	NA	NA	NA	NA
Female	745	745	100	745	100	745	100	NA	NA	NA	NA
Total	2,849	2,849	100	2,849	100	745	26	-	-	-	-

*Employees can avail leave from their leave pool

**Day care facilities are not applicable to all facilities, hence the number given includes only few of the facilities.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	F.Y. 2022-23			F.Y. 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	Eligibility as per ESIC Act			Eligibility as per ESIC Act		
Others- please specify -Employee compensation						

3. Accessibility of workplaces

Are the premises/ offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

The Company is implementing appropriate measures to provide its employees with a better, more accessible work environment.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is committed to ensuring that existing employees, job applicants and workers are treated fairly in an environment free from discrimination based on race, gender, religion or beliefs, disability, age, sexual orientation, gender identity, gender expression, and so on. The Company promotes equal treatment and opportunities for all employees. The employee code of conduct specifically prohibits discrimination in all its manifestations.

The link to the policy is <https://www.crompton.co.in/investors/corporate-governance/>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100	75	NA	NA
Female	-	-	NA	NA
Total	100	75	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

The Company encourages transparency at all levels. Employees are urged to discuss their concerns with their managers, and employees who are engaged on a contractual basis are urged to discuss their issues with their managers.

Workers are encouraged to share their issues with the worker representative, the respective primary manager, or the HR SPOC available in different locations. Workers who are engaged on a contractual basis can share their concerns with the contractor representative or the Company HR SPOC, such as supervisors and contractors. Appropriate actions are taken against any employee or workers whose actions are proved to be violating the COC.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity.

Category	F.Y. 2022-23			F.Y. 2021-22		
	Total employees/workers in respective category (A)	No. of employees /workers in respective category, who are part of association (s) or Union (B)	%(B/A)	Total employees/workers in respective category (C)	No. of employees /workers in respective category, who are part of association (s) or Union (D)	%(D/C)
Total Permanent Employees	1,693	0	0	1,504	0	0
- Male	1,582	0		1,410	0	0
- Female	111	0	0	94	0	0
Total Permanent Workers	497	447	90	506	435	86
- Male	432	382	88	441	379	86
- Female	65	65	100	65	56	86

8. Details of training given to employees and workers.

Category	F.Y. 2022-23					F.Y. 2021-22				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,582	1,313	83	1,286	81	1,410	1,212	86	1,212	86
Female	111	99	89	84	76	94	82	87	82	87
Total	1,693	1,412	83	1,370	81	1,504	1,294	86	1,294	86
Workers										
Male	432	432	100	355	82	441	379	86	379	86
Female	65	65	100	48	73	65	56	86	56	86
Total	497	497	100	403	81	506	435	86	435	86

9. Details of performance and career development reviews of employees and workers.

Category	F.Y. 2022-23			F.Y. 2021-22		
	Total (A)	No. (B)	%(B/A)	Total (C)	No. (D)	%(D/C)
Employees						
Male	1,582	1,582	100	1,410	1,410	100
Female	111	111	100	94	94	100
Total	1,693	1,693	100	1,504	1,504	100
Workers						
Male	Salary revision happens as per the LTS terms			Salary revision happens as per the LTS terms		
Female						
Total						

10. Health and safety management system.

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes

The Company acknowledges the fact that the identification of work-related hazards is crucial for ensuring the safety of its people. Each plant implements Aspect Impact and HIRA, i.e., identifying hazards, assessing risks and defining controls, to ensure that EHS operations are conducted with care.

Every manufacturing location has an occupational health and safety management system that is compliant with ISO 45001, and all locations are ISO 45001 certified.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The organisation's EHS Manual (KAVACH) covers all EHS processes. Under KAVACH, the risk assessment process is elaborated with departmental and individual roles and responsibilities, monitoring control measures, competency training and awareness of individuals associated with such activities, all in support of our goal of preventing incidents, injuries, occupational disease, emergency control and prevention, and business continuity. For all activities, whether routine or irregular (permit and project activities),

A trained cross-functional team identifies hazards, and risk assessment and management are carried out using Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA), Physical hazard analysis through check sheet (PHA) ,HAZOP for high risk and Standard Operating Procedures (SOP), which are referred to before beginning any activity. Apart from this organisation, the Company has undertaken its own self-assessments in areas such as electrical safety, fire safety, machine safety, and so on.

c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company urges its employees to record near-miss situations discovered during various operations, which are then classified, and an action plan is developed and implemented to prevent a recurrence. Each manufacturing facility has a specific protocol in place for reporting work-related hazards, injuries, hazardous conditions, and unsafe activities.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees are covered under health insurance and ESI scheme.

11. Details of safety related incidents, in the following format.

Safety Incident /Number	Category	F.Y. 2022-23	F.Y. 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) KMPs	Employees	0	0
	Workers	0.14	0
Total recordable work-related injuries	Employees	0	0
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Board-approved HSE (Health, Safety and Environment) policy outlines the Company's philosophy and commitment to important HSE (Health, Safety and Environment) standards. It assists the Company in strengthening EHS performance by creating objectives and targets and monitoring key performance indicators, resulting in the organisation-wide promotion of a safety culture. A thorough EHS scorecard has been implemented across all units, and its performance is evaluated each month, following which preventive and prophylactic actions are implemented as necessary.

The Company adheres to the Work Permit System (WPS) and conducts daily toolbox discussions to promote a risk-free work environment and culture. Safety-related performance is evaluated using a standard, data-driven method and lessons based on the current situation are delivered to employees in an effort to prevent similar incidents at work. Also, the Company is OHSAS 18001 (Occupational Health and Safety Management) and ISO 45001:2018 certified.

13. Number of Complaints on the following made by employees and workers.

	F.Y. 2022-23			F.Y. 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions Health & Safety	No complaints have been received					

14. Assessments for the year

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

The objective is to create an EHS-oriented mindset focused on engineering control, zero accidents, and behavior control, supported by people. The Company has a safety manual called Kavach covering all aspects of safety. Daily incident reporting, safety observations, and theme-based awareness campaigns are conducted. Safety compliance is ensured through gap analysis, warehouse safety evaluation, and OH&S management system compliance with ISO 45001:2018. Regular audits and legal compliance checks are conducted. The safety culture is promoted through zero-tolerance policies, leading and lagging indicators, and empowerment of safety officers.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes

2. Provide the measures undertaken by the entity to ensure payment of statutory dues by the value chain partners.

Yes, the Company has a compliance tool to track all the legal compliances with proper dates. Stakeholders are trained to ensure compliance. The Company also undertakes monthly audits with its value chain partners.

3. Provide the number of employees/ workers having suffered grave consequences due to work-related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

In Goa and Badi Plants, no such cases were reported. In the Pumps segment too, no such incidents were reported. However, in Baroda Plant, one death was reported due to ill health.

	Total No. of affected employees/ workers		Total No. of affected employees/ workers	
	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2021-22
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment (Yes/ No).

The entity provides transition assistance programmes only in cases of retirement, and that too is need-based.

5. Details on assessment of value chain partners.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100
Working Conditions	100

Although informal and formal awareness programmes are being conducted for the value chain partners, assessment of major business partners with respect to Environment, Health, Safety and Sustainability have already begun. The organisation aims to conduct the same audit with all business partners to enhance the working conditions associated with the Company.

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The details of the corrective actions undertaken are as follows:

- i) A vendor handbook encompassing EHS and sustainability check points has been issued as a pre-qualification procedure addressing required law compliance.
- ii) The gap after assessment is disclosed, and an action plan for compliance is created.
- iii) The Company also carries out assessment as per the internal EHS audit procedures and all the observations and non-conformances are properly recorded and notified.

Principle

4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the Company.

The steps followed for identification of the stakeholders by the Company are as follows:

- i) Preparing a list of stakeholders
- ii) Classification of internal and external stakeholders
- iii) Prioritising stakeholder groups

The Company has established organisation-wide processes to encourage open and constructive dialogue with its stakeholders regularly. Participating in such communication enhances the Company's understanding of pertinent issues and assists it in identifying the attributes of stakeholders that make them valuable. The Company makes continual efforts to understand their requirements, expectations and interests to create value for the business. The Company's stakeholder engagement strategy is focused on two-way communication to receive varying perspectives and apply them to the business.

2. List of stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly /others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	- Meetings/ Town hall briefings - Employee engagement activities and surveys - Team building, workshops, capability building and training - Performance management system - Employee newsletters - Rewards and recognitions - CSR through employee engagement	Continuous	Employees are the most important assets of the Company and are essential to its long-term success. They are critical to increasing the Company's competitiveness and confirming its market leadership.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly /others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Community	Yes	- CSR initiatives - Volunteering	Continuous	Empowering the community is critical to the Company's long-term business sustainability. Through numerous upliftment projects and activities, the Company continues to develop enduring relationships with the communities and transform their lives.
Suppliers	No	- One to-one meetings - Regular operational reviews	Continuous	The Company collaborates with the suppliers to maintain seamless business operations by ensuring effective and efficient procurement practices.
Consumers (B2B), (B2C)	No	Customer engagement surveys	Continuous	Consumers' purchasing habits have an influence on the Company, so it is critical to have continual contact with them to understand their needs and desires.
Investors/ Shareholders	No	- Annual general meeting - Financial result declarations - Media releases - Investor calls and meets	Quarterly and Annually	Investors are critical to the Company's success and growth. They help the Company by strengthening its financial resilience.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
- The Company has noted comments and insights from all its stakeholders that have an impact on the material topics of the Company. The contributions of stakeholders were utilised to determine the Company's material subjects. The outcome of this exercise in materiality was transformed into policies by utilising several other worldwide standards and needs. These help form a framework that is specific to the Company. Also, these frameworks are presented to the Board for discussion and approval.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.
- After stakeholder consultation, the Company has identified significant environmental and social concerns. Material topics were shortlisted and prioritised according to their influence on stakeholders and businesses.
3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.
- There are no reportable concerns of vulnerable/ marginalised groups. However, the Company undertakes various CSR activities in local areas that serve the vulnerable/ marginalised stakeholder group.
- Kindly refer to the Corporate Social Responsibility Section for further details on page 109 of Integrated Annual Report.

Principle

5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format.
- The Company operates in an open, fair and transparent manner and is dedicated to upholding the highest ethical standards and practices. To expose unethical conduct and encourage professionalism and ethical behaviour among its staff, the whistle-blower and code of conduct policies are in place.
2. Details of minimum wages paid to employees and workers, in the following format.
- On-roll and contractual workers are paid in compliance with the minimum wage act. The Company has implemented programmes where, in recognition of good efforts, workers are paid additional amounts through special components and benefits. The Company's employees are paid as per industry standards.

Category	F.Y. 2022-23					F.Y. 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1,693	-	-	1,693	100	1,504	-	-	1,504	100
Male	1,582	-	-	1,582	100	1,410	-	-	1,410	100
Female	111	-	-	111	100	94	-	-	94	100
Other than Permanent	783	-	-	783	100	650	-	-	650	100
Male	660	-	-	660	100	550	-	-	550	100
Female	123	-	-	123	100	100	-	-	100	100
Workers										
Permanent	497	-	-	497	100	506	-	-	506	100
Male	432	-	-	432	100	441	-	-	441	100
Female	65	-	-	65	100	65	-	-	65	100
Other than Permanent	2,849	2,849	100	-	-	1,883	-	-	1,883	100
Male	2,104	2,104	100	-	-	1,400	-	-	1,400	100
Female	745	745	100	-	-	483	-	-	483	100

3. Details of remuneration / salary / wages, in the following format.

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)	6*	34,90,000.00	2	23,85,000.00
Key Managerial Personnel (KMP)	2**	3,48,97,704\$	1	72,64,956\$
Employees other than BoD and KMP	1,580	10,77,984	110	14,71,956
Workers	432	3,90,852	65	4,57,820

\$The median is calculated on annual CTC of all KMPs as on March 31, 2023. However, Mr. Kaleeswaran Arunachalam was appointed as CFO w.e.f. September 5, 2022 and Ms. Rashmi Khandelwal was appointed as Company Secretary & Compliance Officer w.e.f. November 28, 2022 (both of them were only there for part of the year, however, median is annualized).

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No).

The Company is aware of how severe violations of human rights are. To maintain a safe and productive workplace, the Company has adopted a POSH policy and a whistle-blower policy. To familiarise the employees with POSH and whistle-blower policies as well as the implications of human rights issues, the Company also offers training on these topics. Human rights is a sensitive topic, and the Company has zero tolerance for human rights violations. Human rights is one of the Company's key focus areas. Any human rights violation, wherever reported, shall be investigated by the Management following the code of conduct policy of the Company.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company is committed to supporting internationally accepted human rights principles and standards. It has also established procedures and processes to ensure that no human rights violations occur throughout the Company's operations. The Company's POSH and whistle-blower policies aid employees in reporting complaints. All grievances are addressed as and when received by the respective manufacturing unit heads, project managers, and business unit heads through Admin/ IR in coordination with HR. All the grievances received are duly investigated, and appropriate actions are taken to resolve the issue or complaint. Whenever required, disciplinary actions are initiated as deemed fit, and assistance from regulatory authorities is sought.

6. Number of Complaints on the following made by employees and workers.

	F.Y. 2022-23			F.Y. 2021-22		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	NIL	NIL		1	NIL	One complaint was received, which has been investigated in accordance with the guidelines. The employee was not found guilty of any misconduct.
Discrimination at workplace	NIL	NIL		NIL	NIL	
Child Labour	NIL	NIL		NIL	NIL	
Forced Labour/Involuntary Labour	NIL	NIL		NIL	NIL	
Wages	NIL	NIL		NIL	NIL	
Other Human rights related issues	NIL	NIL		NIL	NIL	

*As on March 31, 2023 , there were Nine (9) Directors. On April 24,2023, Mr. Mathew Job, resigned from the position of Executive Director w.e.f. close of business hours of April 24, 2023 and from the position of CEO w.e.f. close of business hours of April 30, 2023.

**As on March 31, 2023, Mr. Shantanu Khosla, MD; Mr. Mathew Job, CEO; Mr. Kaleeswaran Arunachalam, CFO, and Ms. Rashmi Khandelwal, Company Secretary & Compliance Officer were designated as KMPs. However, as on the date of this Report, Mr. Promeet Ghosh, MD & CEO; Mr. Kaleeswaran Arunachalam, CFO; and Ms. Rashmi Khandelwal, Company Secretary & Compliance Officer are the designated KMPs.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company's whistle-blower policy has clearly laid down the guidelines to prevent retaliation against a complainant. A complainant has the right to complete anonymity unless required by law enforcement agencies. The organisation prohibits retaliation against a complainant, such as threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No. However, the Company strongly believes that suppliers and vendors are an integral part of its business and contribute to its growth and viability. Regular engagement activities are organised with suppliers and vendors.

9. Assessment for the year.

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	Government officers from the respective locations come for inspection.
Forced Labour/Involuntary Labour	Government officers from the respective locations come for inspection.
Sexual Harassment	Government officers from the respective locations come for inspection. Last year, there was no inspection.
Discrimination at workplace	Government officers from the respective locations come for inspection.
Wages	Government officers from the respective locations come for inspection.
Other- please specify	NA

10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.

No complaints related to child labour, forced labour, involuntary labour, or discriminatory employment were received during the reporting year, and none are pending at the end of the reporting year.

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.

The Company regularly updates its employees about the Code of Conduct through various training programmes.

2. Details of the scope and coverage of any Human rights due diligence conducted.

None.

3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the premises and offices are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company expects its value chain partners to adhere to the same values, principles and business ethics upheld by the Company in all their dealings. No specific assessment with respect to value chain partners has been carried out.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No corrective action pertaining to Question 4 was necessitated by the Company during the year under review.

Principle

6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format.

Parameter	F.Y. 2022-23	F.Y. 2021-22
Total electricity consumption (A)	35,074.04 GJ	2,24,504.7 GJ
Total fuel consumption (B)	23,290.86 GJ	2,06,442.8 GJ
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C)	58,364.9 GJ	4,30,947.5 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	-	-
Energy intensity (optional) – the relevant metric may be selected by the Company	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

2. Does the Company have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

This is not applicable to the Company as it does not fall under the PAT scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format.

Parameter	F.Y. 2022-23	F.Y. 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	44,025	46,616
(iii) Third party water	24,742	21,043
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	68,767	67,659
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

At present, the Company does not have a zero-liquid discharge mechanism. However, all its facilities use 100% of the treated water from STP and ETP within the premises for horticulture and toilet use. The Company follows all the necessary applicable guidelines and directions on maintaining the standards of STP and ETP, as required by CPCB and SPCBs.

5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format.

Parameter	Unit	F.Y. 2022-23	F.Y. 2021-22
NOx	KG	-	-
SOx		11.52	28.89
Particulate matter (PM)		-	-
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		NA	NA
Others – please specify		NA	NA

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: NO

6. Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) & its intensity, in the following format.

Parameter	Unit	F.Y. 2022-23	F.Y. 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	4,752	14,907.8
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	4,053.50	3,963.5
Total Scope 1 and Scope 2 emissions per rupee of turnover		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company's innovative products (fans, lighting, pumps and appliances) help to avoid nearly 15% of its GHG emissions as compared to last year.

At Baroda and the Kundiam Plant, the Company is using natural gas to reduce the GHG emissions, whereas in Baddi Unit 3, the installation of solar panels is in progress.

8. Provide details related to waste management by the Company, in the following format.

Parameter	F.Y. 2022-23	F.Y. 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	895.98	1,430.84
E-waste (B)	453.55	83.37
Bio-medical waste (C)	0.00277	0.0035
Construction and demolition waste (D)	0.00	0.00
Battery waste (E)	0.00	1.15
Radioactive waste (F)	0.00	0.00
Other Hazardous Waste. Please specify, if any. (G)	104.17	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	1,682.67	NA
Total (A+B + C + D + E + F + G + H)	3,136.37	1,515.36

Parameter	F.Y. 2022-23	F.Y. 2021-22
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2,652.37	Not available
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	2,652.37	-
For each category of waste generated, total waste disposed of through disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

9. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company is consistently making sincere efforts to improve its resource efficiency, eco-friendly packaging and trash recycling. It is implementing numerous well-thought-out measures to enhance its waste management initiatives.

The Company has improved its material efficiency, which has resulted in a decrease in industrial waste and raw material consumption, helped in waste segregation and reduced greenhouse gas emissions. The Company makes consistent efforts to track and regulate the use of hazardous substances and considers it essential to manage its resources responsibly since it benefits the environment, reduces the price of its products and ensures consumer acceptance.

The Company’s operational units are responsible for ensuring that all hazardous materials are delivered to a State Pollution Control Board-approved authorised disposal operator. The Company ensures responsible waste management practices involving 100% recycling of plastic waste as per EPR PWM. The disposal of e-waste is overseen by a licensed recycler who has been approved by the CPCB and awarded green certificates for the same. Moreover, the waste generated within the plant gets segregated at the source through colour-coded waste collection bins, awareness on waste management, disposal according to the law of the land, etc.

10. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format.

Sl. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
---------	---------------------------------	--------------------	--

No. The Company does not have any offices or plants located around ecologically sensitive areas.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-----------------------------------	----------------------	------	---	--	-------------------

NA

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

Yes, the Company complies with all the applicable environmental laws. No material fines were paid in F.Y. 2022-23.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format.

Parameter	F.Y. 2022-23	F.Y. 2021-22
From renewable sources		
Total electricity consumption (A)	70.74	53.05
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	70.74	53.05
From non-renewable sources		
Total electricity consumption (D)	35,003.30	18,061.8
Total fuel consumption (E)	23,290.86	4,645.2
Energy consumption through other sources (F)	Nil	2,01,797.6
Total energy consumed from non-renewable sources (D+E+F)	58,294.16	2,24,504.6

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

2. Provide the following details related to water discharged.

Parameter	F.Y. 2022-23	F.Y. 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	38,521.80	34,374.63
Total water discharged (in kilolitres)	38,521.80	34,374.63

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres).

For each facility/ plant located in areas of water stress, provide the following information:

- (i) Name of the area: Vadodara lighting unit , Baddi lighting & fan units, Goa fan units & A'Nagar pump unit.
- (ii) Nature of operations: Manufacturing
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	F.Y. 2022-23	F.Y. 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
ii) Groundwater	44,626	46,616
(iii) Third party water	25,250	21,043
(iv) Seawater/ desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres)	69,876	67,659
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed/ turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
i) Into Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	38,521.80	34,374.63
Total water discharged (in kilolitres)	38,521.80	34,374.63

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

4. Please provide details of total Scope 3 emissions & its intensity, in the following format.

The Company is in the process of setting up the system for tracking scope 3 emissions. The same can be published in the forthcoming years.

5. With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

The Company regularly tests water and air quality in accordance with environmental rules and legislation.

6. If the entity provided below taken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format.

Sl. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	By switching to metal crates	The Company has started recycling and reusing techniques, such as reusing metal bins for handling semi-finished components in a few specific categories; this has eliminated the need for wooden packaging.	Lowered wood utilisation by 172 MT.
2	Conserving energy by using renewable energy	The Company has expanded the share of renewable energy in the entire energy mix, which has helped it reduce its carbon footprint while also reducing electricity costs.	Saved around 297 MWh in comparison to the past year at the Bethora facility.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Disaster Management Plan includes description of the institutional arrangements and discussions on various aspects of disaster management such as prevention, mitigation, preparedness, mainstreaming, capacity development and response. The Company, all manufacturing units has set of actions and recommendations for disaster risk reduction and effective response. Onsite & offsite emergency plan discloses any significant adverse impact to the environment, arising from the entity and mitigation or adaptation measures have been taken into consideration.

The Company, all manufacturing sites are well equipped with on-site emergency plan which deals with measures to prevent and control emergencies within the factory and not affecting outside public or environment. As per applicability of manufacturing site the off-site emergency plan is made available which deal with measures to prevent and control emergencies affecting public and the environment outside the premises. Disaster recovery mechanisms are in place for critical business systems and periodic DR Drills are carried out to simulate such events and ensure that processes and systems work as desired.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Kicked off EHS assessment for value chain partners under QA VPQ audits.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

The Company has started EHS assessments for value chain partners under QA VPQ audits.

Principle 7

Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
- The Company is well represented in several business and industry chambers and associations. The Company is affiliated with Thirteen (13) trade and industry chambers and associations.
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Indian Pump Manufacturers Association (IPMA)	National
2	Southern India Engineering Manufacturers Association (SIEMA)	State
3	Indian Fan Manufacturers Association (IFMA)	National
4	the Advertising Standards Council of India	National
5	Indian Society of Advertisers	National
6	IMA IP Ltd	National
7	Indian Society of Lighting Engineers	National
8	Electric lamps and components manufacturers of India	National
9	Bureau of Indian Standards (BIS)	National
10	National Lighting Code and Bombay Chambers of Commerce	National
11	Bureau of Energy Efficiency (BEE).	National
12	Goa Chamber of Commerce & Industry (GCCl)	National
13	Consumer Electronics and Appliances Manufacturers Association	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

For the F.Y. under review, the Company received no adverse orders from regulatory bodies; hence, no corrective actions were required.

Leadership Indicators

1. Details of public policy positions advocated by the Company.

The Company, is a key member of ELCOMA and a core member of the technical committees of ELCOMA, taking up key roles in formulating and upgrading the standards in Lighting in existing and upcoming categories. As a key member of the IWG committee of ELCOMA, The Company, plays a crucial role in coordinating and influencing industry matters and government regulation with Meity, DPIIT, and the MoEFCC on e-waste rules, budget and tariff proposals, PLI schemes, and public procurement orders. The Company, is also a key member of the BIS technical committees and ISLE, where it works on specifications, standards, upgrades, and interfaces with BEE on star rating upgrades. As a member of ELCOMA, the Company, has also been interacting with international bodies such as GLA, ISA, and NEMA. The Company, as a member of ELCOMA, has been strongly advocating for actions to be taken by regulatory bodies on the huge number of non-BIS-compliant lamps proliferating in the market.

Principle 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format.

Sl. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
1	NA					

3. Describe the mechanisms to receive and redress grievances of the community.

The Company executes several community programmes to develop healthy relationships with the community. It regularly interacts with people and communities and tries to address their concerns. The Company ensures timely actions are taken to address the concerns raised by communities.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	F.Y. 2022-23	F.Y. 2021-22
Directly sourced from MSMEs/ small producers	62	60
Sourced directly from within the district and neighbouring districts	55	51

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above).

Details of negative social impact identified	Corrective action taken
NA	

2. Provide the following information on CSR projects undertaken by the Company in the designated aspirational districts as identified by government bodies.

Sl. No.	State	Aspirational District	Amount spent (In INR)
1	NA		

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups? (Yes/No).
- (b) From which marginalized/ vulnerable groups do you procure?
- (c) What percentage of total procurement (by value) does it constitute?

The Company is committed to responsible and sustainable procurement and supply chain practices. It provides equal opportunity to all its procurement partners and suppliers. It has a comprehensive SOP and checklist in place for the onboarding of vendors and suppliers. It also monitors the vendor performance index (VPI) and supplier performance index (SPI).

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Sl. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
	NA			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of the authority	Brief of the case	Corrective action taken
NA		

6. Details of beneficiaries of CSR Projects.

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Skill & Entrepreneurship Project	2,736	NA
2	Water Conservation	9,000	NA
3	Community Care	10,463	NA

Principle

9

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
- Consumers are of utmost importance to the Company. It has established multiple channels for receiving and responding to customer complaints. The Company is using a customer relationship management system to ensure that all feedback is captured and assigned to the appropriate service associates for resolution. Also, WhatsApp bots streamline the process of registering service requests, and the Technician Mobile Application helps streamline the Company’s complaint resolution process. Additionally, a toll-free number is provided on the website.
2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	
Recycling and/or safe disposal	Plastic waste is 100% collected against CPCB targets.

3. Number of consumer complaints in respect of the following.

As of March, 2023, the Company has closed 25,80,752 product service requests from consumers and dealers with a matching Happy Code for the current fiscal year. This is 93.7% of the total number of product service requests raised. Kindly note that, as of March, 2023, the Company has received One Hundred Thirty Three (133) complaints that have been escalated to the CEO.

In F.Y. 2021-22 and F.Y. 2020-21, the Company received zero complaints in the areas of data privacy, advertising, cybersecurity, restrictive trade practices, and unfair trade practices. Its products and services do not fall under the delivery of essential services. Most of the complaints received by the Company are product performance and installation related.

	F.Y. 2022-23		Remarks	F.Y. 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL		NIL	NIL	-
Advertising	NIL	NIL		NIL	NIL	-
Cyber- security	NIL	NIL		NIL	NIL	-
Delivery of essential services	NIL	NIL		NIL	NIL	-
Restrictive Trade Practices	NIL	NIL		NIL	NIL	-
Unfair Trade Practices	NIL	NIL		NIL	NIL	-
Other (product related)	25,80,752	3,702		29,48,560	1,299	-

4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the Company have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has a privacy policy in place that offers various security strategies to ensure the data security of users and devices.

The policy is present on the Company’s website and can be accessed using this link: <https://www.crompton.co.in/privacy-policy/>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.

Some dealers and channel partners engaged by CG Power and Industrial Solutions Limited were misleading consumers and traders by stating that they are associated with ‘Crompton’ and/or ‘Crompton Greaves’. The Company has initiated appropriated proceedings against CG Power and Industrial Solutions Limited before the Hon’ble High Court at New Delhi and the Hon’ble High Court at Bombay and matters therein are pending.

Leadership Indicators

1. Channels/ platforms where information on products and services of the Company can be accessed (provide web-link, if available).

Channels and platforms where information on the products and services of the Company can be accessed are mentioned below:

Company website		https://www.crompton.co.in/
Social media handles		
Instagram		https://www.instagram.com/crompton_india/
Facebook		https://www.facebook.com/Crompton.India/
LinkedIn		https://www.linkedin.com/company/cromptongreavesconsumerelectricalslimited/
Twitter		https://twitter.com/Crompton_India

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company provides service and installation manuals along with the product for safe installation and usage. The installation data is also provided on the website, along with links to other Company brochures.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

NA.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/NA) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/ No).

Yes, the Company ensures that the information required to be displayed in the product is mentioned on its labels or manuals. All the Company’s products that need installation are sold with instruction manuals that contain detailed explanations on the safe installation and use of the products. It contains dos and don’ts to ensure the best usage. The Company also suggests optimum product ratings to be used in the case of fixtures that are sold without light sources. Also, mandatory information and information related to product usage are provided on the Company’s website and through various documents (like catalogues, brochures, etc.). In B2B, due to the nature of working, which depends on the projects, the products display information required as per BIS and the Legal Metrology Act.

The services team collects customer feedback on product installation and service (via Happy Codes). Presently, 98% of consumers have supplied happy codes.

5. Provide the following information relating to data breaches.

a. Number of instances of data breaches, along with impact.

The Company has not had any known incidents of data breaches during the year under review.

b. Percentage of data breaches involving personally identifiable information of customers.

NIL.

Independent Auditor’s Report

To the Members of
Crompton Greaves Consumer Electricals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Crompton Greaves Consumer Electricals Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Standalone Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended 31st March, 2023. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Goodwill and Other Intangible Assets with Indefinite Useful Lives (Refer Notes 2 and 34 to the Standalone Financial Statements) The goodwill balance as of 31st March, 2023 of ₹ 779.41 crores pertains to demerger of the Consumer Business from Crompton Greaves Limited (now CG Power and Industrial Solutions Limited) and Crompton Greaves Consumer Electricals Limited in 2015. Other Intangible assets with indefinite useful lives pertains to trademarks purchased on account of acquisition of subsidiary. Carrying value of goodwill and other intangible assets with indefinite useful lives is material as at 31st March, 2023 and inherent uncertainty is involved in forecasting and discounting future cash flows, determination of discount and terminal growth rates for computing the value and the assessment of its recoverability.	Our audit procedures with respect to this matter included, but were not limited to, the following: a. Obtained an understanding of the process and assessed the design, implementation and tested the operating effectiveness of internal controls over the accounting for goodwill and other intangible assets with indefinite useful lives arising out of business reconstruction transaction. b. Assessed reasonableness of the future revenue and margin projections, the historical accuracy of the estimates and its ability to produce accurate long-term forecasts. c. Involved our valuation experts (“auditor’s expert”) to assist in examining the reasonableness of the Company’s valuation model and analysing the underlying key assumptions, including terminal growth rates and discount rates.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	The Company has carried out an impairment assessment using the value-in-use model which is based on the net present value of the forecast earnings of the cash generating units. The computation involves using certain assumptions around discount rates, growth rates and cash flow forecasts. Thus, assessment of recoverability of carrying value of goodwill and other intangible assets with indefinite useful lives is a key audit matter.	d. Evaluated the sensitivity in the valuation, resulting from changes to key assumptions applied and compared the assumptions to corroborating information including industry reports and data from competitors, historic performance, local economic developments and industry outlook. e. Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board and tested the mathematical accuracy of management’s calculations. f. Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements.
2	Estimates – Provision for Warranties (Refer Note 13 to Standalone Financial Statements) The Company’s business involves the sale of products under warranty. The Company also has back-to-back contractual arrangements with its vendors for reimbursement of cost relating to products supplied by the vendors. Warranty provisions, which are inherently judgmental in nature, are provided by the Company to record an appropriate estimate of the costs of repairing and replacing products and spares within the warranty period. The Company estimates and provides for liability for product warranties in the year in which the products are sold. Further, the timing of outflows will vary based on the actual warranty claims made during the warranty period in the future. The above estimations of warranty provision require significant judgement considering the nature and timing of the cash outflows. Also, there is estimation uncertainty as regards to the timing and the amount of the actual warranty claims that may devolve over the warranty period. Accordingly, provision for warranties has been determined by us to be a key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a. Obtained an understanding of the warranty claims process and assessed the design and implementation and tested the operating effectiveness of internal controls over the provision for warranties. b. Reviewed the historical data of warranty costs incurred in regard to the product sales, the trend of claims over the warranty period and the comparison between provisions previously recognised and actual expenses. Also reviewed the historical data of recoveries from vendors against warranty claims and defective returns. c. Reviewed reconciliations of sales data to determine completeness of transactions on which warranty obligation is determined. d. Performed enquiry procedures and reviewed relevant documents in evaluating the accuracy of historical information prepared by the management (including cost of repairs and returns). e. Reviewed the recognition and appropriateness of provisions by verifying the computation of defect rates, vendors recovery and mathematical accuracy of management calculations and obtaining management statements, evidence and supporting documents. f. Assessed the adequacy and appropriateness of the relevant disclosures made in the Standalone Financial Statements.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3	Ongoing litigations and related accounting and disclosure of provisions and contingent liabilities, including provision for tax (Refer Note 27 of Standalone Financial Statement) The Company has unsettled tax matters under ongoing litigations and disputes with regulatory authorities, which involves significant judgment to determine probable, possible or a reliable estimate of the outcome of the dispute. These provisions are estimated using a significant degree of management judgement in interpreting the various relevant rules, regulations and practices. Further these amounts are likely to have a significant impact on the Standalone Financial Statements. Provision for tax is also based on the presumption of significant estimates and assumptions on the allowability/ disallowability of claims at the assessment level. Accordingly, this is considered as the key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a. Obtained an understanding of the key uncertain tax provisions and also obtained information of completed tax assessments and demands / refunds received by the Company during the financial year. b. Reviewed the processes and design, implementation and operating effectiveness of controls in place over tax assessments and demands / refunds through discussions with the management’s internal experts / external consultants and reviewed the communications with those charged with governance pertaining to this issue. c. Involved our internal tax experts (“auditor’s expert”) to discuss with the appropriate management to critically evaluate the key assumptions in estimating the tax provisions and assess the possible outcome of the assessment / demands of the disputed claims. Our tax experts considered past precedence and other rulings in evaluating Company’s position on these uncertain tax positions. d. Further, considered the effect of all the information in respect of uncertain tax positions as at 31st March, 2023 and provision for tax to evaluate whether it was necessary to revise the Company’s position on these uncertainties. e. Assessed the adequacy and appropriateness of the relevant disclosures made in the Standalone Financial Statements.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, etc but does not include the Standalone Financial Statements and our auditor’s report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive income), the

Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 27 to the Standalone Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

- The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 10(h) to the Standalone Financial Statements)

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 1st April, 2023, reporting under this clause is not applicable.
3. In our opinion, according to the information and explanations given to us, the remuneration paid by the Company to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Srividya Vaidison

Partner

Membership No.: 207132

UDIN: 23207132BGQRZL9330

Place: Mumbai

Date: 19th May, 2023

Annexure A To The Independent Auditor's Report on even date on the Standalone Financial Statements of Crompton Greaves Consumer Electricals Limited

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the year ended 31st March, 2023 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Partner

Place: Mumbai Membership No.: 207132
Date: 19th May, 2023 UDIN: 23207132BGQRZL9330

Annexure B to Independent Auditor's Report of even date on the Standalone Financial Statements of Crompton Greaves Consumer Electricals Limited for the year ended 31st March, 2023.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment and right of use assets were physically verified by the management in accordance with a planned programme designed to cover over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, there are no proceedings initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been

confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

- (b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of account.
- iii. (a) According to the information explanation provided to us, the Company has made investments in subsidiary and given guarantee on the nature of loans but has not provided any security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

The details of such guarantees

Particulars	Guarantees amount (₹ in Crores)
Aggregate amount of guarantee provided during the year	249 (Gross amount)
Balance Outstanding as at balance sheet date in respect of guarantee provided	NIL

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made and guarantee listed are not prejudicial to the interest of the Company.
- (c) According to the information explanation provided to us, the company has not given any loans or advances in the nature of loans. Hence, the requirements under paragraph 3(iii)(c), (d), (e) and (f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section

- 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, cess and other statutory dues have been regularly deposited by the Company with appropriate authorities although there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, cess, and other statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income tax, goods and service tax, customs duty, excise duty, sales tax, value added tax, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded ₹ In Crores	Amount Paid ₹ In Crores	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Tax	33.66	23.28	FY 2010-11, 11-12, 12-14, 14-15, 15-16, 16-17, 17-18, 19-20, 20-21	Commissioner (Appeals)
The Central Excise Act, 1944	Tax, Penalty	1.37	-	FY 2000-01	Dy. Commissioner, Central Excise
The Central Excise Act, 1944	Tax	5.23	-	FY 2016-17 and 17-18	Commissioner of Central GST
Goods and Service Tax	Tax, Interest and penalty	4.38	0.22	FY 2017-18 and 20-21	Commissioner Appeals
The Customs Act, 1962	Duty and Surcharge	8.59	4.02	FY 2017-18 to 22-23	Commissioner Appeals
The Central Sales Tax Act, 1956, Local Sales Tax Act and works Contract Tax and Value added tax Acts	Tax and Penalty	139.29	15.18	FY 1998-99 to 1999-00, 2001-02, 2003-04 to 2017-18	Commissionerate (Appeals)
	Tax	2.47		FY 1996-97, 2000-01, 2002-03 to 05, 2008-09, 2011-12, 2013-14	Tribunal
	Tax	0.06		FY 1999-00	High Court

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, money raised by way of term loans (non-convertible debentures) during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information explanation given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3(x)(b) of the Order are not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the Standalone Financial Statements for the year ended 31st March, 2023, accordingly the provisions stated in paragraph 3(xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3(xvi)(a) of the Order are not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 3(xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3(xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 3(xvi)(d) of the Order are not applicable to the Company.

xvii. Based on the overall review of Standalone Financial Statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under Clause 3(xxii) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Srividya Vaidison

Partner

Place: Mumbai

Date: 19th May, 2023

Membership No.: 207132

UDIN: 23207132BGQRZL9330

ANNEXURE C to the Independent Auditor's Report of even date on the Standalone Financial Statements of Crompton Greaves Consumer Electricals Limited

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Crompton Greaves Consumer Electricals Limited on the Standalone Financial Statements for the year ended 31st March, 2023]

Report on the Internal Financial Controls under
Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of Crompton Greaves Consumer Electricals Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31st March, 2023, based on the criteria for internal control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the criteria for internal control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may

occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Partner
Place: Mumbai Membership No.: 207132
Date: 19th May, 2023 UDIN: 23207132BGQRZL9330

Standalone Balance Sheet

as at 31st March, 2023

₹ crore			
Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2 A	223.49	215.20
(b) Capital work-in-progress	2 E	2.64	7.50
(c) Right to use assets	2 B	68.85	69.35
(d) Intangible assets	2 C	779.41	779.41
(e) Other intangible assets	2 D	50.26	35.03
(f) Intangible assets under development	2 F	21.05	-
(g) Financial assets			
(i) Investments	3 A	1,928.21	1,407.17
(ii) Trade receivables	7 A	15.49	21.83
(iii) Other financial assets	4 A	12.07	12.02
(h) Deferred tax assets (net)	17	69.66	48.14
(i) Non-current tax assets (net)		8.62	13.83
(j) Other non-current assets	5 A	73.64	64.74
Total non-current assets		3,253.39	2,674.22
(2) Current assets			
(a) Inventories	6	618.75	511.35
(b) Financial assets			
(i) Investments	3 B	530.77	610.65
(ii) Trade receivables	7 B	529.80	490.70
(iii) Cash and cash equivalents	8	44.06	170.09
(iv) Bank balances other than (iii) above	9	3.74	733.69
(v) Other financial assets	4 B	21.63	14.60
(c) Current tax assets (net)		19.81	22.00
(d) Other current assets	5 B	123.73	98.80
Total current assets		1,892.29	2,651.88
TOTAL ASSETS		5,145.68	5,326.10

Standalone Balance Sheet (Contd..)

as at 31st March, 2023

₹ crore			
Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	127.22	126.68
(b) Other equity	11	2,711.75	2,328.98
Total equity		2,838.97	2,455.66
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12 A	597.18	-
(ii) Lease liabilities	30	52.20	43.54
(iii) Trade payables	14 A		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		13.19	8.07
(b) Provisions	13 A	131.23	109.55
Total non-current liabilities		793.80	161.16
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12 B	325.00	1,555.25
(ii) Lease liabilities	30	25.80	33.63
(iii) Trade payables	14 B		
(a) Total outstanding dues of micro enterprises and small enterprises		217.61	109.99
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		676.64	742.29
(iv) Other financial liabilities	15	68.30	39.05
(b) Other current liabilities	16	79.78	115.35
(c) Provisions	13 B	111.85	113.72
(d) Current tax liabilities (net)		7.93	-
Total current liabilities		1,512.91	2,709.28
Total liabilities		2,306.71	2,870.44
TOTAL EQUITY AND LIABILITIES		5,145.68	5,326.10

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Mumbai
19th May, 2023

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

Rashmi Khandelwal
Company Secretary
M. No. A28839

Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

₹ crore			
Particulars	Notes	2022-23	2021-22
Income			
I. Revenue from operations	18	5,809.31	5,373.20
II. Other income	19	74.41	79.90
III. Total Income (I+II)		5,883.72	5,453.10
IV. Expenses			
Cost of materials consumed	20	1,308.04	1,193.91
Purchase of stock-in-trade	21	2,815.34	2,456.65
Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	(113.93)	39.45
Employee benefits expense	23	439.63	362.39
Finance costs	24	102.69	35.31
Depreciation and amortisation expense	2	54.23	42.29
Other expenses	25	688.95	559.95
Total Expenses (IV)		5,294.95	4,689.95
V. Profit before exceptional items and tax (III-IV)		588.77	763.15
Exceptional items	26	(5.54)	-
VI. Profit before tax		594.31	763.15
VII. Tax expenses:			
Current tax		156.54	156.27
Adjustment of tax relating to earlier periods		(16.71)	3.97
Deferred tax (credit)/ charge	17	(21.08)	9.43
Total Tax expenses (VII)		118.75	169.67
VIII. Profit for the year (VI-VII)		475.56	593.48
IX. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) on defined benefit plans		(1.75)	2.74
(ii) Income tax related to items that will not be reclassified to profit or loss		0.44	(0.69)
Other comprehensive income for the year (net of tax) (IX)		(1.31)	2.05
X. Total comprehensive income for the year (VIII + IX)		474.25	595.53
XI. Earnings per equity share (in ₹) of face value of ₹ 2 each			
1. Basic	33	7.49	9.45
2. Diluted		7.46	9.41

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Mumbai
19th May, 2023

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

Rashmi Khandelwal
Company Secretary
M. No. A28839

Standalone Statement of Changes in Equity

for the year ended 31st March, 2023

(A) EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore
Balance as at the beginning of the reporting year	63,34,05,959	126.68	62,76,91,353	125.54
Changes in equity share capital during the year	27,03,760	0.54	57,14,606	1.14
Balance as at the end of the reporting year	63,61,09,719	127.22	63,34,05,959	126.68

(B) OTHER EQUITY

Particulars	Reserves and Surplus					Other comprehensive income	Total Other Equity
	Capital Reserve	Securities premium	Employee stock options outstanding account	Debenture redemption reserve	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	
Balance as at 1st April, 2021	0.05	24.01	162.53	75.00	1,530.68	1.18	1,793.45
Profit for the year	-	-	-	-	593.48	-	593.48
Dividends paid	-	-	-	-	(156.96)	-	(156.96)
Securities premium received	-	59.20	-	-	-	-	59.20
Amount transferred to / (from) Securities premium	-	61.66	(61.66)	-	-	-	-
Amount transferred to / (from) Retained earnings	-	-	-	-	-	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	2.05	2.05
Employee compensation expense for the year (Refer Note 23)	-	-	37.76	-	-	-	37.76
Balance as at 31st March, 2022	0.05	144.87	138.63	75.00	1,967.20	3.23	2,328.98
Profit for the year	-	-	-	-	475.56	-	475.56
Dividends paid	-	-	-	-	(158.41)	-	(158.41)
Securities premium received	-	41.06	-	-	-	-	41.06
Amount transferred to / (from) Securities premium	-	23.58	(23.58)	-	-	-	-
Amount transferred to / (from) Retained earnings	-	-	(1.81)	(75.00)	76.81	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	(1.31)	(1.31)
Employee compensation expense for the year (Refer Note 23)	-	-	25.88	-	-	-	25.88
Balance as at 31st March, 2023	0.05	209.51	139.12	-	2,361.15	1.92	2,711.75

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Mumbai
19th May, 2023

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

Rashmi Khandelwal
Company Secretary
M. No. A28839

Standalone Statement of Cash Flows

for the year ended 31st March, 2023

Particulars	₹ crore	
	2022-23	2021-22
[A] CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	594.31	763.15
Adjustments for:		
Depreciation and amortisation expense	54.23	42.29
Finance cost	102.69	35.31
(Gain) / loss on sale of property, plant and equipment	(3.66)	0.14
Share-based Payments to employees	25.88	37.76
Net loss / (gain) on sale or fair valuation of investments	(15.26)	(36.37)
Interest income	(42.53)	(28.12)
Dividend received from subsidiaries	(9.21)	(11.86)
Unrealised exchange (gain) / loss (net)	(0.63)	1.12
Exceptional items	(5.54)	-
	105.97	40.27
Cash generated from operations before working capital changes	700.28	803.42
Adjustments for:		
(Increase) / Decrease in trade receivables	(32.76)	(60.16)
(Increase) / Decrease in inventories	(107.40)	6.42
(Increase) / Decrease in other financial and non financial assets	(41.23)	(8.66)
Increase / (Decrease) in trade payables	42.83	67.53
(Decrease) / Increase in other financial and non financial liabilities	(33.36)	69.05
Increase / (Decrease) in provisions	18.06	16.73
	(153.86)	90.91
Cash generated from operations	546.42	894.33
Income Tax paid (net of refunds)	(121.62)	(164.14)
Net cash generated from operating activities[A]	424.80	730.19
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Add: Inflows from investing activities		
Interest received	40.67	36.63
Dividend received from subsidiaries	9.21	11.86
Proceeds from current investments (net)	95.14	186.80
Proceeds from sale of property, plant and equipment	4.60	0.56
Proceeds from sale of investment in subsidiary (net)	161.08	-
	310.70	235.85
Less: Outflows from investing activities		
Investment in subsidiaries	672.96	1,392.97
(Increase) / Decrease in other bank balances and term deposits	(730.58)	392.16
Purchase of property, plant and equipment and intangible assets (including assets under development & capital advances)	69.17	171.15
	11.55	1,956.28
Net cash generated from / (used in) investing activities [B]	299.15	(1,720.43)

Standalone Statement of Cash Flows (Contd..)

for the year ended 31st March, 2023

₹ crore		
Particulars	2022-23	2021-22
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Add: Inflows from financing activities		
Proceeds from issue of equity shares	41.60	60.33
Proceeds from issue of debentures	925.00	-
Proceeds from short-term borrowings	-	1,406.90
	966.60	1,467.23
Less: Outflows from financing activities		
Payment of dividend including dividend distribution tax	157.78	156.35
Repayment of debentures	150.00	330.00
Repayment of lease liability	31.49	23.01
Repayment of short-term borrowings	1,406.89	-
Interest paid	70.42	50.53
	1,816.58	559.89
Net cash generated from / (used in) financing activities [C]	(849.98)	907.34
Net decrease in cash and cash equivalents (A+B+C)	(126.03)	(82.90)
(a) Cash and cash equivalents at beginning of the year	170.09	252.99
(b) Cash and cash equivalents at end of the year	44.06	170.09
(c) Net increase / (decrease) in cash and cash equivalents (c = b-a)	(126.03)	(82.90)

Standalone Statement of Cash Flows (Contd..)

for the year ended 31st March, 2023

Notes:

- (i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).
- (ii) Changes in liabilities arising from financing activities :

₹ crore						
Particulars	As at 01st April, 2022	Cash flow changes		Non-cash flow changes		As at 31st March, 2023
		Receipts	Payments	Unamortized expenses	Others	
Non-current borrowings (Refer Note 12A)	-	925.00	-	(2.82)	(325.00)	597.18
Current borrowings (Refer Note 12B)	1,555.25	-	(1,556.89)	1.64	325.00	325.00
Total	1,555.25	925.00	(1,556.89)	(1.18)	-	922.18

₹ crore						
Particulars	As at 01st April, 2021	Cash flow changes		Non-cash flow changes		As at 31st March, 2022
		Receipts	Payments	Unamortized expenses	Others	
Non-current borrowings (Refer Note 12A)	298.79	-	(150.00)	1.08	(149.87)	-
Current borrowings (Refer Note 12B)	180.00	1,406.90	(180.00)	(1.52)	149.87	1,555.25
Total	478.79	1,406.90	(330.00)	(0.44)	-	1,555.25

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Mumbai
19th May, 2023

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

Rashmi Khandelwal
Company Secretary
M. No. A28839

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

CORPORATE INFORMATION

Crompton Greaves Consumer Electricals Limited (the 'Company' or 'Crompton') is engaged in the business of manufacturing, trading, selling and distribution of fans, lighting, pumps and appliances. The Company is a public limited company incorporated and domiciled in India and has its registered office at Mumbai, India.

1. Significant Accounting policies

1) Statement of compliances and basis of preparation and presentation

A. Statement of compliance

The Company's financial statements have been prepared in compliance with Indian Accounting Standards (the 'Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

B. Basis of presentation

The Balance sheet and the Statement of profit and loss are prepared and presented in the format prescribed in the Division II of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, Statement of Cash Flows. The disclosure requirements with respect to items in the Balance sheet and Statement of profit and loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The financial statements of the Company for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 19th May, 2023.

C. Basis of measurement

The financial statements have been prepared on an accrual basis and a historical cost convention, except for the following assets and liabilities which have been measured at fair value:

1. Financial instruments measured at fair value through profit or loss;
2. Defined benefit plans – plan assets measured at fair value; and
3. Share based payment transactions

D. Rounding of amounts

All amounts disclosed in the financial statements and notes are presented in crore and have been rounded off to two decimals as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

2) Key estimates and assumptions

The preparation of standalone financial statements requires the management to make judgments, use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In particulars, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described below:

A. Goodwill impairment

For testing of impairment of goodwill, if events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the Cash Generating Units ('CGUs') (including allocated goodwill) is compared with its recoverable amount by the company. The recoverable amount is the higher of fair value less costs to sell and value in use, both of which are calculated by the company using a discounted cash

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

flow analysis. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimation and judgments involve, but are not limited to, industry trends including pricing, estimating long-term revenues, revenue growth and operating expenses. An impairment loss recognised for goodwill is not reversed in subsequent periods.

B. Provision for warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years. (Refer Note 13)

Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, applied to the volume of product under warranty as on Balance Sheet date. Supplier reimbursements are recognised as separate asset as expected recoverable from vendors against warranty.

C. Estimates related to Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. (Refer Note 35)

D. Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and

the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 17)

E. Measurement of Defined Benefit Obligations, key actuarial assumptions

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. (Refer Note 31)

Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

F. Contingent Liabilities

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

The Company does not expect any reimbursements in respect of the contingent liabilities. The Company's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

3) **Foreign currency translation**

A. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

B. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing on reporting date are generally recognized in Statement of profit and loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

4) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

A. Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- i) those measured at amortised cost, and
- ii) those to be measured at fair value either through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset are expensed off in Statement of Profit and Loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

After initial recognition, financial assets are measured at Fair value through Other Comprehensive Income ('FVOCI') or through profit or loss ('FVPL') or amortised cost.

Equity instruments

Investment in equity instruments issued by subsidiary companies are measured at cost less impairment.

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost**

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. A gain or loss on a debt investment (unhedged) that is subsequently measured at amortised cost is recognised in the Statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate ('EIR') method.

- **Fair value through profit or loss ('FVTPL')** category are measured at fair value with all changes recognised in the Statement of profit and loss.

De-recognition

A financial asset (or where applicable, a part of a financial asset or part of similar assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the

risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.
- On derecognition of financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.
- If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized and the proceeds received are recognised as a collateralized borrowing.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies expected credit loss ('ECL') model for recognition and measurement of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost
- Trade receivables using the simplified approach. This does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

B. Financial liabilities

The Company's financial liabilities comprise of borrowings including bank overdrafts and derivative financial instruments, trade payable and other liabilities.

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are initially measured at fair value. In the case of loans and borrowings and payables, financial liability is recognised net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

Other financial liabilities

These are measured at amortised cost using the effective interest method.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty

Derivative financial instruments

The Company uses derivative financial instruments, such as foreign currency forward contracts and foreign currency option contracts to manage its exposure to foreign exchange risks. For these contracts, hedge accounting is not followed and such designated derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

5) Fair Value Measurement

The Company measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

Fair value measurements are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entity:

Level 1: Financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimate. If all significant inputs require to fair value an instrument are observable, the instrument; and

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

6) Property, plant and equipment ('PPE')

A. Recognition and measurement

Freehold land is carried at historical cost. All other items of PPE are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of PPE comprises:

- i) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates
- ii) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

PPE which are not ready for intended use as on the date of Balance sheet are disclosed as Capital work-in-progress.

Where cost of a part of an asset (asset component) is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately, and such asset component is depreciated over its separate useful life.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in Statement of profit and loss.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

B. Subsequent expenditure

Subsequent costs are included in the carrying amount of asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

C. Depreciation

Depreciable amount for assets is the cost of an asset or other amount substituted for cost less its estimated residual value.

Depreciation on PPE (other than leasehold land) has been provided based on useful life of the assets as estimated by the management on Straight Line Method. The useful lives used are in agreement with those specified in Schedule II to the Companies Act, 2013 except in respect of following category of property, plant and equipment where the useful life is considered differently based on technical evaluation.

Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Plant and equipment– maximum 21 years
- Furniture and fixtures - maximum 15 years

Premium paid on leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the management estimate of useful life, where the lease period is beyond the life of the building. In other cases, buildings constructed on leasehold land is amortised over the primary lease period of the land.

Depreciation on addition to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation methods, estimated useful lives and residual values are reviewed at each reporting date and the effect of any change in the estimates of useful life/ residual value is adjusted prospectively.

Gains or losses arising from derecognition of a PPE are measured as the difference between the disposal proceeds and the carrying amount of the asset and are accordingly recognised in the Statement of profit and loss.

7) Intangible assets

A. Recognition and measurement

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

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase

price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of the asset. These are included in Statement of profit and loss within other gains/ (losses).

The estimated useful life and amortisation methods are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

B. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

C. Amortisation

Other intangible assets	Useful life (in years)
Product Development	Up to 5
Computer Software	5
Trademarks	Indefinite
Technical knowhow	Indefinite

Intangible assets with finite useful life are amortized on a straight-line basis over their estimated useful life and are assessed for impairment whenever there is an indication for impairment. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows are considered to have an indefinite life. The assessment of which is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

D. Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. (Refer Note 34 for a description of impairment testing procedures.)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

E. Research and development cost

i) Research cost

Revenue expenditure on research is charged to Statement of profit and loss under the respective heads of accounts in the period in which it is incurred.

ii) Development cost

Development expenditure on new product is capitalised as intangible asset, if the Company can demonstrate all of the following:

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

Development costs on the intangible assets, fulfilling the criteria are amortised over its useful life, otherwise are expensed in the period in which they are incurred.

Intangibles which are not ready for intended use as on the date of Balance sheet are disclosed as Intangible assets under development.

8) Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount

is higher of the fair value of asset less costs of disposal and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at their lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognised or relates to a change in the estimate of the recoverable amount in the previous periods. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

9) Inventories

Inventories are valued at the lower of cost and net realisable value.

Raw materials, packaging materials and stores and spare parts:

Valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods:

Valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Provision for obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

10) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

11) Business Combination

The Company applies the acquisition method in accounting for business combinations. The consideration transferred by the Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

Directly attributable transaction costs are included in the initial measurement of investments in subsidiaries accounted for at cost. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date. Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible Assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Goodwill is measured as the excess of the aggregate of the consideration transferred and the

amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Such goodwill is tested annually for impairment.

12) Borrowings and loans

Borrowings and loans are initially recognised at fair value, net of transaction costs incurred. It is subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs that are an integral part of the effective interest rate. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of profit and loss over the period of borrowings using the effective interest rate.

13) Leases

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a Right-of-Use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit ("CGU") to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance sheet and lease payments have been classified as financing cash flows.

14) Employee benefit plans

A. Short-term employee benefits:

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

B. Post-employment benefits:

Defined contribution plans:

The Company's contribution to defined contribution plans, namely State governed provident fund, superannuation fund, employee state insurance scheme, employee pension scheme and labour welfare fund are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The contributions are classified as Defined Contribution Scheme as the company has no further defined obligations beyond the monthly contributions.

Defined benefit plans:

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

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

Changes in the present value of the defined benefit obligation resulting from Investment plan amendments are recognised immediately in the Statement of profit or loss as past service cost.

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

In case of funded plans, the fair value of the plan asset is reduced from the gross obligations under the defined benefit plans to recognize the obligation on a net basis.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

C. Long-term employee benefits:

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

D. Termination benefits:

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

E. Share-based Payments:

Employees of the Company receive remuneration in the form of Share-based Payments in consideration of the services rendered.

Under the equity settled share-based payment, the fair value on the grant date of the award given to employees is recognised as ‘employee benefit expense’ with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

15) Provisions, contingent liabilities, contingent assets and commitments

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be made. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed when there is a possible but not probable obligation arising from past events, or a present obligation that may, but probably will not,

require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are disclosed in the financial statements when an inflow of economic benefit is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be extracted on capital account and not provided for.

16) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. (Refer Note 17)

a) Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only if:

- i) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- ii) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Deferred tax assets are recognised for deductible temporary differences (if any) to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary difference or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax asset can be realized.

Deferred tax assets and deferred tax liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset, only if, they relate to income taxes levied by the same taxation authority on the same taxable entity.

17) Revenue from contract with customers

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or services to a customer. Revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of assets (goods or services) to a customer is done over time and in other cases, performance obligations satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation and the progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation. Revenue excludes goods and services tax which is recorded separately.

Sale of Goods

The Company recognizes revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Appropriate provisions are recorded for returns and discounts/incentives which are estimated on the basis of historical experience, market assessment and various discount programs launched by the Company.

Rendering of services

The Company primarily earns revenue from installation, operations and maintenance services which is recognised over the period when services are rendered.

Income from services are recognized as and when performance obligation is met.

Interest income

Interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income

Dividend income on investments is recognised when the right to receive dividend is established.

Other income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

18) Government grants and incentives

Government incentives, such as export benefits etc., are recognised at fair value when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received.

The Government incentives are recognised in profit or loss on a systematic basis over the period in which the

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Company recognizes as expenses. The related costs for which the incentives are intended to compensate or immediately if the costs have already been incurred.

19) **Borrowing costs**

Borrowing costs include interest and other costs incurred in connection with the borrowing of funds and charged to Statement of profit and loss on the basis of effective interest rate. Borrowing costs net of any investment income from temporary investment of related borrowings that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the Statement of profit or loss in the period in which they are incurred.

20) **Earnings per share ('EPS')**

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

21) **Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly, disclosed in the notes to the financial statements.

22) **Segment accounting**

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act

2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act).

The Chief Operating Decision Maker ('CODM') monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "unallocable".

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

23) **Statement of cash flows**

Cash flows are reported using the indirect method, whereby profit or loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents (including bank balances) shown in the Statement of cash flows exclude items which are not available for general use as at the date of balance sheet.

24) **Recent accounting pronouncements**

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- A. Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.
- B. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies

from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

- C. Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.
- D.** The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

2 Property, plant and equipment and Intangible assets

ASSETS	Gross block (Cost)			Depreciation/ Amortisation				Net Block		
	As at 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As at 31st March, 2022	For the year*	Deductions	As at 31st March 2023	As at 31st March, 2023	As at 31st March 2022
A. Property, plant and equipment										
Freehold land (Refer Note ii)	99.52	-	-	99.52	-	-	-	-	99.52	99.52
Leasehold land	2.69	-	-	2.69	0.81	0.01	-	0.82	1.87	1.88
Buildings (Refer Note ii)	50.04	2.56	0.52	52.08	9.83	2.53	0.11	12.25	39.83	40.21
Leasehold Improvements	5.79	0.16	-	5.95	0.55	1.34	-	1.89	4.06	5.24
Plant and equipment	97.94	24.95	3.92	118.97	44.77	18.94	2.91	60.80	58.17	53.17
Furniture and fixtures	6.22	0.57	0.04	6.75	3.06	0.75	0.01	3.80	2.95	3.16
Office equipment	18.62	6.40	0.78	24.24	11.15	4.51	1.13	14.53	9.71	7.47
Vehicles	6.94	4.92	1.31	10.55	2.39	1.67	0.89	3.17	7.38	4.55
Sub-total A	287.76	39.56	6.57	320.75	72.56	29.75	5.05	97.26	223.49	215.20
B. Right-of-Use assets (Refer Note 30)										
	101.66	30.99	11.29	121.36	32.31	27.02	6.82	52.51	68.85	69.35
Sub-total B	101.66	30.99	11.29	121.36	32.31	27.02	6.82	52.51	68.85	69.35
C. Intangible assets										
Goodwill (Refer Note 34)	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Sub-total C	779.41	-	-	779.41	-	-	-	-	779.41	779.41
D. Other intangibles assets										
Computer software	10.57	1.75	-	12.32	8.50	0.74	-	9.24	3.08	2.07
Technical knowhow	1.90	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Research and development	0.68	-	-	0.68	0.64	-	-	0.64	0.04	0.04
Trademark and Patents	32.91	-	-	32.91	-	-	-	-	32.91	32.91
Product Development	-	15.77	-	15.77	-	1.55	-	1.55	14.22	-
Sub-total D	46.06	17.52	-	63.58	11.03	2.29	-	13.32	50.26	35.03
Total A + B + C + D	1,214.89	88.07	17.86	1,285.10	115.90	59.06	11.87	163.09	1,122.01	1,098.99

*During the year, the Company has capitalised depreciation of ₹ 4.83 crore under Product Development & Intangible assets under development as a Development cost as per Ind AS 38.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

2 Property, plant and equipment and Intangible assets (Contd..)

ASSETS	Gross block (Cost)			Depreciation/ Amortisation				Net Block		
	As at 1st April, 2021	Additions	Deductions	As at 31st March 2022	As at 31st March 2021	For the year	Deductions	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
A. Property, plant and equipment										
Freehold land (Refer Note ii)	4.41	95.11	-	99.52	-	-	-	-	99.52	4.41
Leasehold land	2.69	-	-	2.69	0.78	0.03	-	0.81	1.88	1.91
Buildings (Refer Note ii)	45.92	4.52	0.40	50.04	8.06	2.15	0.38	9.83	40.21	37.86
Leasehold Improvements	-	5.79	-	5.79	-	0.55	-	0.55	5.24	-
Plant and equipment	82.28	22.69	7.03	97.94	38.80	12.34	6.37	44.77	53.17	43.48
Furniture and fixtures	4.74	1.94	0.46	6.22	2.66	0.61	0.21	3.06	3.16	2.08
Office equipment	14.64	5.02	1.04	18.62	8.95	3.14	0.94	11.15	7.47	5.69
Vehicles	4.23	3.76	1.05	6.94	2.23	0.97	0.81	2.39	4.55	2.00
Sub-total A	158.91	138.83	9.98	287.76	61.48	19.79	8.71	72.56	215.20	97.43
B. Right-of-Use assets (Refer Note 30)										
	54.89	59.87	13.10	101.66	19.56	21.00	8.25	32.31	69.35	35.33
Sub-total B	54.89	59.87	13.10	101.66	19.56	21.00	8.25	32.31	69.35	35.33
C. Intangible assets										
Goodwill (Refer Note 34)	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Sub-total C	779.41	-	-	779.41	-	-	-	-	779.41	779.41
D. Other intangibles assets										
Computer software	9.77	0.80	-	10.57	7.00	1.50	-	8.50	2.07	2.77
Technical know how	1.90	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Research and development	0.68	-	-	0.68	0.64	-	-	0.64	0.04	0.04
Trademark and Patents	-	32.91	-	32.91	-	-	-	-	32.91	-
Product Development	-	-	-	-	-	-	-	-	-	-
Sub-total D	12.35	33.71	-	46.06	9.53	1.50	-	11.03	35.03	2.82
Total A + B + C + D	1,005.56	232.41	23.08	1,214.89	90.57	42.29	16.96	115.90	1,098.99	914.99

E. Capital work-in-progress ('CWIP')

(i) CWIP movement

₹ crore		
Particulars	2022-23	2021-22
As at 1st April	7.50	10.86
Add: Additions during the year	15.68	18.20
Less: Capitalized during the year	20.54	21.56
As at 31st March	2.64	7.50

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

2 Property, plant and equipment and Intangible assets (Contd..)

(ii) CWIP Ageing schedule

₹ crore					
As at 31st March, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.39	0.06	0.07	0.12	2.64
Projects temporarily suspended	-	-	-	-	-
₹ crore					
As at 31st March, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.38	2.00	0.12	-	7.50
Projects temporarily suspended	-	-	-	-	-
CWIP where completion is overdue or has exceeded its cost compared to its original plan is Nil (Previous year Nil).					

F. Intangible assets under development ('IAUD')

(i) IAUD movement

₹ crore		
Particulars	2022-23	2021-22
As at 1st April	-	-
Add: Additions during the year	21.05	-
Less: Capitalized during the year	-	-
As at 31st March	21.05	-

(ii) IAUD Ageing schedule

₹ crore					
As at 31st March, 2023	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21.05	-	-	-	21.05
Projects temporarily suspended	-	-	-	-	-
₹ crore					
As at 31st March, 2022	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

IAUD where completion is overdue or has exceeded its cost compared to its original plan is Nil (Previous year Nil).

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

2 Property, plant and equipment and Intangible assets (Contd..)

Notes:

- (i) Carrying amount of property, plant and equipment and intangible assets given as collateral for borrowings is ₹ 779.41 crore; (Previous year ₹ 785.35 crore).
- (ii) Title deeds of immovable property not held in name of the company

Description of item of property	Gross carrying value (₹ crore)		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
	31st March, 2023	31st March, 2022				
Building	-	0.67	Crompton Greaves Ltd.	No	01-01-2016	Title deeds of Office premise was not transferred at the time of “Scheme of Arrangement” in year 2015, in the name of the Company. However, the same was in possession of the company. Subsequently in current year, these assets have been transferred to Crompton Greaves Ltd.

- (iii) There have been no proceedings initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (iv) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

3 Investments

A Non-current investments

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in equity instruments (fully paid-up)		
In Subsidiary companies		
At Cost		
Quoted equity shares		
Butterfly Gandhimati Appliances Ltd.* (1,34,09,663 (31st March, 2022 : 98,33,754) ordinary shares of ₹ 10 each)	1,914.01	1,392.97
	1,914.01	1,392.97
Unquoted equity shares		
Pinnacles Lighting Project Private Limited (67,00,000 (31st March, 2022 : 67,00,000) ordinary shares of ₹ 10 each)	6.70	6.70
Nexustar Lighting Project Private Limited (75,00,000 (31st March, 2022 : 75,00,000) ordinary shares of ₹ 10 each)	7.50	7.50
	14.20	14.20
	1,928.21	1,407.17
Details of investments:		
Aggregate book value of:		
Quoted investments	1,914.01	1,392.97
Unquoted investments	14.20	14.20
	1,928.21	1,407.17
Aggregate market value of:		
Quoted investments	1,624.38	1,366.01
Unquoted investments	-	-
	1,624.38	1,366.01

Notes:

1. The investments is in compliance with Section 186(4) of the Companies Act, 2013.
2. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

*On 22nd February, 2022, a Share Purchase Agreement ('SPA') was entered amongst the Company, Butterfly Gandhimathi Appliances Limited ('Butterfly'), its Promoters and certain members of the Promoter Company of Butterfly for the sale of 55% of the issued and paid-up equity share capital of Butterfly. Consequent to the acquisition of 55% of the issued and paid-up equity share capital of Butterfly, the Company has become the Promoter and Holding Company of Butterfly with effect from 30th March, 2022.

In accordance with regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, after acquisition of 55% stake of Butterfly on 30th March, 2022, an open offer was made by the Company for acquisition of upto 26% of the issued and paid-up equity share capital of Butterfly from its public shareholders. The open offer was fully subscribed and therefore the Company's holding was increased from 55% to 81% w.e.f. 4th June, 2022.

To comply with the minimum public shareholding ('MPS') requirements mandated under Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company divested 6% of the issued and paid-up equity share capital of Butterfly on 20th September, 2022 & 21st September, 2022 through Offer for Sale ('OFS') mechanism, which resulted into decrease in holding from 81% to 75%.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

3 Investments (Contd..)

B Current investments

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at Fair value through Profit and Loss		
Investment in Bonds (Quoted)	265.20	32.08
Investment in Mutual funds (Unquoted)	265.57	578.57
	530.77	610.65
Details of investments:		
Aggregate book value of:		
Quoted investments	265.20	32.08
Unquoted investments (accounted based on NAV)	265.57	578.57
	530.77	610.65
Aggregate market value of:		
Quoted investments	265.20	32.08
Unquoted investments	-	-
	265.20	32.08

₹ crore					
Particulars	Face Value per Bond/ Unit	Number of Bonds/ Units as at 31st March, 2023	Number of Bonds/Units as at 31st March, 2022	As at 31st March, 2023 ₹ crore	As at 31st March, 2022 ₹ crore
Investment in Bonds (Quoted)					
Series 02-2021 ISIN INE535H07BJ8 of Market Linked Debentures of Fullerton India Credit Company Limited	10,00,000	100	100	10.99	10.61
ISIN INE062A08173 of Perpetual Bonds of State Bank of India	10,00,000	100	100	10.09	10.47
HDB Financial Services	10,00,000	400	-	39.15	-
HDB Financial Services	10,00,000	300	-	29.36	-
HDFC Limited	10,00,000	250	-	24.78	-
HDFC Limited	10,00,000	400	-	40.27	-
Kotak Mahindra Prime	10,00,000	250	-	24.57	-
L&T Finance Limited	10,00,000	250	-	24.93	-
LIC ZCB	10,00,000	400	-	41.45	-
ZCB HDB Financial Services Apr 2024	10,00,000	180	-	19.61	-
ISIN INE020B08CY9 of Market Linked Debentures of Rural Electrification Limited	10,00,000	-	100	-	11.00
Sub-total A				265.20	32.08
Investment in Mutual funds (Unquoted)					
Unquoted					
Aditya Birla SL Overnight Fund	100	41,445	87,008	5.02	10.00
Aditya Birla SL Liquid Fund - Direct - Growth	100	6,90,114	-	25.06	-
Aditya Birla SL Money Manager Fund - Direct - Growth	100	3,79,774	-	12.01	-
Aditya Birla SL Floating Rate Fund - Direct - Growth	100	-	18,89,691	-	53.58
Axis Banking & PSU Debt Fund Direct - Growth	1,000	53,976	78,533	12.35	17.18
Axis Overnight Fund	1,000	84,361	88,985	10.00	10.00
Axis Liquid Fund	1,000	20,004	-	5.00	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

3 Investments (Contd..)

₹ crore

Particulars	Face Value per Bond/ Unit	Number of Bonds/ Units as at 31st March, 2023	Number of Bonds/Units as at 31st March, 2022	As at 31st March, 2023 ₹ crore	As at 31st March, 2022 ₹ crore
Axis Corporate Debt Fund - Dir - Gr	10	-	3,88,03,524	-	55.33
Axis Money Market Fund	1,000	-	86,872	-	10.01
DSP Low Duration Fund - Direct - Growth	10	-	1,15,91,428	-	19.08
DSP Overnight Fund	1,000	1,66,665	87,849	20.01	10.00
Edelweiss Bharat Bond FOF- April 2030	100	-	53,75,690	-	6.45
HDFC Money Market Fund	1,000	20,317	-	10.00	-
HSBC Overnight Fund	1,000	1,70,640	-	20.02	-
ICICI Prudential Corporate Bond Fund - Direct - Growth	10	-	47,08,147	-	11.58
ICICI Prudential Money Market - Direct - Growth	100	-	3,26,045	-	10.01
ICICI Pru Liquid Fund- Direct- Growth	100	1,98,288	-	6.61	-
IDFC Banking & PSU Debt Fund - Direct - Growth	10	-	85,30,063	-	17.40
IDFC Overnight Fund	1,000	-	2,17,869	-	24.70
IDFC Low Duration Fund - Direct - Growth	10	-	73,14,113	-	23.30
IDFC Cash Fund- Growth-Direct Plan	1,000	14,732	-	4.01	-
Invesco India Liquid Fund - Direct - Growth	1,000	3,240	-	1.00	-
Invesco India Corporate Bond Fund - Direct - Growth	1,000	-	1,56,917	-	42.92
Invesco India Money Market Fund - Direct - Growth	1,000	601	74,293	0.16	18.88
Invesco India Treasury Advantage Fund - Direct - Growth	1,000	74,414	1,92,379	24.80	61.04
Kotak Corporate Bond Fund - Direct - Growth	1,000	98,825	1,75,469	32.38	54.97
Kotak Overnight Fund	1,000	83,686	88,227	10.01	10.00
Kotak Liquid Fund Direct - Growth	1,000	-	11,735	-	5.05
L&T Banking & PSU Debt fund - Direct - Growth	10	-	77,62,351	-	16.31
Nippon India Liquid Fund- Direct- Growth	1,000	9,085	-	5.00	-
Nippon India Dynamic Bond Fund - Dir - Gr	10	-	32,74,723	-	10.39
Nippon India Floating Rate fund - Direct - Growth	10	-	1,06,41,417	-	40.17
Nippon India Overnight Fund - Direct - Growth	100	-	8,76,452	-	10.00
Nippon India Money Market - Direct - Growth	1,000	28,396	29,863	10.07	10.01
SBI Overnight Fund - Growth	1,000	-	26,702	-	9.24
Sundaram Liquid Fund	1,000	1,00,778	-	20.03	-
Sundaram Corporate Bond Fund - Direct - Growth	10	-	32,76,326	-	10.97
Tata Liquid Fund	1,000	28,169	-	10.00	-
Tata Money Market	1,000	46,991	-	19.03	-
UTI Overnight Fund	1,000	9,783	-	3.00	-
Sub-total B				265.57	578.57
Total (A+B)				530.77	610.65

(Refer Note 37 A for information about fair value measurement and Note 37 D (i) for credit risk of investments.)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

4 Other financial assets

A Other financial assets - Non-current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits (unsecured, considered good)	12.07	12.02
	12.07	12.02

B Other financial assets - current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits (unsecured, considered good)	18.67	13.91
Fair value of derivative assets	0.23	0.69
Other receivables - from related parties	2.73	-
	21.63	14.60

5 Other assets

A Other assets - Non-current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital advances (net)	7.97	7.27
Expected recoverable from vendors against warranty	43.39	34.80
Amount paid under protest	22.28	22.67
	73.64	64.74

B Other assets - Current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance to suppliers	27.03	30.84
Balances with Indirect tax authorities	4.43	4.73
Expected recoverable from vendors against warranty	27.03	29.28
Prepaid expenses	20.89	7.81
Others	44.35	26.14
	123.73	98.80

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

6 Inventories

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
(At lower of cost and net realisable value)		
Raw materials	102.42	107.62
Add: Goods-in-transit	1.25	4.21
	103.67	111.83
Work-in-progress	37.70	29.61
Finished goods	135.38	122.42
Add: Goods-in-transit	39.62	12.31
	175.00	134.73
Stock-in-trade	232.39	199.23
Add: Goods-in-transit	63.72	31.31
	296.11	230.54
Stores, spares and packing materials	6.27	4.64
	618.75	511.35
Note:		
Inventories are hypothecated with the bankers against working capital facilities (Refer Note 12)		

7 Trade receivables

A Trade receivables - Non current (valued at amortised cost)

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Considered good	15.49	21.83
	15.49	21.83

B Trade receivables - Current (valued at amortised cost)

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Considered good	529.80	490.70
Considered doubtful	44.90	30.21
	574.70	520.91
Less: Allowance for doubtful trade receivables	(44.90)	(30.21)
	529.80	490.70

7 Trade receivables (Contd..)

Trade Receivables Ageing (Non-current and Current)

₹ crore							
As at 31st March, 2023	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables-considered good	436.22	63.34	29.57	-	-	-	529.13
(ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	33.39	-	-	33.39
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	18.89	7.62	26.51
(iv) Disputed Trade receivables-considered good	0.02	0.30	0.01	-	-	-	0.33
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	0.70	-	-	0.70
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	0.13	-	0.13
Allowance for doubtful trade receivables							(44.90)
Total	436.24	63.64	29.58	34.09	19.02	7.62	545.29

₹ crore							
As at 31st March, 2022	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables-considered good	443.84	8.27	31.97	-	-	-	484.08
(ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	29.77	-	-	29.77
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	7.55	15.22	22.77
(iv) Disputed Trade receivables-considered good	0.01	0.63	1.17	-	-	-	1.81
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	4.30	-	-	4.30
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	0.01	-	0.01
Allowance for doubtful trade receivables							(30.21)
Total	443.85	8.90	33.14	34.07	7.56	15.22	512.53

Notes:

a) The net carrying value of trade receivables is considered a reasonable approximation of fair value.

b) Book debts are hypothecated with the bankers against Working capital demand loan. (Refer Note 12)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

8 Cash and cash equivalents

Particulars	₹ crore	
	As at 31st March, 2023	As at 31st March, 2022
Balance with banks :		
In current accounts	36.04	26.08
In deposit accounts (with less than 3 months maturity)	8.00	143.99
Cash on hand (including cash in transit)	0.02	0.02
	44.06	170.09

9 Bank balances other than Cash and cash equivalents

Particulars	₹ crore	
	As at 31st March, 2023	As at 31st March, 2022
Deposits with maturity more than 3 months but less than 12 months	-	64.00
Earmarked balances with banks		
Unclaimed dividend account	3.74	3.11
Others (Escrow account)	-	666.58
	3.74	733.69

10 Share capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Authorised capital				
Equity shares of ₹ 2 each	65,50,00,000	131.00	65,50,00,000	131.00
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each, fully paid-up	63,61,09,719	127.22	63,34,05,959	126.68
	63,61,09,719	127.22	63,34,05,959	126.68

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Outstanding at the beginning of the year	63,34,05,959	126.68	62,76,91,353	125.54
Shares issued on account of exercising Employee stock option schemes	27,03,760	0.54	57,14,606	1.14
Outstanding at the end of the year	63,61,09,719	127.22	63,34,05,959	126.68

b. Rights, preferences and restrictions on shares

The Company has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

10 Share capital (Contd..)

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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each fully paid				
Macritchie Investments Pte Ltd	-	0.00%	3,76,12,367	5.94%
SBI Mutual Fund	-	0.00%	3,60,86,076	5.70%
HDFC Trustee Company Ltd- A/C HDFC MID - CAP Opportunities Fund	3,55,50,615	5.59%	-	0.00%
Mirae Asset Large Cap Fund	3,19,62,928	5.02%	-	0.00%

d. Shares reserved for issuance under Stock Option Plans of the Company at face value of ₹ 2 (Also Refer Note 35)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Crompton Stock Option Plan 2016 (ESOP 2016)	9,92,576	0.20	18,93,854	0.38
Crompton Performance Share Plan 1 2016 (PSP 1)	44,10,033	0.88	55,38,176	1.11
Crompton Performance Share Plan 2 2016 (PSP 2)	23,27,297	0.47	30,79,392	0.62
Crompton Stock Option Plan 2019 (ESOP 2019)	85,66,950	1.71	82,64,317	1.65

- e. No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.
- f. No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.
- g. There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment.
- h. The Board of Directors have recommended payment of final dividend of ₹ 3 (Rupees three only) per equity share of the face value of ₹ 2 each for the financial year ended 31st March, 2023.
- i. Promoter Shareholding

Shares held by promoters at the end of the year 31st March, 2023			% change during the year
Promoter name	No. of shares	% of total shares	
	NIL		

Shares held by promoters at the end of the year 31st March, 2022			% change during the year
Promoter name	No. of shares	% of total shares	
Macritchie Investments Pte Ltd	3,76,12,367	5.94%	No change during the year
Total	3,76,12,367	5.94%	

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

10 Share capital (Contd..)

- Notes:
- (i)

The Company had received a request from Macritchie Investments Pte. Ltd and Seletar Investments Pte Ltd. on 9th June, 2022 for their re-classification from the Promoter Group category to Public category shareholder. In pursuance of the same, The Board of Directors of the Company ('the Board') in their meeting held on 13th June, 2022 had approved the request of reclassification and subsequently upon recommendation of the Board, shareholders of the Company approved the same in an Annual General Meeting of the Company held on 22nd July, 2022. In furtherance to the same an application was made to Stock Exchanges, which was approved on 21st December, 2022, following which Macritchie Investments Pte. Ltd and Seletar Investments Pte Ltd. are reclassified as public shareholders w.e.f 21st December, 2022.
- (ii)

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

11 Other equity

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital reserve	0.05	0.05
Securities premium	209.51	144.87
Employee stock option outstanding account	139.12	138.63
Retained earnings	2,361.15	1,967.20
Other comprehensive income	1.92	3.23
Debenture redemption reserve	-	75.00
	2,711.75	2,328.98

Note: For movements in reserves - refer Standalone Statement of Changes in Equity.

Nature and purpose of reserves

Capital reserve

Capital reserve was created on cancellation of shares as per statutory requirement.

Securities premium

Securities premium was created on issue of shares at premium in accordance with Employee Stock Option Plans (ESOP).

Employee stock option outstanding

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

Retained earnings

Retained earnings are the profits that the Company has earned till date, net-off less any transfers to general reserve, dividends or other distributions paid to shareholders.

Debenture redemption reserve

Debenture redemption reserve is a Statutory Reserve (as per the Companies Act, 2013) created out of profits of the Company for the purpose of redemption of debentures issued by the Company. In terms of amended rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, the Company is not required to maintain debenture redemption reserve.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

12 Borrowings

A Borrowings - Non-current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at amortized cost		
Secured		
7.25% Series B Redeemable Non-Convertible Debentures	-	149.87
7.40% Redeemable Non Convertible Debentures Tranche 1	325.00	-
7.40% Series A Redeemable Non-Convertible Debentures Tranche 2	300.00	-
7.65% Series B Redeemable Non-Convertible Debentures Tranche 2	300.00	-
Unamortized Non-Convertible Debentures Issue Expenses	(2.82)	
	922.18	149.87
Less: Current maturities of long-term borrowings	(325.00)	(149.87)
	597.18	-

B Borrowings - current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at amortized cost		
Secured		
Working capital demand loan from bank	-	249.66
Current maturities of non-convertible debentures (Refer Note 12 A)	325.00	149.87
Unsecured		
Commercial Paper	-	1,155.72
	325.00	1,555.25

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

12 Borrowings (Contd..)

Notes:
(a) Non-Convertible Debentures

(i) Terms of Debentures:

Particulars of Debentures	Series B (2020 issue)	Tranche 1 (2022 issue)	Series A Tranche 2 (2022 issue)	Series B Tranche 2 (2022 issue)
Face value per debenture (₹)	10,00,000	10,00,000	10,00,000	10,00,000
Date of allotment	29th May, 2020	12th July, 2022	22nd July, 2022	22nd July, 2022
As a 31st March, 2023 (₹ crore)	-	325.00	300.00	300.00
As a 31st March, 2022 (₹ crore)	150.00	-	-	-
Interest	7.25% p.a. payable annually	7.40% p.a. payable annually	7.40% p.a. payable annually	7.65% p.a. payable annually
Terms of repayment	Due for redemption on 29th May, 2023, with call option on 27th May, 2022	Due for redemption on 12th January, 2024	Due for redemption on 22nd July, 2024, with call option on 22nd January, 2024	Due for redemption on 22nd July, 2025, with call option on 22nd July, 2024
Secured by charge	a) on 'Crompton' Brand and Registered Trade Marks of the group; and b) by way of equitable mortgage by deposit of title deeds of immovable properties situated in the State of Maharashtra, Himachal Pradesh and Goa	on 'Crompton' and 'Crompton Greaves' Brand (including assignment of license, agreement, if any)		

- (ii) Funds raised from Non-Convertible Debentures were utilised for the purpose it were obtained.
- (iii) During the year, the Company redeemed Secured Non-Convertible Debentures amounting to ₹ 150 crores, Series B (2020 issue), along with interest thereon, on 27th May, 2022.
- (b) Working capital loan facility is secured by way of charge on the Company's inventories and trade receivables.
- (c) Funds raised from Commercial paper were utilised for long term purposes and spent for the purpose it were obtained. During the year, the Company redeemed commercial paper.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

13 Provisions

A Provisions - Non-current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for post medical retirement benefits	7.24	6.78
Provision for compensated absences	15.35	14.59
Provision for warranty	105.43	84.56
Provision for Statutory dues	3.21	3.62
	131.23	109.55

B Provisions - current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for post medical retirement benefits	0.31	0.32
Provision for compensated absences	2.04	2.15
Provision for warranty	96.77	98.52
Provision for Statutory dues	12.67	12.67
Provision for Other litigation Claims	0.06	0.06
	111.85	113.72

Notes:

₹ crore			
(1) Movement in other provisions	Warranty	Statutory Dues	Other litigation claims
Carrying amount as at 1st April, 2022	183.08	16.29	0.06
Provision made during the year (net)	129.21	0.07	-
Amounts used during the year	(114.67)	(0.48)	-
Unused amounts reversed during the year	4.58	-	-
Carrying amount as at 31st March, 2023	202.20	15.88	0.06
Current	96.77	12.67	0.06
Non-Current	105.43	3.21	-

(2) Nature of provisions:

- (a) Product warranties: The Company gives warranties on certain products and services, undertaking to repair / replace products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of repair / replacement. The timing of outflows is expected to be within a period of two to five years.
- (b) Provision for statutory dues represents liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Acts / Rules.
- (c) Provision for other litigation obligation claims represents liabilities that are expected to materialise in respect of matters in appeal.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

14 Trade payables

A Trade payables - Non current

Particulars	₹ crore	
	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	13.19	8.07
	13.19	8.07

B Trade payables - Current

Particulars	₹ crore	
	As at 31st March, 2023	As at 31st March, 2022
Acceptances	66.17	245.50
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	217.61	109.99
Total outstanding dues of creditors other than micro enterprises and small enterprises	610.47	496.79
	894.25	852.28

Notes:

(a) Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues to suppliers which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2023. The disclosure pursuant to the said Act is as under:

Particulars	₹ crore	
	31st March, 2023 /2022-23	31st March, 2022 /2021-22
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	217.61	109.99
Interest	0.00	0.01
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	3.28	4.55
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.08	0.09
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	0.00	0.01

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

14 Trade payables (Contd..)

Trade Payables Ageing (Non-current and Current)

₹ crore						
As at 31st March, 2023	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	167.70	49.91	-	-	-	217.61
(ii) Others	544.47	119.90	6.90	5.03	13.53	689.83
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	712.17	169.81	6.90	5.03	13.53	907.44

₹ crore						
As at 31st March, 2022	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	109.58	-	0.41	-	-	109.99
(ii) Others	562.81	157.33	8.74	2.58	18.90	750.36
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	672.39	157.33	9.15	2.58	18.90	860.35

15 Current Financial liabilities - Others

Particulars	₹ crore	
	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due on borrowings	36.50	9.46
Security deposits	31.80	29.26
Financial guarantee liability	-	0.33
	68.30	39.05

Note: Financial guarantee liability in previous year was with respect to guarantee given by the company to Butterfly, as per share purchase agreement

16 Other current liabilities

Particulars	₹ crore	
	As at 31st March, 2023	As at 31st March, 2022
Advances from customers	2.66	4.44
Statutory dues payables	30.62	88.14
Unclaimed dividend	3.74	3.11
Employee benefit payables	42.10	19.01
Others	0.66	0.65
	79.78	115.35

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

17 Income taxes

			₹ crore	
(a) Tax expense recognised in Statement of profit and loss comprises :	2022-23	2021-22		
Current tax	156.54	156.27		
Adjustment of tax relating to earlier periods	(16.71)	3.97		
Deferred tax (credit)/ charge	(21.08)	9.43		
Tax expense for the year	118.75	169.67		

							₹ crore	
(b) Amounts recognised in Other comprehensive income	2022-23			2021-22				
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax		
Items that will not be reclassified to profit or loss								
Remeasurements gains / (losses) on post employment defined benefit plans and tax thereon	(1.75)	0.44	(1.31)	2.74	(0.69)	2.05		
	(1.75)	0.44	(1.31)	2.74	(0.69)	2.05		

			₹ crore	
(c) Reconciliation of effective tax rate	2022-23	2021-22		
Profit before tax	594.31	763.15		
Applicable tax rate	25.17%	25.17%		
Computed tax expense	149.58	192.07		
Adjustment of tax relating to earlier periods (Refer Note below)	(16.71)	3.97		
Corporate social responsibility disallowance	3.40	3.10		
Allowance of dividend received from subsidiaries	(2.32)	(2.98)		
Impact of Share based payment expense	(9.39)	(26.06)		
Others	(5.81)	(0.43)		
Income tax expense for the current year	118.75	169.67		
Effective tax rate	19.98%	22.23%		

Notes:

- a) Based on assessment order received during the year, the Company has written-back an amount of ₹ 16.71 crore in respect of earlier years and the same is adjusted against tax expense for the year ended 31st March, 2023.
- b) Basis the explanation as inserted by Finance Act, 2022, adjustment of tax relating to earlier periods amounting to ₹ 3.97 crore pertaining to Education cess claimed as an allowance in earlier years has been provided in previous year.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

17 Income taxes (Contd..)

(d) Components of deferred tax assets / (liabilities) recognised in Balance sheet and Statement of profit and loss:						₹ crore	
Sr. No.	Particulars	Balance sheet		Statement of profit and loss			
		As at 31st March, 2023	As at 31st March, 2022	2022-23	2021-22		
(a)	Employee stock option outstanding	32.81	32.23	0.58	(6.02)		
(b)	Provision allowed under tax on payment basis	12.08	11.63	0.45	0.77		
(c)	Provision for doubtful debts and advances	10.62	7.32	3.30	1.98		
(d)	Difference between Written down value of Property, Plant and Equipment and Intangible assets as per books of accounts and Income Tax	(0.55)	(0.93)	0.38	(0.22)		
(e)	Fair valuation of Investments	(2.26)	(10.95)	8.69	(3.10)		
(f)	Impact of Revenue Recognition, Right to use Asset, and Lease Liabilities	15.19	8.18	7.01	(0.41)		
(g)	Other temporary differences	1.77	0.66	0.67	(2.43)		
	Deferred tax income /(expense)			21.08	(9.43)		
	Net deferred tax assets / (liabilities)	69.66	48.14				

(e) Reconciliation of deferred tax assets/(liabilities):

				₹ crore	
Sr. No.	Particulars	2022-23	2021-22		
(a)	Opening balance as at 1st April	48.14	58.26		
(b)	Tax (income)/expense during the period recognised in:				
	(i) Statement of profit and loss in profit or loss	21.08	(9.43)		
	(ii) Statement of profit and loss under OCI	0.44	(0.69)		
	Closing balance as at 31st March	69.66	48.14		

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

18 Revenue from Operations

₹ crore		
Particulars	2022-23	2021-22
A. Sales of products and services		
Revenue from contract with customers		
Sale of products (excluding Goods and Service tax)		
(i) Electric consumer durables	4,734.11	4,291.75
(ii) Lighting products	1,048.82	1,054.78
	5,782.93	5,346.53
Sale of services		
(i) Electric consumer durables	0.99	1.12
(ii) Lighting products	2.44	5.49
	3.43	6.61
	5,786.36	5,353.14
B. Other operating revenue		
Export benefits and other incentives	1.52	2.95
Scrap sales	20.90	17.11
Royalty Income	0.53	-
	22.95	20.06
	5,809.31	5,373.20

19 Other income

₹ crore		
Particulars	2022-23	2021-22
Interest income	42.53	28.12
Dividend income from subsidiaries	9.21	11.86
Income from subsidiary companies	0.51	0.43
Net Gain/(Loss) on sale and fair valuation of investments	15.26	36.37
Others	6.90	3.12
	74.41	79.90

20 Cost of materials consumed

₹ crore		
Particulars	2022-23	2021-22
Opening stock	111.83	79.00
Add: Purchases	1,257.58	1,179.84
Less: Closing stock	(103.67)	(111.83)
Cost of raw materials consumed	1,265.74	1,147.01
Add: Sub-contracting charges	42.30	46.90
	1,308.04	1,193.91

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

21 Purchases of stock-in-trade

₹ crore		
Particulars	2022-23	2021-22
Electric consumer durables	2,311.05	1,908.44
Lighting products	504.29	548.21
	2,815.34	2,456.65

22 Changes in inventories of finished goods, stock-in-trade and work-in-progress

₹ crore		
Particulars	2022-23	2021-22
Opening Stock :		
Finished goods	134.73	132.75
Stock-in-trade	230.54	278.40
Work-in-progress	29.61	23.18
	394.88	434.33
Less:		
Closing Stock:		
Finished goods	175.00	134.73
Stock-in-trade	296.11	230.54
Work-in-progress	37.70	29.61
	508.81	394.88
Changes in inventories:		
Finished goods	(40.27)	(1.98)
Stock-in-trade	(65.57)	47.86
Work-in-progress	(8.09)	(6.43)
	(113.93)	39.45

23 Employee benefits expense

₹ crore		
Particulars	2022-23	2021-22
Salaries, wages, bonus and other benefits	371.38	286.56
Contribution to provident and other funds (Refer Note 31)	12.01	10.85
Gratuity (Refer Note 31)	2.72	2.68
Privilege Leave (Refer Note 31)	3.30	2.52
Staff welfare expenses	24.34	22.02
Share-based Payments to employees (Refer Note 35)	25.88	37.76
	439.63	362.39

(For remuneration paid to key management personnel refer note 32)

24 Finance costs

₹ crore		
Particulars	2022-23	2021-22
Interest on borrowing	96.14	28.79
Interest on lease liability (Refer Note 30)	6.41	6.40
Interest others	0.14	0.12
	102.69	35.31

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

25 Other expenses*

Particulars	₹ crore	
	2022-23	2021-22
Consumption of stores and spares	13.97	15.80
Power and fuel	9.80	5.73
Rent	10.65	11.61
Repair to property, plant and equipment	3.54	2.89
Insurance	4.87	3.40
Rates and taxes	3.78	2.22
Freight and forwarding outward	164.66	144.43
Packing materials	76.97	69.07
After sales service	67.33	57.57
Sales promotion	48.94	29.24
Corporate social responsibility expenses (Refer Note 29)	13.56	12.33
Advertising	96.86	60.21
Legal and professional charges	84.32	84.31
Payment to the auditors (Refer Note below)	1.25	0.98
Bad Debts written off	6.54	6.01
Allowance for doubtful debt	14.69	8.97
Miscellaneous expenses	67.22	45.18
	688.95	559.95

*includes expenditure on research and costs not eligible for capitalisation (Refer Note 28)

Payment to the auditors

Particulars	₹ crore	
	2022-23	2021-22
Auditors' remuneration (excluding Goods and Service tax)		
Statutory audit fees	0.56	0.51
Tax audit fees	0.09	0.09
Other services		
(i) Certification work	0.13	0.06
(ii) Others	0.41	0.28
Reimbursement of expenses	0.06	0.04
	1.25	0.98

26 Exceptional Items

Particulars	₹ crore	
	2022-23	2021-22
Gain on Sale of Investment in subsidiary (net of expenses) (Refer Note i below)	(8.89)	-
Expenditure related to proposed merger(Refer note ii below)	3.35	-
	(5.54)	-

Notes:

- (i) Income of ₹ 8.89 crores represents Gain on sale of stake in Butterfly for divestment of 10,72,775 Equity Shares i.e. 6.00% of the total equity share capital of Butterfly Gandhimathi Appliances Limited on 20th September, 2022 & 21st September, 2022 through Offer for Sale ("OFS") mechanism in order to achieve compliance with the minimum public shareholding ("MPS") requirements mandated under Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (ii) Expenses of ₹ 3.35 crore represents one time cost pertaining to professional expenses such as consultancy, legal advisory, share valuation etc incurred for the proposed merger of the subsidiary Butterfly into the Company as referred in Note 46.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

27 Contingent liabilities and commitments

Sr. No.	Particulars	₹ crore	
		As at 31st March, 2023	As at 31st March, 2022
A	Contingent Liabilities: (to the extent not provided for)		
	(a) Claims against the Company not acknowledged as debts	24.23	23.46
	(b) Income tax liability that may arise in respect of matters in appeal	33.66	29.01
	(c) Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	9.80	8.19
	(d) GST/ Entry Tax/ Sales tax / VAT liability that may arise in respect of matters in appeal	117.78	117.60
	(e) Corporate and bank guarantees for debt given on behalf of subsidiary company	249.00	-
B	Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	12.43	5.03

Notes:

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

28 Expenditure on research and development

Sr. No.	Particulars	₹ crore	
		2022-23	2021-22
(a)	Capital expenditure*	48.52	13.35
	Sub-total (a)	48.52	13.35
(b)	Revenue expenditure		
	Raw materials consumed	0.26	0.09
	Employee benefits	14.77	18.12
	Depreciation and amortisation	6.20	7.65
	Other expenses		
	Consumption of stores and spares	1.70	1.78
	Repairs and maintenance	0.01	0.03
	Miscellaneous expenses	6.26	11.45
	Sub-total (b)	29.20	39.12
	Total (a) + (b)	77.72	52.47

*includes ₹ 36.82 crore capitalised under Product Development & IAUD as a Development cost as per Ind AS 38.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

29 Expenditure on Corporate Social Responsibility (CSR)

₹ crore		
Particulars	2022-23	2021-22
Gross amount required to be spent by the Company during the year	13.56	12.33
Amount of expenditure incurred by the Company during the year		
(i) Construction / acquisition of any asset		
(ii) On purposes other than (i) above:		
Nature of CSR activities		
Community Development	2.05	1.52
Monitoring & Evaluation	0.40	0.15
Promotion of Health and Response to Covid 19 Pandemic	-	2.40
Skill Development	3.79	0.34
Water Conservation	5.46	7.44
Transferred to Unspent account	1.45	-
Administration	0.43	0.46
Other provisions (Refer Note below)	-	0.02
Total CSR expenditure	13.58	12.33
Details of related party transactions- contribution to a trust controlled by the company in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (contributed to Crompton (CSR) Foundation)	13.15	11.96

Note:

Movement in other provisions	Amount
Carrying amount at the beginning of the year	0.02
Additional provision made during the year	-
Amounts used during the year	(0.02)
Unused amounts reversed during the year	-
Carrying amount at the end of the year	-

30 Leases

Company as lessee

A Right-of-Use assets

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Cost		
Opening Balance	101.66	54.89
Additions	30.99	59.87
Disposal / derecognized during the year	(11.29)	(13.10)
Closing Balance	121.36	101.66
Accumulated depreciation		
Opening Balance	32.31	19.56
Depreciation expense	27.02	21.00
Disposal / derecognized during the year	(6.82)	(8.25)
Closing Balance	52.51	32.31
Closing Balance	68.85	69.35

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

30 Leases (Contd..)

B Lease liabilities

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	77.17	39.32
Addition	30.99	59.87
Accredition of interest	6.41	6.40
Payments	(31.49)	(23.00)
Adjustments for disposals	(5.08)	(5.42)
Closing Balance	78.00	77.17
Current maturities of lease liabilities	25.80	33.63
Non-current lease liabilities	52.20	43.54

C Amounts recognised in Statement of profit and loss

₹ crore		
Particulars	2022-23	2021-22
Depreciation expense of Right-of-Use assets	27.02	21.00
Interest expense on lease liabilities	6.41	6.40
Short term and low value leases	10.65	11.61
Total	44.08	39.01

D Maturity analysis of lease liabilities (undiscounted)

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than one year	30.81	28.38
One to five years	56.11	59.38
More than five years	2.60	2.60
Total	89.52	90.36

E Amounts recognised in statement of Cash Flows

₹ crore		
Particulars	2022-23	2021-22
Total Cash outflow for leases	31.49	23.01

- F (a) Company applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and low value asset.
- (b) Lease contracts entered by the Company pertains to warehouses and offices taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

31 Employee Benefits

(a) Defined contribution plans (Refer Accounting Policy Note 1.14)

Amount of ₹ 18.68 crore (Previous year ₹ 16.66 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 23)

₹ crore		
Benefits (Contribution to)	2022-23	2021-22
Provident fund	9.97	8.74
Superannuation fund	1.21	1.23
Employee state insurance scheme	0.07	0.24
Labour welfare scheme	0.01	0.00
Gratuity	2.72	2.68
National Pension Scheme	0.75	0.64
Privilege Leave	3.30	2.52
Post retirement medical benefits	0.65	0.61
Total	18.68	16.66

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.14) as per Actuarial Valuation are as under:

₹ crore				
Particulars	Gratuity		Post Retirement Medical Benefits	
	2022-23 (Funded)	2021-22 (Funded)	2022-23 (Non funded)	2021-22 (Non funded)
I Change in present value of defined benefit obligation during the year				
Present value of defined benefit obligation at the beginning of the year	26.82	25.50	7.11	6.93
Amount recognised in statement of profit and loss				
Interest cost	1.87	1.64	0.53	0.48
Current service cost	3.04	2.91	0.48	0.46
Past service cost	-	-	-	-
Amount recognised in other comprehensive income				
Actuarial (gains) / losses	0.82	(1.32)	(0.21)	(0.44)
Benefits paid	(3.31)	(1.91)	(0.36)	(0.32)
Present Value of defined benefit obligation at the end of the year	29.24	26.82	7.55	7.11

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

31 Employee Benefits (Contd..)

Particulars	Gratuity		Post Retirement Medical Benefits	
	2022-23 (Funded)	2021-22 (Funded)	2022-23 (Non funded)	2021-22 (Non funded)
II Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	30.02	29.08	-	-
Expected return on plan assets	2.09	1.87	-	-
Contributions	-	-	-	-
Benefits paid from the fund	-	(1.91)	-	-
Amount recognised in other comprehensive income	-	-	-	-
Actuarial gain / (loss)	(1.14)	0.98	-	-
Fair value of plan assets at the end of the year	30.97	30.02	-	-
III Actual return on plan assets				
Expected return on plan assets	2.09	1.87	-	-
Actuarial gain / (loss)	(1.14)	0.98	-	-
Actual return on plan assets	0.95	2.85	-	-
IV Net asset / (liability) recognised in the balance sheet				
Present Value of defined benefit obligation at the end of the year	(29.24)	(26.82)	(7.55)	(7.11)
Fair value of plan assets at the end of the year	30.97	30.02	-	-
Asset / (Liability) recognised in the balance sheet	1.73	3.20	(7.55)	(7.11)
V Expenses recognised in the statement of profit and loss				
Current service cost	3.04	2.91	0.48	0.46
Interest cost	(0.22)	(0.23)	0.53	0.48
Past Service cost	-	-	-	-
	2.82	2.68	1.01	0.94
VI Expenses recognised in the Other comprehensive income				
Actuarial (Gains)/Losses on Obligation for the Period	0.82	(1.32)	(0.21)	(0.44)
Return on Plan Assets, Excluding Interest Income	1.14	(0.98)	-	-
Change in Asset Ceiling	-	-	-	-
Net (Income)/Expense For the Period Recognized in OCI	1.96	(2.30)	(0.21)	(0.44)
VII The major categories of plan assets as a percentage of total plan				
Insurer managed funds	100%	100%	NA	NA
VIII Sensitivity analysis for significant assumptions:				
Increase/(Decrease) on present value of defined benefits obligation at the end of the year				
1% increase in discount rate	(1.58)	(1.53)	0.02	(0.91)
1% decrease in discount rate	1.76	1.71	2.98	1.17
1% increase in salary escalation rate	1.77	1.71	-	-
1% decrease in salary escalation rate	(1.62)	(1.55)	-	-
1% increase in employee turnover rate	0.05	0.02	-	-
1% decrease in employee turnover rate	(0.06)	(0.03)	-	-
1% increase in Medical inflation rate	-	-	1.31	1.18
1% decrease in Medical inflation rate	-	-	(1.03)	(0.93)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

31 Employee Benefits (Contd..)

₹ crore				
Particulars	Gratuity		Post Retirement Medical Benefits	
	2022-23 (Funded)	2021-22 (Funded)	2022-23 (Non funded)	2021-22 (Non funded)
IX Maturity profile of defined benefit obligations				
Within the next 12 months	3.56	3.30		
Between 1 and 5 years	11.30	10.50		
Between 5 and 10 years	14.38	13.02		
X Actuarial assumptions				
Discount rate (p.a.)	6.98%	6.98%	7.40%	7.40%
Expected Return on Plan Assets (p.a.)	6.98%	6.98%	N.A	N.A
Employee turnover rate	6.00%	6.00%	6.00%	6.00%
Salary escalation rate	6.00%	6.00%	N.A	N.A
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Medical premium inflation rate	N.A	N.A	2%	2%

- (c) The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.
- (d) The Company makes contributions to the Gratuity Trust, which manages the investment. The Trust is a funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.
- (e) The Company provides post retirement medical benefits to qualifying employees.
- (f) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2023 and 31st March, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- (g) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- (h) Expected rate of return on the plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.
- (i) The salary escalation rate considered in the actuarial valuation is arrived after taking into consideration the seniority, the promotion, inflation and other relevant factors.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

32 Related Party Disclosures

- i) List of related parties over which control exist:

Name of the subsidiary companies:

Pinnacles Lighting Project Private Limited
Nexustar Lighting Project Private Limited
Butterfly Gandhimathi Appliances Limited (from 30th March, 2022)
- ii) Other Related Parties:

ASK Wealth Advisors Private Limited (upto 23rd July, 2021)
Crompton (CSR) Foundation
DFM Foods Ltd. (upto 28th January, 2022)
Swaminathan Enterprises Private Limited (upto 3rd January, 2023)
Opera Gratia Pvt. Ltd (upto 30th April, 2023)
- iii) Name of Post employment benefit plans with whom transactions were carried out during the year:

Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust
Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund
- iv) Key Management Personnel:

Mr. H. M. Nerurkar, Chairman and Independent Director
Mr. D. Sundaram, Independent Director
Mr. P. M. Murty, Independent Director
Ms. Smita Anand, Independent Director
Mr. P.R. Ramesh, Independent Director (from 21st May, 2021)
Ms. Hiroo Mirchandani, Independent Director (from 28th January, 2022)
Ms. Shweta Jalan, Non-Executive Director (upto 23rd July, 2021)
Mr. Sahil Dalal, Non-Executive Director (upto 23rd July, 2021)
Mr. Promeet Ghosh, Non-Executive Director (upto 30th April, 2023); Managing Director and Chief Executive Officer (from 1st May, 2023)
Mr. Shantanu Khosla, Managing Director (upto 30th April, 2023); Vice Chairman and Executive Director (from 1st May, 2023)
Mr. Mathew Job, Executive Director and Chief Executive Officer (upto 30th April, 2023)
Mr. Sandeep Batra, Chief Financial Officer (upto 30th May, 2022)
Mr. Kaleeswaran Arunachalam, Chief Financial Officer (from 5th September, 2022)
Ms. Pragya Kaul, Company Secretary & Compliance Officer (upto 15th September, 2022)
Ms. Rashmi Khandelwal, Company Secretary & Compliance Officer (from 28th November, 2022)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

32 Related Party Disclosures (Contd..)

v) Details of related party transactions:

₹ crore			
Sr. no.	Nature of transaction	2022-23	2021-22
1	Services received		
	DFM Foods Ltd.	-	0.00
	Butterfly Ganthimathi Appliances Limited	0.20	-
	Opera Gratia Pvt. Ltd	1.47	-
	Total	1.67	0.00
2	Services rendered		
	Pinnacles Lighting Project Private Limited	0.22	0.22
	Nexustar Lighting Project Private Limited	0.22	0.22
	Butterfly Ganthimathi Appliances Limited	6.61	-
	Swaminathan Enterprises Private Limited	0.08	
	Total	7.13	-
3	Sale of products		
	Pinnacles Lighting Project Private Limited	-	0.06
	Nexustar Lighting Project Private Limited	-	0.05
	Total	-	0.11
4	Dividend received		
	Pinnacles Lighting Project Private Limited	5.00	6.35
	Nexustar Lighting Project Private Limited	4.21	5.51
	Total	9.21	11.86
5	Contributions (Employer's) to Post Retirement Funds		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.21	1.23
	Total	1.21	1.23
6	Compensation to Key Management Personnel		
	Short-term benefits*	71.54	178.84
	Share-based Payments (Refer Note b below)	9.71	19.28
	Director's sitting fees	0.48	0.70
	Commission	1.60	1.00
	Total	83.33	199.82
7	Donations paid		
	Crompton (CSR) Foundation	13.15	11.96
	Total	13.15	11.96

*Short-term benefits for the current year include ₹ 48.62 crores (previous year: ₹ 153.69 crores) on account of exercise of stock options

Notes:

- a) Liabilities for post retirement benefits being Gratuity, Leave encashment and Post retirement medical benefits are provided on actuarial basis for the Company as a whole. The amount pertaining to Key management personnel are not included above.
- b) The Company has granted shares under various Schemes to the eligible Key Management Personnel. The amount mentioned is the fair value of the grant charged to Statement of profit and loss.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

32 Related Party Disclosures (Contd..)

vi) Amount due to / from related parties

₹ crore			
Sr. No.	Nature of transaction	As at 31st March, 2023	As at 31st March 2022
1	Other Receivable		
	Butterfly Ganthimathi Appliances Limited	2.73	-
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	1.73	3.20
	Total	4.46	3.20
2	Other Payable		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.09	0.08
	Commission Payable to Key Management Personnel	1.60	1.00
	Total	1.69	1.08

Notes:

- a) All the related party contracts/ arrangements have been entered on arms' length basis.
- b) The amount of outstanding balances as shown above are unsecured and will be settled/ recovered in cash.

33 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

₹ crore			
Particulars		2022-23	2021-22
(a) Basic earnings per share			
Numerator for earnings per share			
Profit after tax	₹ crore	475.56	593.48
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	Nos	63,49,86,510	62,82,28,014
Earnings per share - Basic (one equity share of ₹ 2 each)	₹	7.49	9.45
(b) Diluted earnings per share			
Numerator for earnings per share			
Profit after tax	₹ crore	475.56	593.48
Denominator for earnings per share			
Weighted number of equity shares outstanding for basic EPS during the year	Nos	63,49,86,510	62,82,28,014
Add: Weighted average number of potential equity shares on account of Employee Stock Option Schemes	Nos	22,16,124	27,83,037
Weighted number of equity shares outstanding for diluted EPS during the year	Nos	63,72,02,634	63,10,11,051
Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	7.46	9.41

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

34 Impairment testing of Goodwill

For the purpose of impairment testing, goodwill is allocated to the Company's operating division (not at segment level), which is not higher than the Company's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

Particulars	₹ crore	
	As at 31st March, 2023	As at 31st March, 2022
Electric Consumer Durables	590.10	590.10
Lighting Products	189.31	189.31
Total	779.41	779.41

The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using pre-tax budgeted EBITDA projections of the next five years which is considered by the Board as a reasonable period.

The key assumptions used in value-in-use calculations are as follows:

- a) Earnings (before interest and tax) margin: The margins have been estimated based on past experience after considering incremental revenue and savings from the efficiencies and cost saving initiatives driven by the Company.
- b) Discount rate: Discount rate reflects the current market assessment of the risks specific to a cash generating unit and is estimated based on the weighted average cost of capital.
- c) Long-term growth rate: The growth rates used are in line with the long-term average growth rates of the Company and are consistent with the internal / external sources of information.

The assumptions used are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

Based on the above assumptions and analysis, no impairment was identified for any of the cash generating unit as at 31st March 2023 and 31st March, 2022 as the recoverable value of the cash generating unit exceeded the carrying value.

The Company has also performed sensitivity analysis calculations on the projections used and discount rate applied. The Company has concluded that, given the significant headroom that exists, and the results of the sensitivity analysis performed, there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

35 Share-based Payments

Employee stock options - equity settled

- (a) The Members of the Company have approved by way of postal ballots grant of Employee stock options under various Schemes. The plan envisaged grant of shares to eligible employees at market price/pre-determined value as determined by the Nomination and Remuneration Committee (NRC) of the Board of Directors from time to time.

Disclosures:

Particulars	₹ crore	
	31st March, 2023 / 2022-23	31st March, 2022 / 2021-22
Share-based Payments to employee	25.88	37.76
Employee Stock option outstanding	139.12	138.63

(b) The position of the existing schemes is summarized as under -

Particulars	31st March, 2023				31st March, 2022			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Date of Shareholder's approval	19th January 2020 and amended on 06th January, 2021	22nd October, 2016	22nd October, 2016	22nd October, 2016	19th January, 2020 and amended on 06th January, 2021	22nd October, 2016	22nd October, 2016	22nd October, 2016
Total number of options approved under ESOS	98,00,000	40,00,000	1,09,68,057	31,33,731	98,00,000	40,00,000	1,09,68,057	31,33,731
Vesting requirements	1-5 Years	1-5 Years	1-10 Years	1-10 Years	1-5 Years	1-5 Years	1-10 Years	1-10 Years
Exercise price or pricing formula (₹)	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	92.83	185.66	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	92.83	185.66
Maximum term of Options granted (years)	Options granted under ESOP 2019 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant		Options granted under ESOP 2019 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant	
Source of shares (Primary, Secondary or combination)					Primary			
Variation in terms of options			There have been no variations in the terms of the options					

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

35 Share-based Payments (Contd..)

(c) Options movement during the year:

Particulars	2022-23				2021-22			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
No. of options outstanding at the beginning of the year	82,64,317	18,93,854	55,38,176	30,79,392	74,96,499	26,33,826	1,06,27,872	30,79,392
No. of options granted during the year	15,25,000	-	-	-	14,20,000	-	-	-
No. of options forfeited / lapsed during the year	11,21,867	1,78,256	-	-	6,23,182	1,44,062	-	-
No. of options vested during the year	10,30,631	1,98,669	-	-	8,90,868	2,65,938	-	-
No. of options exercised during the year	1,00,500	7,23,022	11,28,143	7,52,095	29,000	5,95,910	50,89,696	-
Money realised by exercise of options (₹)	2,59,94,325	14,56,88,852	10,47,25,515	13,96,33,958	76,40,785	12,31,83,176	47,24,76,480	-
No. of options outstanding at the end of the year	85,66,950	9,92,576	44,10,033	23,27,297	82,64,317	18,93,854	55,38,176	30,79,392
No. of options exercisable at the end of the year	17,15,881	8,40,076	44,10,033	23,27,297	8,81,117	14,33,854	55,38,176	30,79,392
Weighted Average Remaining Contractual Life (in years)	6.53	3.01	2.26	2.16	7.21	3.36	2.71	2.52

(d) Weighted average information for year:

Particulars	2022-23				2021-22			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Weighted average exercise price of options granted during the year whose								
Exercise price equals market price (₹)	330.95	-	-	-	413.59	-	-	-
Exercise price is greater than market price (₹)	-	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-
Weighted average fair value of options granted during the year whose								
Exercise price equals market price (₹)	138.21	-	-	-	168.44	-	-	-
Exercise price is greater than market price (₹)	-	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

35 Share-based Payments (Contd..)

(e) The Black-Scholes Valuation Model has been used for computing weighted average fair value considering the following inputs:-

Particulars	2022-23	2021-22
	ESOP 2019	ESOP 2019
Price of the underlying share in market at the time of the option grant (₹)	330.95	413.59
Exercise price (₹)	330.95	413.59
Risk free interest rate (based on government securities)	7.21%	6.13%
Expected life (years)	5.81	5.81
Expected volatility	32.61%	33.08%
Dividend yield	0.76%	0.60%

(f) Number and Weighted Average Exercise Price of Options

Particulars	2022-23		2021-22	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,87,75,739	257.07	2,38,37,589	215.17
Granted during the year	15,25,000	369.12	14,20,000	413.59
Forefeited during the year	13,00,123	384.42	7,67,244	373.49
Exercised during the year	27,03,760	153.88	57,14,606	105.57
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,62,96,856	274.51	1,87,75,739	257.07
Exercisable at the end of the period	92,93,287	185.59	1,09,32,539	158.88

(g) Weighted average share price of options exercised during the year is ₹ 378.99 (Previous year ₹ 394.70).

36 Operating Segments

A. General Information

The Company has determined following reporting segments based on the information reviewed by the Company’s CODM.

- a) Electric Consumer Durables
- b) Lighting Products

The above business segments have been identified considering:

- a) the nature of products and services
- b) the differing risks and returns
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems.

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee as explained in the Director’s Report section.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

36 Operating Segments (Contd..)

B. Information about reportable segments

₹ crore

2022-23	Reportable segments		
Particulars	Electric Consumer Durables	Lighting Products	Total
Revenue			
External Customers	4,755.66	1,053.65	5,809.31
Inter-segment	-	-	-
Total revenue	4,755.66	1,053.65	5,809.31
Segment profit	789.30	100.14	889.44
Segment profit includes:			
Depreciation and amortization expense	12.76	6.00	18.76
Segment assets	1,184.03	382.97	1,567.00
Segment liabilities	933.20	337.81	1,271.01
Other disclosures			
Capital expenditure	38.44	16.14	54.58

₹ crore

2021-22	Reportable segments		
Particulars	Electric Consumer Durables	Lighting Products	Total
Income			
External Customers	4,311.00	1,062.20	5,373.20
Inter-segment	-	-	-
Total income	4,311.00	1,062.20	5,373.20
Segment profit	826.70	116.06	942.76
Segment profit includes:			
Depreciation and amortization expense	10.39	5.77	16.16
Segment assets	961.74	405.59	1,367.33
Segment liabilities	1,039.96	371.94	1,411.90
Other disclosures			
Capital expenditure	34.19	11.98	46.17

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

36 Operating Segments (Contd..)

C. Reconciliations of information on reportable segments

₹ crore

Particulars	2022-23	2021-22
(a) Income		
Total income for reportable segments	5,809.31	5,373.20
Elimination of inter-segment revenue	-	-
Total income (Refer Note 18)	5,809.31	5,373.20
(b) Profit before tax		
Total profit before tax for reportable segments	889.44	942.76
Unallocated amounts:		
Expense on Employee Stock Option Scheme	(25.88)	(37.76)
Finance costs	(102.69)	(35.31)
Other unallocable expenditure net of unallocable Income	(172.10)	(106.54)
Total profit before tax from operations as reported in Statement of profit and loss	588.77	763.15

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
(c) Assets		
Total assets for reportable segments	1,567.00	1,367.33
Other unallocated amounts		
Goodwill	779.41	779.41
Other assets	2,729.61	3,131.22
Deferred tax assets (net)	69.66	48.14
Total assets as reported in Balance sheet	5,145.68	5,326.10
(d) Liabilities		
Total liabilities for reportable segments	1,271.01	1,411.90
Other unallocated amounts		
Borrowings	922.18	1,305.59
Other liabilities	113.52	152.95
Total liabilities as reported in Balance sheet	2,306.71	2,870.44

D. Reconciliation of revenue recognised in statement of profit and loss with contracted price

₹ crore

Particulars	2022-23	2021-22
Revenue as per contracted price	5,876.70	5,442.33
Less: Cash discount	(90.34)	(89.19)
Total revenue from contract with customers	5,786.36	5,353.14

E. Disaggregation of revenue based on products

Information given above concerning reportable segment-wise revenue are sufficient to meet the required disclosures under Ind AS 115, Revenue from Contracts with Customers, with respect to disaggregation of revenue.

F. Geographic information

The Company mainly caters to Indian Market, accordingly, secondary information/ geographical segment is not applicable.

G. Information about major customers

There are no customers having revenue exceeding 10% of total revenues.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ crore

As at 31st March, 2023	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Trade receivables	-	15.49	15.49	-	-	-	-
Other non-current financial assets	-	12.07	12.07	-	-	-	-
Current financial assets							
Current investments	530.77	-	530.77	530.77	-	-	530.77
Trade receivables	-	529.80	529.80	-	-	-	-
Cash and cash equivalents	-	44.06	44.06	-	-	-	-
Bank balance other than cash and cash equivalents	-	3.74	3.74	-	-	-	-
Derivative Assets	0.23	-	0.23	0.23	-	-	0.23
Other current financial assets	-	21.40	21.40	-	-	-	-
	531.00	626.56	1,157.56	531.00	-	-	531.00
Financial liabilities							
Non-current financial liabilities							
Borrowings	-	597.18	597.18	-	-	-	-
Lease Liabilities	-	52.20	52.20	-	-	-	-
Trade payables	-	13.19	13.19	-	-	-	-
Current financial liabilities							
Borrowings	-	325.00	325.00	-	-	-	-
Lease Liabilities	-	25.80	25.80	-	-	-	-
Trade payables	-	894.25	894.25	-	-	-	-
Other current financial liabilities	-	68.30	68.30	-	-	-	-
	-	1,975.92	1,975.92	-	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

₹ crore

As at 31st March, 2022	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Trade receivables	-	21.83	21.83	-	-	-	-
Other non-current financial assets	-	12.02	12.02	-	-	-	-
Current financial assets							
Current investments	610.65	-	610.65	610.65	-	-	610.65
Trade receivables	-	490.70	490.70	-	-	-	-
Cash and cash equivalents	-	170.09	170.09	-	-	-	-
Bank balance other than cash and cash equivalents	-	733.69	733.69	-	-	-	-
Derivative Assets	0.69	-	0.69	0.69	-	-	0.69
Other current financial assets	-	13.91	13.91	-	-	-	-
	611.34	1,442.24	2,053.58	611.34	-	-	611.34
Financial liabilities							
Non-current financial liabilities							
Borrowings	-	-	-	-	-	-	-
Lease Liabilities	-	43.54	43.54	-	-	-	-
Trade payables	-	8.07	8.07	-	-	-	-
Current financial liabilities							
Borrowings	-	1,555.25	1,555.25	-	-	-	-
Lease Liabilities	-	33.63	33.63	-	-	-	-
Trade payables	-	852.28	852.28	-	-	-	-
Other current financial liabilities	-	39.05	39.05	-	-	-	-
	-	2,531.82	2,531.82	-	-	-	-

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

B. Fair value heirarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

C. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments - forwards foreign exchange contracts	The Company has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
Derivative instruments - options foreign exchange contracts	Fair value of foreign currency options contract is provided by bank's with whom the derivatives are entered into.	Not applicable	Not applicable
Investment in mutual funds	The fair value of the units of mutual fund scheme are based on net asset value at the reporting date.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates.	Not applicable	Not applicable

D. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee (RMC) for identification, evaluation and mitigation of operations, strategic and external risks. RMC has the overall responsibility for monitoring and recovering the Risk Management Plan and associated practices of the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The RMC oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investment in mutual funds and cash and cash equivalents.The Company makes provision on trade receivables based on Expected Credit loss (ECL) method based on provision matrix.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company has a detailed review mechanism of overdue trade receivables at various levels in the organisation to ensure proper attention and focus on realisation.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Not past due	436.24	443.85
Past due 1–360 days	93.22	42.04
Past due 361- 720 days	34.09	34.07
more than 720 days	26.64	22.78
	590.19	542.74

Expected credit loss assessment

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Particulars	₹ crore
Balance as at 1st April, 2021	21.24
Impairment loss recognised	14.98
Write off of bad debts	(6.01)
Balance as at 1st April, 2022	30.21
Impairment loss recognised	21.23
Write off of bad debts	(6.54)
Balance as at 31st March, 2023	44.90

Cash and cash equivalents and bank deposits

The Company held cash and cash equivalents and bank deposits with banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an on-going basis and is considered to be good. Investment of surplus funds are made in bank deposits and other risk free securities.

Derivatives

The derivatives (forwards and options for foreign currency payments) are entered into with banks and financial institution counterparties with good credit ratings.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

Investment in mutual funds

The Company limits its exposure to credit risk by investing only with counterparties that have a good credit rating. The Company does not expect any losses from non performance by these counter parties

Other than trade receivables, the Company has no other financial assets that are past due but not impaired.

ii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due at reasonable price. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company monitors cash flow requirements and aims at optimising its cash return on investments and to maintain the level of its cash and bank balance and other highly marketable mutual fund investments at an amount in excess of expected cash outflows on financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flows are gross and undiscounted, and include estimated interest payments.

₹ crore

As at 31st March, 2023	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities					
Long Term Borrowings	597.18	-	597.18	-	-
Lease liabilities (undiscounted)	58.71	-	26.38	29.73	2.60
Trade payables	13.19	4.41	3.54	5.24	-
Current financial liabilities					
Short term Borrowings (including interest)	361.50	361.50	-	-	-
Lease liabilities (undiscounted)	30.81	30.81	-	-	-
Trade payables	894.25	894.25	-	-	-
Other financial liabilities	31.80	31.80	-	-	-

₹ crore

As at 31st March, 2022	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities					
Long Term Borrowings	-	-	-	-	-
Lease liabilities (undiscounted)	61.98	-	24.10	35.28	2.60
Trade payables	8.07	1.86	3.03	3.15	0.03
Current financial liabilities					
Short term Borrowings (including interest)	1,564.71	1,564.71	-	-	-
Lease liabilities (undiscounted)	28.38	28.38	-	-	-
Trade payables	852.28	852.28	-	-	-
Other financial liabilities	29.59	29.59	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, Company's exposure to market risk is a function of investing and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Market risk comprises two types of risks: currency risk and interest rate risk

a) Currency risk

The Company is exposed to currency risk on account of its receivable and payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward foreign exchange contracts and options foreign exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

₹ crore

Category	Instrument	Currency	Cross Currency	Amounts (\$ in million)	Buy/Sell	Period
Hedges of recognised liabilities	Option Contract	USD	INR	4.96	Buy	As at 31st March, 2023
Hedges of recognised liabilities	Forward Contract	USD	INR	0.37	Buy	As at 31st March, 2023

Exposure to currency risk

The currency profile of financial assets and financial liabilities denominated in USD are as below:

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets		
Trade receivables	7.89	5.04
	7.89	5.04
Financial liabilities		
Trade payables	55.53	79.30
	55.53	79.30
Net foreign currency exposure	(47.64)	(74.26)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the Indian Rupee against foreign currencies at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ crore			
Effect in ₹ crore	Profit or loss		
	Movement	Strengthening	Weakening
31st March, 2023			
USD	5%	(2.38)	2.38
		(2.38)	2.38
₹ crore			
Effect in ₹ crore	Profit or loss		
	Movement	Strengthening	Weakening
31st March, 2022			
USD	5%	(3.71)	3.71
		(3.71)	3.71

b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to Interest Rate Risk / Sensitivity

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed-rate instruments		
Financial assets		
Bank deposits	8.00	874.57
Total	8.00	874.57
Financial liabilities		
Non-current borrowings	597.18	-
Current borrowings	325.00	1,305.59
Variable-rate Instruments		
Financial liabilities		
Current borrowings	-	249.66
Total	922.18	1,555.25

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for variable-rate instruments

The interest expenses and impact on statement of Profit on Loss on account of Increase/decrease of 100 basis points in interest rates at the balance sheet date is provided in table below:

Particulars	As at 31st March, 2023
Interest Expenses arising on account of variable rate of interest on short term borrowings	-
Impact on Interest Cost:	
Increase in 100 basis point (Increase in Interest Cost)	-
Decrease in 100 basis points (Decrease in Interest Cost)	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

38 Financial performance ratios

Particulars	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	Variance	Refer Note
A. Performance Ratios						
Net Profit Margin (in %)	Profit after tax	Total Income	8.08%	10.88%	-25.73%	(a)
Net Capital Turnover ratio (in times)	Revenue from operations	Working Capital	8.25	3.59	129.91%	(b)
Return on Capital Employed (in %)	Earnings before interest and taxes	Tangible Capital Employed	31.03%	43.78%	-29.12%	(c)
Return on equity (in %)	Net Profit after Taxes	Average Shareholder's Equity	17.96%	27.13%	-33.79%	(d)
Return on Investment (in %)	Net gain on investment	Weighted average investments	5.69%	4.71%	20.81%	
Debt Service Coverage Ratio (in times)	Profit After Tax + Interest + Depreciation	Finance Cost + Repayments made during the year	2.5 0	1.84	35.87%	(e)
B. Leverage Ratio						
Debt-Equity Ratio (in times)	Total Debt	Equity	0.32	0.63	-48.71%	(e)
C. Liquidity Ratio						
Current ratio (in times)	Current Assets	Current liabilities excl. current Borrowings	1.59	2.30	-30.68%	(e)
D. Activity Ratios						
Inventory Turnover (in times)	Cost of goods sold	Average Inventory	7.10	7.17	-0.98%	
Debtors Turnover (in times)	Revenue from operations	Avg. Trade Receivables	10.98	11.14	-1.44%	
Trade Payables Turnover ratio (in times)	Cost of goods sold	Avg. Accounts payables	4.38	4.47	-2.03%	

Note: Explanation for change in the ratio by more than 25%

- (a) Net Profit Margin ratio declined as a result of increased finance costs (on account of subsidiary acquisition).
- (b) Net Capital Turnover ratio increased due to growth in sales and reduction in working capital.
- (c) Return on Capital Employed ratio declined as a result of increased finance costs (on account of subsidiary acquisition) and repayment of borrowings during the year.
- (d) Return on equity ratio declined as a result of increased average shareholder's fund.
- (e) Movement in ratios is on account of repayment of borrowings during the year.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

39 Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Inventories		
Raw Material	109.94	116.46
Finished Goods	471.11	365.27
Work-in-Progress	37.70	29.61
b) Trade receivables	545.29	512.53
Total assets pledged as security (a+b)	1,164.04	1,023.87

40 Details of relationship with struck-off companies

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31st March, 2023 (₹ crore)	Balance outstanding as at 31st March, 2022 (₹ crore)	Relationship with the struck off company, if any, to be disclosed
Air Temp Solutions Private Limited	Advance from customer	0.00	0.00	Customer
Alif Trading Company	Receivables	0.00	0.02	Customer
Bright Electricals & Sanitary	Advance from customer	0.00	-	Customer
H.K. Power Corporation Private Limited	Advance from customer	0.01	0.01	Customer
Hammer Head Technologies Private Limited	Advance from customer	0.00	0.00	Customer
Kapson Power Technology Private Limited	Advance from customer	0.00	0.00	Customer
Kiapco Infrastructure Private Limited	Advance from customer	0.01	0.01	Customer
Ncs Infocomm Private Limited	Advance from customer	0.01	0.01	Customer
Shakedi Shengtai Electrics Private Limited	Advance from customer	0.00	0.00	Customer
Shreeskanda Systems Private Limited	Advance from customer	0.01	0.01	Customer
Suzusons Care Private Limited	Advance from customer	0.00	0.00	Customer
Takkar Interna.Trademart Private Limited	Advance from customer	0.00	0.00	Customer
Techno India Wtr & Waste Wtr Private Limited	Advance from customer	0.00	0.00	Customer
Venus Dealmark Private Limited	Advance from customer	0.00	0.00	Customer
Atlantis Technologies	Advance to vendor	0.06	-	Vendor

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

41 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents and other bank balances. Total equity comprises all components of equity.

The Company's adjusted net debt-to-equity ratio at 31st March, 2023 was as follows:

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Total equity	2,838.97	2,455.66
Total borrowings (including current portion of long-term debts)	922.18	1,555.25
Less: cash and cash equivalents	44.06	170.09
Less : other bank balances	3.74	733.69
Net debt	874.38	651.47
Overall financing	3,713.35	3,107.13
Gearing ratio	0.24	0.21

42 Separate Financial Statements

Investments in following subsidiary companies are accounted at cost

Sr. No.	Name of the subsidiary companies	Principal place of business	Proportion of direct ownership as on 31st March, 2023	Proportion of direct ownership as on 31st March, 2022
1	Pinnacles Lighting Project Private Limited	India	100%	100%
2	Nexustar Lighting Project Private Limited	India	100%	100%
3	Butterfly Gandhimathi Appliances Limited	India	75%	55%

- 43 The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 44 There has been no delay in charges or satisfaction to be registered with ROC beyond the statutory period.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

45 Utilisation of Borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

- 46 The Board of Directors at their meeting held on 25th March, 2023 considered and approved the Scheme of Amalgamation of the Butterfly Gandhimathi Appliances Limited, a subsidiary, with the Company, and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder. The Scheme is subject to the receipt of necessary statutory and regulatory approvals including approval of Stock Exchanges, the Securities and Exchange Board of India, the respective shareholders and creditors of respective companies and National Company Law Tribunal(s) (Mumbai & Chennai Benches). The Company has filed the Scheme of arrangement with BSE and NSE on 7th April, 2023. Company is in the process of obtaining other approvals in relation to the Scheme. Pending such approval, no effect of the proposed amalgamation has been given in these financial statements.
- 47 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, received Presidential assent on 28th September, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13th November, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

- 48 No significant subsequent events have been observed which may require an adjustments to the financial statements.

- 49 Amount shown as ₹ 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand)

- 50 Figures for the previous year have been regrouped wherever necessary.

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Mumbai
19th May, 2023

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

Rashmi Khandelwal
Company Secretary
M. No. A28839

Independent Auditor’s Report

To the Members of
Crompton Greaves Consumer Electricals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Crompton Greaves Consumer Electricals Limited** (hereinafter referred to as the “Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31st March, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 (“Ind AS”) and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31st March, 2023,

of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in terms of the Code of Ethics issued by Institute of Chartered Accountants of India (“ICAI”), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in the “Other Matter” section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended 31st March, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	Goodwill and Other Intangible Assets with Indefinite Useful Lives (Refer Notes 2 and 37 to the Consolidated Financial Statements) The goodwill balance as of 31st March, 2023 of ₹ 1,285.46 crores pertains to: (i) ₹ 779.41 crores on account of demerger of the Consumer Business from Crompton Greaves Limited (now CG Power and Industrial Solutions Limited) and Crompton Greaves Consumer Electricals Limited in 2015; and	Our audit procedures with respect to this matter included, but were not limited to, the following: a. Obtained an understanding of the process and assessed the design, implementation and tested the operating effectiveness of internal controls over the accounting for goodwill and other intangible assets with indefinite useful lives. b. Assessed reasonableness of the future revenue and margin projections, the historical accuracy of the estimates and its ability to produce accurate long-term forecasts. c. Involved our valuation experts (“auditor’s expert”) to assist in examining the reasonableness of the Company’s valuation model and analysing the underlying key assumptions, including terminal growth rates and discount rates.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	(ii) ₹ 506.05 crores on account of business acquisition of Butterfly Gandhimathi Appliances Limited (“Butterfly”). Other Intangible assets with indefinite useful lives pertains to brand and trademarks on account of business acquisition of Butterfly. Carrying value of goodwill and other intangible assets with indefinite useful lives is material as at 31st March, 2023 and inherent uncertainty is involved in forecasting and discounting future cash flows, determination of discount and terminal growth rates for computing the value and the assessment of its recoverability. The Company has carried out an impairment assessment using the value-in-use model which is based on the net present value of the forecast earnings of the cash generating units. The computation involves using certain assumptions around discount rates, growth rates and cash flow forecasts. Thus, assessment of recoverability of carrying value of goodwill and other intangible assets with indefinite useful lives is a key audit matter.	d. Evaluated the sensitivity in the valuation, resulting from changes to key assumptions applied and compared the assumptions to corroborating information including industry reports and data from competitors, historic performance, local economic developments and industry outlook. e. Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board and tested the mathematical accuracy of management’s calculations. f. Assessed the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements.
2	Estimates – Provision for Warranties (Refer Note 15 to Consolidated Financial Statements) The Company’s business involves the sale of products under warranty. The Company also has back-to-back contractual arrangements with its vendors for reimbursement of cost relating to products supplied by the vendors. Warranty provisions, which are inherently judgmental in nature, are provided by the Company to record an appropriate estimate of the costs of repairing and replacing products and spares within the warranty period. The Company estimates and provides for liability for product warranties in the year in which the products are sold. Further, the timing of outflows will vary based on the actual warranty claims made during the warranty period in the future. The above estimations of warranty provision require significant judgement considering the nature and timing of the cash outflows. Also, there is estimation uncertainty as regards to the timing and the amount of the actual warranty claims that may devolve over the warranty period. Accordingly, provision for warranties has been determined by us to be a key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a. Obtained an understanding of the warranty claims process and assessed the design and implementation and tested the operating effectiveness of internal controls over the provision for warranties. b. Reviewed the historical data of warranty costs incurred in regard to the product sales, the trend of claims over the warranty period and the comparison between provisions previously recognised and actual expenses. Also reviewed the historical data of recoveries from vendors against warranty claims and defective returns. c. Reviewed reconciliations of sales data to determine completeness of transactions on which warranty obligation is determined. d. Performed enquiry procedures and reviewed relevant documents in evaluating the accuracy of historical information prepared by the management (including cost of repairs and returns). e. Reviewed the recognition and appropriateness of provisions by verifying the computation of defect rates, vendors recovery and mathematical accuracy of management calculations and obtaining management statements, evidence and supporting documents. f. Assessed the adequacy and appropriateness of the relevant disclosures made in the Consolidated Financial Statements.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3	Ongoing litigations and related accounting and disclosure of provisions and contingent liabilities, including provision for tax (Refer Note 29 of Consolidated Financial Statement) The Company has unsettled tax matters under ongoing litigations and disputes with regulatory authorities, which involves significant judgment to determine probable, possible or a reliable estimate of the outcome of the dispute. These provisions are estimated using a significant degree of management judgement in interpreting the various relevant rules, regulations and practices. Further these amounts are likely to have a significant impact on the Consolidated Financial Statements. Provision for tax is also based on the presumption of significant estimates and assumptions on the allowability/ disallowability of claims at the assessment level. Accordingly, this is considered as the key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a. Obtained an understanding of the key uncertain tax provisions and also obtained information of completed tax assessments and demands / refunds received by the Company during the financial year. b. Reviewed the processes and design, implementation and operating effectiveness of controls in place over tax assessments and demands / refunds through discussions with the management's internal experts / external consultants and reviewed the communications with those charged with governance pertaining to this issue. c. Involved our internal tax experts ("auditor's expert") to discuss with the appropriate management to critically evaluate the key assumptions in estimating the tax provisions and assessed the possible outcome of the assessment / demands of the disputed claims. Our tax experts considered past precedence and other rulings in evaluating Company's position on these uncertain tax positions. d. Further, considered the effect of all the information in respect of uncertain tax positions as at 31st March, 2023 and provision for tax to evaluate whether it was necessary to revise the Company's position on these uncertainties. e. Assessed the adequacy and appropriateness of the relevant disclosures made in the Consolidated Financial Statements.

Information Other than the Consolidated Financial Statements and Auditor’s Report Thereon

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, etc but does not include the Consolidated Financial Statements and our auditor’s report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial

Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Consolidated Financial Statements.

Other Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 545.26 crores as at 31st March, 2023, total revenues of ₹ 1,070.85 crores and net cash flows amounting to ₹ 31.40 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with

respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group, incorporated in India and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.

g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group

- Refer Note 29 to the Consolidated Financial Statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

iv. a. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

v. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries, that are Indian companies under the Act, we report that:

a. the final dividend paid by the Holding Company and its two subsidiaries during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

b. the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of their respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 11(h) to the Consolidated Financial Statements)

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, and its subsidiary companies, incorporated in India only w.e.f. 1st April, 2023, reporting under this clause is not applicable.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group, to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries, in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the Consolidated Financial Statements are as follows:

Sr. No.	Name of the Company	CIN	Type of Company	Clause number of the CARO Report which is qualified
1	Butterfly Gandhimathi Appliances Limited	L28931TN1986PLC012728	Subsidiary	Clause (ii)(b) Clause (xi)(a) Clause (xx)(a)

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Partner

Membership No.: 207132
UDIN: 23207132BGQRZM7645

Place: Mumbai
Date: 19th May, 2023

Annexure A

to the Independent Auditor's Report on even date on the Consolidated Financial Statements of Crompton Greaves Consumer Electricals Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the year ended 31st March, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Partner

Place: Mumbai
Date: 19th May, 2023
Membership No.: 207132
UDIN: 23207132BGQRZM7645

Annexure B

to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Crompton Greaves Consumer Electricals Limited

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Crompton Greaves Consumer Electricals Limited on the Consolidated Financial Statements for the year ended 31st March, 2023]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of Crompton Greaves Consumer Electricals Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls were operating effectively as at 31st March, 2023, based on the criteria for internal control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the criteria for internal control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate

internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may

occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Partner
Place: Mumbai
Date: 19th May, 2023
Membership No.: 207132
UDIN: 23207132BGQRZM7645

Consolidated Balance Sheet

as at 31st March, 2023

₹ crore			
Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2 A	408.02	404.53
(b) Capital work-in-progress	2 E	5.46	13.00
(c) Right to use assets	2 B	75.95	71.10
(d) Intangible Assets	2 C	1,285.46	1,285.46
(e) Other intangible assets	2 D	1,480.51	1,512.38
(f) Intangible assets under development	2 F	21.05	-
(g) Financial assets			
(i) Investments	3 A	0.35	0.34
(ii) Trade receivables	7 A	15.49	21.83
(iii) Other financial asset	4 A	18.73	15.39
(h) Non-current tax assets (net)		9.36	13.83
(i) Other non-current assets	5 A	75.76	67.31
Total non-current assets		3,396.14	3,405.17
(2) Current assets			
(a) Inventories	6	743.85	721.04
(b) Financial assets			
(i) Investments	3 B	547.83	623.83
(ii) Trade receivables	7 B	670.56	593.60
(iii) Cash and cash equivalents	8	76.84	171.62
(iv) Bank balances other than (iii) above	9	32.64	743.57
(v) Loans	10	0.66	1.23
(vi) Other financial assets	4 B	18.97	14.16
(c) Current tax assets (net)		19.81	23.81
(d) Other current assets	5 B	147.13	150.56
Total current assets		2,258.29	3,043.42
TOTAL ASSETS		5,654.43	6,448.59

Consolidated Balance Sheet (Contd..)

as at 31st March, 2023

₹ crore			
Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	127.22	126.68
(b) Other equity	12	2,532.77	2,326.28
Equity attributable to equity holders of parent		2,659.99	2,452.96
(c) Non-controlling interests	13	447.71	782.45
Total equity		3,107.70	3,235.41
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14 A	597.18	4.56
(ii) Lease liabilities	32	55.93	44.14
(iii) Trade payables	16 A		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		-	-
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		13.19	8.07
(b) Deferred tax liabilities (net)	19	12.27	39.43
(c) Provisions	15 A	131.23	109.55
Total non-current liabilities		809.80	205.75
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14 B	325.00	1,602.95
(ii) Lease liabilities	32	27.00	34.08
(iii) Trade payables	16 B		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		245.18	120.18
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		790.20	889.53
(iv) Other financial liabilities	17	73.50	44.84
(b) Other current liabilities	18	98.37	133.61
(c) Provisions	15 B	168.48	182.24
(d) Current tax liabilities (net)		9.20	-
Total current liabilities		1,736.93	3,007.43
Total liabilities		2,546.73	3,213.18
TOTAL EQUITY AND LIABILITIES		5,654.43	6,448.59

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Mumbai
19th May, 2023

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

Rashmi Khandelwal
Company Secretary
M. No. A28839

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

₹ crore			
Particulars	Notes	2022-23	2021-22
Income			
I. Revenue from operations	20	6,869.61	5,394.11
II. Other income	21	66.78	72.65
III. Total Income (I+II)		6,936.39	5,466.76
IV. Expenses			
Cost of materials consumed	22	1,734.96	1,193.91
Purchase of stock-in-trade	23	3,011.32	2,467.57
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(65.93)	40.30
Employee benefits expense	25	540.80	362.39
Finance costs	26	109.18	35.31
Depreciation and amortisation expense	2	115.92	42.28
Other expenses	27	877.99	560.49
Total Expenses (IV)		6,324.24	4,702.25
V. Profit before exceptional items and tax (III-IV)		612.15	764.51
Exceptional items	28	-	12.97
VI. Profit before tax		612.15	751.54
VII. Tax expenses:			
Current tax		178.62	159.52
Adjustment of tax relating to earlier periods		(16.71)	3.97
Deferred tax (credit)/ charge	19	(26.16)	9.67
Total Tax expenses (VII)		135.75	173.16
VIII. Profit for the year (VI-VII)		476.40	578.38
IX. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) on defined benefit plans		(3.33)	2.74
(ii) Income tax related to items that will not be reclassified to profit or loss		0.99	(0.69)
Other comprehensive income for the year (net of tax) (IX)		(2.34)	2.05
X. Total comprehensive income for the year (VIII+IX)		474.06	580.43
Profit attributable to:			
Owners of the Holding Company		463.21	578.38
Non-controlling interests		13.19	-
Other Comprehensive income attributable to:			
Owners of the Holding Company		(2.17)	2.05
Non-controlling interests		(0.17)	-
Total Comprehensive income attributable to:			
Owners of the Holding Company		461.04	580.43
Non-controlling interests		13.02	-
XI. Earnings per equity share (in ₹) of face value of ₹ 2 each	36		
1. Basic		7.29	9.21
2. Diluted		7.27	9.17

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Mumbai
19th May, 2023

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

Rashmi Khandelwal
Company Secretary
M. No. A28839

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

(A) EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore
Balance as at the beginning of the reporting year	63,34,05,959	126.68	62,76,91,353	125.54
Changes in equity share capital during the year	27,03,760	0.54	57,14,606	1.14
Balance as at the end of the reporting year	63,61,09,719	127.22	63,34,05,959	126.68

(B) OTHER EQUITY

Particulars	Reserves and Surplus					Other comprehensive income	Equity attributable to equity holders of the parent	Non-Controlling Interest	Total Other Equity
	Capital Reserve	Securities premium	Employee stock options outstanding account	Debenture redemption reserve	Retained earnings	Remeasurement gain / (loss) on defined benefit plans			
Balance as at 01st April, 2021	0.05	24.01	162.53	75.00	1,543.09	1.18	1,805.85	-	1,805.85
Profit for the year	-	-	-	-	578.38	-	578.38	-	578.38
Additions on account of acquisition through business combination (Refer note 34)	-	-	-	-	-	-	-	782.45	782.45
Dividends paid	-	-	-	-	(156.96)	-	(156.96)	-	(156.96)
Securities premium received	-	59.20	-	-	-	-	59.20	-	59.20
Amount transferred to / (from) Securities premium	-	61.66	(61.66)	-	-	-	-	-	-
Amount transferred to / (from) Retained earnings	-	-	-	-	-	-	-	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	2.05	2.05	-	2.05
Employee compensation expense for the year (Refer Note 25)	-	-	37.76	-	-	-	37.76	-	37.76
Balance as at 31st March, 2022	0.05	144.87	138.63	75.00	1,964.51	3.23	2,326.28	782.45	3,108.73
Profit for the year	-	-	-	-	476.40	-	476.40	-	476.40
Additions on account of acquisition through business combination (Refer note 34)	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(158.41)	-	(158.41)	-	(158.41)
Securities premium received	-	41.06	-	-	-	-	41.06	-	41.06
Amount transferred to / (from) Securities premium	-	23.58	(23.58)	-	-	-	-	-	-
Amount transferred to / (from) Retained earnings	-	-	(1.81)	(75.00)	66.13	-	(10.68)	13.19	2.51
Movement in Other comprehensive income for the year	-	-	-	-	-	(2.16)	(2.16)	(0.18)	(2.34)
Employee compensation expense for the year (Refer Note 25)	-	-	27.17	-	-	-	27.17	-	27.17
Adjustment for changes in ownership interests	-	-	-	-	(166.89)	-	(166.89)	(347.75)	(514.64)
Balance as at 31st March, 2023	0.05	209.51	140.41	-	2,181.73	1.07	2,532.77	447.71	2,980.48

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Mumbai
19th May, 2023

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

Rashmi Khandelwal
Company Secretary
M. No. A28839

Consolidated Statement of Cash Flows

for the year ended 31st March, 2023

Particulars	2022-23	2021-22
[A] CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	612.15	751.54
Adjustments for:		
Depreciation and amortisation expense	115.92	42.29
Finance cost	109.18	35.31
(Gain)/loss on sale of property, plant and equipment	(3.75)	0.14
Share-based payments to employees	27.17	37.76
Net gain on sale/ fair valuation of investments	(15.75)	(36.94)
Interest income	(45.92)	(28.52)
Unrealised exchange (gain) / loss (net)	(2.69)	1.12
Exceptional items	-	12.97
	184.16	64.13
Cash generated from operations before working capital changes	796.31	815.67
Adjustments for:		
(Increase) / Decrease in trade receivables	(70.62)	(61.74)
(Increase) / Decrease in inventories	(22.81)	7.29
(Increase) / Decrease in other financial and non financial assets	(14.89)	16.46
Increase / (Decrease) in trade payables	33.49	57.71
(Decrease) / Increase in other financial and non financial liabilities	(33.62)	64.05
Increase / (Decrease) in provisions	4.59	16.73
	(103.86)	100.50
Cash generated from operations	692.45	916.17
Income tax paid (net of refunds)	(139.86)	(179.82)
Net cash generated from operating activities [A]	552.59	736.35
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Add: Inflows from investing activities		
Interest received	43.18	37.03
Proceeds from sale of Investment in subsidiary (net)	161.08	-
Proceeds from current investments (net)	91.75	182.85
Proceeds from sale of property, plant and equipment	8.28	0.56
	304.29	220.44
Less: Outflows from investing activities		
Investment in subsidiaries	672.96	1,392.97
(Increase) / Decrease in other bank balances and term deposits	(710.93)	392.17
Purchase of property, plant and equipment and intangible assets (including assets under development & capital advances)	79.10	171.15
	41.13	1,956.29
Net cash generated from / (used in) investing activities [B]	263.16	(1,735.85)

Consolidated Statement of Cash Flows (Contd..)

for the year ended 31st March, 2023

₹ crore		
Particulars	2022-23	2021-22
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Add: Inflows from financing activities		
Proceeds from issue of equity shares	41.60	60.33
Proceeds from issue of debentures	925.00	-
Proceeds from short-term borrowings	-	1,406.90
	966.60	1,467.23
Less: Outflows from financing activities		
Payment of dividend including dividend distribution tax	157.78	156.35
Repayment of debentures	150.00	330.00
Repayment of other long-term borrowings	9.36	-
Repayment of short-term borrowings	1,449.80	-
Payment of lease liability	33.72	23.01
Interest paid	76.47	50.53
	1,877.13	559.89
Net cash (used in)/ generated from financing activities [C]	(910.53)	907.34
Net decrease in cash and cash equivalents (A+B+C)	(94.78)	(92.16)
(a) Cash and cash equivalents at beginning of the year	171.62	262.42
(b) Cash and cash equivalents at end of the year	76.84	170.26
(c) Net decrease in cash and cash equivalents (c = b-a)	(94.78)	(92.16)
(d) Cash and cash equivalents of Butterfly Gandhimathi Appliances Limited at the end of year	-	1.36
Consolidated Cash and cash equivalents movement (with Butterfly Gandhimathi Appliances Limited balance)		
(e) Cash and cash equivalents at end of the year (e = b+d)	76.84	171.62

Consolidated Statement of Cash Flows(Contd..)

for the year ended 31st March, 2023

Notes:

- (i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).
- (ii) Changes in liabilities arising from financing activities :

₹ crore						
Particulars	As at 01st April, 2022	Cash flow changes		Non-cash flow changes		As at 31st March, 2023
		Receipts	Payments	Unamortized expenses	Others	
Non-current borrowings (Refer Note 14A)	4.56	925.00	(4.56)	(2.82)	(325.00)	597.18
Current borrowings (Refer Note 14B)	1,602.95	-	(1,604.60)	1.65	325.00	325.00
Total	1,607.51	925.00	(1,609.16)	(1.17)	-	922.18

₹ crore						
Particulars	As at 01st April, 2021	Cash flow changes		Non-cash flow changes		As at 31st March, 2022
		Receipts	Payments	Unamortized expenses	Others*	
Non-current borrowings (Refer Note 14A)	298.79	-	(150.00)	1.08	(145.31)	4.56
Current borrowings (Refer Note 14B)	180.00	1,406.90	(180.00)	(1.52)	197.57	1,602.95
Total	478.79	1,406.90	(330.00)	(0.44)	52.26	1,607.51

* includes financial liabilities assumed through acquisition of Butterfly

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Mumbai
19th May, 2023

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

Rashmi Khandelwal
Company Secretary
M. No. A28839

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

CORPORATE INFORMATION

Crompton Greaves Consumer Electricals Limited (the ‘Company’ or ‘Crompton’ or ‘Holding Company’) is engaged in the business of manufacturing, trading, selling and distribution of fans, lighting, pumps and appliances. The Company is a public limited company incorporated and domiciled in India and has its registered office at Mumbai, India.

The consolidated financial statements comprise the financial statements of Crompton Greaves Consumer Electricals Limited (the ‘Company’) and its subsidiaries (collectively, the ‘Group’). Refer Note 46 for list of subsidiaries.

1. Significant Accounting policies

1) Statement of compliances and basis of preparation and presentation

A. Statement of compliance

The consolidated financial statements have been prepared in compliance with Indian Accounting Standards (the ‘Ind AS’) notified under Section 133 of the Companies Act, 2013 (the ‘Act’) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

All assets and liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

B. Basis of presentation and consolidation

The Balance sheet and the Statement of profit and loss are prepared and presented in the format prescribed in the Division II of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, *Statement of Cash Flows*. The disclosure

requirements with respect to items in the Balance sheet and Statement of profit and loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The consolidated financial statements of the Group for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 19th May, 2023.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The consolidated financial statements of the Company and its subsidiaries have been combined on a line by-line basis by adding together the book values of like items of assets and liabilities, after eliminating intra-group balances, intra-group transactions and the unrealised profits/losses, unless cost/revenue cannot be recovered.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group’s share of equity in the subsidiaries, is recognised as ‘Goodwill on Consolidation’ in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for.

Non-controlling interests (‘NCI’) in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests represent that part of the total comprehensive income and net assets of subsidiaries attributable to the interests which is owned, directly or indirectly, by the Holding Company.

The consolidated financial statements are presented in INR, the functional currency of the Group. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the ‘functional currency’).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

C. Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and a historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- i) Financial instruments measured at fair value through profit or loss; and
- ii) Defined benefit plans – plan assets measured at fair value
- iii) Share based payment transactions

These financial statements are prepared by applying uniform accounting policies with those used by the parent Company.

D. Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes are presented in crore and have been rounded off to two decimals as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

2) Key estimates and assumptions

The preparation of consolidated financial statements requires the management to make judgments, use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are described below:

A. Goodwill impairment

For testing of impairment of goodwill, if events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the Cash Generating Units (‘CGUs’) (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount is the higher of fair value less costs to sell and value in use, both of which are

calculated by the group using a discounted cash flow analysis. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimation and judgments involve, but are not limited to, industry trends including pricing, estimating long-term revenues, revenue growth and operating expenses. An impairment loss recognised for goodwill is not reversed in subsequent periods.

B. Provision for warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years. (Refer Note 15)

Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, applied to the volume of product under warranty as on Balance Sheet date. Supplier reimbursements are recognised as separate asset as expected recoverable from vendors against warranty.

C. Estimates related to Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. (Refer Note 38)

D. Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 19)

E. Measurement of Defined Benefit Obligations, key actuarial assumptions

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. (Refer Note 33).

Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

F. Contingent Liabilities

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Group does not expect any reimbursements in respect of the contingent liabilities. The Group's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Group has

reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

3) Foreign currency translation

A. Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

The consolidated financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

B. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing on reporting date are generally recognized in Statement of profit and loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

4) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

A. Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- i) those measured at amortised cost, and
- ii) those to be measured at fair value either through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

After initial recognition, financial assets are measured at Fair value through Other Comprehensive Income ('FVOCI') or through profit or loss ('FVPL') or amortised cost.

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost**

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. A gain or loss on a debt investment (unhedged) that is subsequently measured at amortised cost is recognised in the Statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate ('EIR') method.

- **Fair value through profit or loss ('FVTPL')** category are measured at fair value with all changes recognised in the Statement of profit and loss.

De-recognition

A financial asset (or where applicable, a part of a financial asset or part of similar assets) is primarily derecognised (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.
- On derecognition of financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.
- If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized and the proceeds received are recognised as a collateralized borrowing.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies expected credit loss ('ECL') model for recognition and measurement of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost
- Trade receivables using the simplified approach. This does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

B. Financial liabilities

The Group's financial liabilities comprise of borrowings including bank overdrafts and derivative financial instruments, trade payable and other liabilities.

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are initially measured at fair value. In the case of loans and borrowings and payables, financial liability is recognised net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

Other financial liabilities

These are measured at amortised cost using the effective interest method.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

the event of default, insolvency or bankruptcy of the Group or the counterparty

Derivative financial instruments

The Group uses derivative financial instruments, such as foreign currency forward contracts and foreign currency option contracts to manage its exposure to foreign exchange risks. For these contracts, hedge accounting is not followed, and such designated derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised.

5) Fair Value Measurement:

The Group measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most

advantageous market for the asset or liability accessible to the Group.

Fair value measurements are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entity:

Level 1: Financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date are included in Level 1;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimate. If all significant inputs require to fair value an instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

6) Property, plant and equipment ('PPE')

A. Recognition and measurement

Freehold land is carried at historical cost. All other items of PPE are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of PPE comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

PPE which are not ready for intended use as on the date of Balance sheet are disclosed as Capital work-in-progress. Where cost of a part of an asset (asset component) is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately, and such asset component is depreciated over its separate useful life.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in Statement of profit and loss.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss

B. Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

C. Depreciation

Depreciable amount for assets is the cost of an asset or other amount substituted for cost less its estimated residual value. Depreciation on PPE (other than leasehold land) has been provided based on useful life of the assets as estimated by the management on Straight Line Method. The useful lives used are in agreement with those specified in Schedule II to the Companies Act, 2013 except in respect of following category of property, plant and equipment where the useful life is considered differently based on technical evaluation.

Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Plant and equipment - maximum 21 years
- Furniture and fixtures - maximum 15 years

Premium paid on leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the management estimate of useful life, where the lease period is beyond the life of the building. In other cases, buildings constructed on leasehold land is amortised over the primary lease period of the land.

Depreciation on addition to/deductions from, owned assets is calculated *pro rata* to the period of use. Depreciation methods estimated useful lives and residual values are reviewed at each reporting date and the effect of any change in the estimates of useful life/ residual value is adjusted prospectively.

Gains or losses arising from derecognition of a PPE are measured as the difference between the disposal proceeds and the carrying amount of the asset and are accordingly recognised in the Statement of profit and loss.

7) Intangible assets

A. Recognition and measurement

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

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of the asset. These are included in Statement of profit and loss within other gains/ (losses).

The estimated useful life and amortisation methods are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

B. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

C. Amortisation

Other intangible assets	Useful life (in years)
Product Development	Up to 5
Non-compete*	5
Distribution Networks*	8
Computer Software	5-10
Trademark	Indefinite
Technical knowhow/R&D	Indefinite
Brand*	Indefinite

* Intangible assets acquired through Business combination

Intangible assets with finite useful life are amortized on a straight-line basis over their estimated useful life and are assessed for impairment whenever there is an indication for impairment. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows are considered to have an indefinite life. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues. If not, it is impaired or changed prospectively basis revised estimates.

D. Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. (Refer Note 37 for a description of impairment testing procedures)

E. Research and development cost

- i) Research cost

Revenue expenditure on research is charged to Statement of profit and loss under the respective heads of accounts in the period in which it is incurred.
- ii) Development cost

Development expenditure on new product is capitalised as intangible asset, if the Group can demonstrate all of the following:

- i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) its intention to complete the development of intangible asset and use or sell it;

iii) its ability to use or sell the intangible asset;

iv) How the asset will generate future economic benefits including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

vi) its ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the intangible assets, fulfilling the criteria are amortised over its useful life, otherwise are expensed in the period in which they are incurred.

Intangibles which are not ready for intended use as on the date of Balance sheet are disclosed as Intangible assets under development.

8) Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less costs of disposal and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at their lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. An

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognised or relates to a change in the estimate of the recoverable amount in the previous periods. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

9) Inventories

Inventories are valued at the lower of cost and net realisable value.

Raw materials, packaging materials and stores and spare parts:

Valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods:

Valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision for obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

10) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks, call deposits and other short-term, highly liquid investments with original maturities of three months or

less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

11) Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Holding Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date. Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible Assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Such goodwill is tested annually for impairment.

12) Borrowings and loans

Borrowings and loans are initially recognised at fair value, net of transaction costs incurred. It is subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs that are an integral part of the effective interest rate. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of profit and loss over the period of borrowings using the effective interest rate.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

13) Leases

The Group as a lessee:

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a Right-of-Use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-

in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit ('CGU') to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance sheet and lease payments have been classified as financing cash flows.

14) Employee benefit plans

A. Short-term employee benefits:

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

B. Post-employment benefits:

Defined contribution plans:

The Group's contribution to defined contribution plans, namely State governed provident fund, superannuation fund, employee state insurance scheme, employee pension scheme and labour welfare fund are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The contributions are classified as Defined Contribution Scheme as the Group has no further defined obligations beyond the monthly contributions.

Defined benefit plans:

Defined benefit schemes in the form of gratuity liability and post-retirement medical benefits, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

entitlement and measures each unit separately to build up the final obligation.

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

Changes in the present value of the defined benefit obligation resulting from Investment plan amendments are recognised immediately in the Statement of profit or loss as past service cost.

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

In case of funded plans, the fair value of the plan asset is reduced from the gross obligations under the defined benefit plans to recognize the obligation on a net basis.

C. Long-term employee benefits:

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

D. Termination benefits:

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

E. Share-based Payments:

Employees of the Group receive remuneration in the form of Share-based Payments in consideration of the services rendered.

Under the equity settled share-based payment, the fair value on the grant date of the award given to employees is recognised as ‘employee benefit expense’ with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to

reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

15) Provisions, contingent liabilities, contingent assets and commitments

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be made. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed when there is a possible but not probable obligation arising from past events, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are disclosed in the consolidated financial statements when an inflow of economic benefit is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be extracted on capital account and not provided for.

16) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. (Refer Note 19)

a) Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year or on the basis of book profits wherever minimum alternate tax (‘MAT’) is applicable. The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Current tax assets and liabilities are offset only if:

- i) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- ii) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for deductible temporary differences (if any) to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary difference or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax asset can be realized.

Deferred tax assets and deferred tax liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset, only if, they relate to income taxes levied by the same taxation authority on the same taxable entity.

17) Revenue from contract with customers

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or services to a customer. Revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of assets (goods or services) to a customer is done over time and in other cases, performance obligations satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation and the progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation. Revenue excludes goods and services tax which is recorded separately.

Sale of Goods

The Group recognizes revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Appropriate provisions are recorded for returns and discounts/incentives which are estimated on the basis of historical experience, market assessment and various discount programs launched by the Group.

Rendering of services

The Group primarily earns revenue from installation, operations and maintenance services which is recognised over the period when services are rendered.

Income from services are recognized as and when performance obligation is met.

Interest income

Interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Instruments, and where no significant uncertainty as to measurability or collectability exists.

Other income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

18) Government grants & incentives

Government incentives, such as export benefits etc., are recognised at fair value when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received.

The Government incentives are recognised in profit or loss on a systematic basis over the period in which the Group recognizes as expenses. The related costs for which the incentives are intended to compensate or immediately if the costs have already been incurred.

19) Borrowing costs

Borrowing costs include interest and other costs incurred in connection with the borrowing of funds and charged to Statement of profit and loss on the basis of effective interest rate. Borrowing costs net of any investment income from temporary investment of related borrowings that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the Statement of profit or loss in the period in which they are incurred.

20) Earnings per share ('EPS')

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the

effects of all dilutive potential equity shares.

21) Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group. Such income or expense is classified as an exceptional item and accordingly, disclosed in the notes to the consolidated financial statements.

22) Segment accounting

The segment reporting of the Group has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act).

The Chief Operating Decision Maker ('CODM') monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "unallocable".

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

23) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit or loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

Cash and cash equivalents (including bank balances) shown in the Statement of cash flows exclude items which are not available for general use as at the date of balance sheet.

24) Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On 31st March, 2023 MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- A. Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

- B. Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.
- C. Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.
- D. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

2Property, plant and equipment and Intangible assets

ASSETS	₹ crore										
	Gross block (Cost)					Depreciation/ Amortisation				Net Block	
	As at 1st April, 2022	Additions	Acquisition through Business Combination*	Deductions	As at 31st March, 2023	As at 31st March, 2022	For the year®	Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
A. Property, plant and equipment											
Freehold land (Refer Note ii)	178.40	0.55	-	-	178.95	-	-	-	-	178.95	178.40
Leasehold land	2.69	-	-	-	2.69	0.81	0.01	-	0.82	1.87	1.88
Buildings (Refer Note ii)	94.18	4.63	-	0.53	98.28	9.83	4.59	0.13	14.29	83.99	84.35
Leasehold Improvements	5.79	0.16	-	-	5.95	0.55	1.34	-	1.89	4.06	5.24
Plant and equipment (Including Tools & Dies)	150.17	33.23	-	9.81	173.59	44.77	28.34	8.77	64.34	109.25	105.40
Furniture and fixtures	9.27	0.71	-	0.11	9.87	3.06	1.37	0.09	4.34	5.53	6.21
Electrical Installations and Equipment	4.47	0.85	-	0.10	5.22	-	0.70	0.05	0.65	4.57	4.47
Office equipment	20.70	7.21	-	1.20	26.71	11.16	5.20	1.49	14.87	11.84	9.54
Vehicles	11.42	4.92	-	6.86	9.48	2.38	2.08	2.94	1.52	7.96	9.04
Sub-total A	477.09	52.26	-	18.61	510.74	72.56	43.63	13.47	102.72	408.02	404.53
B. Right-of-Use assets (Refer Note 32)											
	103.41	36.66	-	11.28	128.79	32.31	27.35	6.82	52.84	75.95	71.10
Sub-total B	103.41	36.66	-	11.28	128.79	32.31	27.35	6.82	52.84	75.95	71.10
C. Intangible assets											
Goodwill (Refer Note 37)	1,285.46	-	-	-	1,285.46	-	-	-	-	1,285.46	1,285.46
Sub-total C	1,285.46	-	-	-	1,285.46	-	-	-	-	1,285.46	1,285.46
D. Other Intangible assets											
Computer software	11.35	2.13	-	-	13.48	8.50	0.90	-	9.40	4.08	2.85
Technical knowhow	1.90	-	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Research and development	0.68	-	-	-	0.68	0.64	-	-	0.64	0.04	0.04
Trademark and Patents	32.91	-	-	-	32.91	-	-	-	32.91	32.91	32.91
Brand	1,163.06	-	-	-	1,163.06	-	-	-	1,163.06	1,163.06	1,163.06
Non-Compete	108.45	-	-	-	108.45	-	21.69	-	21.69	86.76	108.45
Distribution Networks	205.06	-	-	-	205.06	-	25.63	-	25.63	179.43	205.06
Product Development	-	15.77	-	-	15.77	-	1.55	-	1.55	14.22	-
Sub-total D	1,523.41	17.90	-	-	1,541.31	11.03	49.77	-	60.80	1,480.51	1,512.38
Total A + B + C + D	3,389.37	106.82	-	29.89	3,466.30	115.90	120.75	20.29	216.36	3,249.94	3,273.47

*Refer Note 34- Business Combination

®During the year, the Group has capitalised depreciation of ₹ 4.83 crore under Product Development & Intangible assets under development as a Development cost as per Ind AS 38.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

2Property, plant and equipment and Intangible assets (Contd..)

ASSETS	₹ crore										
	Gross block (Cost)					Depreciation/ Amortisation				Net Block	
	As at 1st April, 2021	Additions	Acquisition through Business Combination*	Deductions	As at 31st March, 2022	As at 31st March, 2021	For the year	Deductions	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
A. Property, plant and equipment											
Freehold land (Refer Note ii)	4.41	95.11	78.88	-	178.40	-	-	-	-	178.40	4.41
Leasehold land	2.69	-	-	-	2.69	0.78	0.03	-	0.81	1.88	1.91
Buildings (Refer Note ii)	45.92	4.52	44.14	0.40	94.18	8.06	2.15	0.38	9.83	84.35	37.86
Leasehold Improvements	-	5.79	-	-	5.79	-	0.55	-	0.55	5.24	-
Plant and equipment (Including Tools & Dies)	82.28	22.69	52.23	7.03	150.17	38.80	12.34	6.37	44.77	105.40	43.48
Furniture and fixtures	4.74	1.94	3.06	0.47	9.27	2.66	0.61	0.21	3.06	6.21	2.08
Electrical Installations and Equipment	-	-	4.47	-	4.47	-	-	-	-	4.47	-
Office equipment	14.64	5.02	2.08	1.04	20.70	8.95	3.14	0.93	11.16	9.54	5.69
Vehicles	4.23	3.77	4.47	1.05	11.42	2.23	0.97	0.82	2.38	9.04	2.00
Sub-total A	158.91	138.84	189.33	9.99	477.09	61.48	19.79	8.71	72.56	404.53	97.43
B. Right-of-Use assets (Refer Note 32)	54.89	59.87	1.76	13.11	103.41	19.56	21.00	8.25	32.31	71.10	35.33
Sub-total B	54.89	59.87	1.76	13.11	103.41	19.56	21.00	8.25	32.31	71.10	35.33
C. Intangible assets											
Goodwill (Refer Note 37)	779.41	-	506.05	-	1,285.46	-	-	-	-	1,285.46	779.41
Sub-total C	779.41	-	506.05	-	1,285.46	-	-	-	-	1,285.46	779.41
D. Other Intangible assets											
Computer software	9.77	0.80	0.78	-	11.35	7.00	1.50	-	8.50	2.85	2.77
Technical knowhow	1.90	-	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Research and development	0.68	-	-	0.00	0.68	0.64	-	-	0.64	0.04	0.04
Trademark and Patents	-	32.91	-	-	32.91	-	-	-	-	32.91	-
Brand	-	-	1,163.06	-	1,163.06	-	-	-	-	1,163.06	-
Non-Compete	-	-	108.45	-	108.45	-	-	-	-	108.45	-
Distribution Networks	-	-	205.06	-	205.06	-	-	-	-	205.06	-
Product Development	-	-	-	-	-	-	-	-	-	-	-
Sub-total D	12.35	33.71	1,477.35	0.00	1,523.41	9.53	1.50	-	11.03	1,512.38	2.82
Total A + B + C + D	1,005.56	232.42	2,174.49	23.10	3,389.37	90.57	42.29	16.96	115.90	3,273.47	914.99

*Refer Note 34- Business Combination

E.Capital work-in-progress ('CWIP')

(i) CWIP Movement

₹ crore		
Particulars	2022-23	2021-22
As at 1st April	13.00	10.86
Add: Additions during the year	23.36	18.20
Add: Acquisition through Business Combination	-	5.50
Less: Capitalized during the year	30.90	21.56
As at 31st March	5.46	13.00

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

2 Property, plant and equipment and Intangible assets (Contd..)

(ii) CWIP Ageing schedule

As at 31st March, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4.40	0.87	0.07	0.12	5.46
Projects temporarily suspended	-	-	-	-	-

As at 31st March, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	10.88	2.00	0.12	-	13.00
Projects temporarily suspended	-	-	-	-	-

CWIP where completion is overdue or has exceeded its cost compared to its original plan is Nil (Previous year Nil).

F. Intangible Assets under Development ('IAUD')

(i) IAUD Movement

Particulars	2022-23	2021-22
As at 1st April	-	-
Add: Additions during the year	21.05	-
Less: Capitalized during the year	-	-
As at 31st March	21.05	-

(ii) IAUD Ageing schedule

As at 31st March, 2023	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21.05	-	-	-	21.05
Projects temporarily suspended	-	-	-	-	-

As at 31st March, 2022	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

IAUD where completion is overdue or has exceeded its cost compared to its original plan is Nil (Previous year Nil).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

2 Property, plant and equipment and Intangible assets (Contd..)

Notes:

(i) Carrying amount of property, plant and equipment and intangible assets given as collateral for borrowings is ₹ 779.41 crore; (Previous year ₹ 785.35 crore).

(ii) Title deeds of immovable property not held in name of the Group

Description of item of property	Gross carrying value (₹ crore)		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	In the books of	Reason for not being held in the name of the Group
	31st March, 2023	31st March, 2022					
Building	-	0.67	Crompton Greaves Ltd.	No	01st January, 2016	Crompton Greaves Consumer Electricals Limited	Title deeds of Office premise was not transferred at the time of "Scheme of Arrangement" in year 2015, in the name of the Company. However, the same was in possession of the company. Subsequently in current year, these assets have been transferred to Crompton Greaves Ltd.
Land	0.10	0.10	Hercules Metal Processors	Erstwhile Directors are partners of the firm	21st March, 1990	Butterfly Gandhimathi Appliances Limited	For want of original revenue records (name change is under process)

(iii) There have been no proceedings initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iv) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

3 Investments

A Non-current investments

Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at Fair value through Profit and Loss		
Investment in Mutual funds (Quoted)	0.35	0.34
Reliance - Nippon India large cap fund - Growth plan growth option 30,777.754 units (PY 30,777.754 units)		
SBI - Equity hybrid fund regular growth 9233.593 units (PY 9233.593 units)		
	0.35	0.34
Aggregate amount of quoted investments:		
Book value	0.20	0.20
Market value	0.35	0.34

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

3 Investments (Contd..)

B Current investments

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at Fair value through Profit and Loss		
Investment in Bonds (Quoted)	265.20	32.08
Investment in Mutual funds (Unquoted)	282.63	591.75
	547.83	623.83
Details of investments:		
Aggregate book value of:		
Quoted investments	265.20	32.08
Unquoted investments (accounted based on NAV)	282.63	591.75
	547.83	623.83
Aggregate market value of:		
Quoted investments	265.20	32.08
Unquoted investments	-	-
	265.20	32.08

(Refer Note 40 A for information about fair value measurement and Note 40 D (i) for credit risk of investments)

4 Other financial assets

A Other financial assets - Non-current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits (unsecured, considered good)	18.73	14.18
Others (including margin money)	-	1.21
	18.73	15.39

B Other financial assets - current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits (unsecured, considered good)	18.97	14.16
	18.97	14.16

5 Other assets

A Other assets - Non-current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital advances (net)	10.09	9.84
Expected recoverable from vendors against warranty	43.39	34.80
Amount paid under protest	22.28	22.67
	75.76	67.31

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

5 Other assets (Contd..)

B Other assets - Current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance to suppliers	33.85	37.89
Balances with Indirect tax authorities	11.97	19.58
Expected recoverable from vendors against warranty	27.03	29.28
Prepaid expenses	24.24	10.08
Contract Assets	3.88	23.76
Others	46.16	29.97
	147.13	150.56

6 Inventories

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
(At lower of cost and net realisable value)		
Raw materials	116.45	141.47
Add: Goods-in-transit	1.25	4.21
	117.70	145.68
Work-in-progress	48.68	46.16
Finished goods	170.13	194.58
Add: Goods-in-transit	39.62	12.31
	209.75	206.89
Stock-in-trade	261.66	233.73
Add: Goods-in-transit	63.72	31.31
	325.38	265.04
Stores, spares and packing materials	42.34	57.27
	743.85	721.04

Note:

Inventories are hypothecated with the bankers against working capital facilities (Refer Note 14)

7 Trade receivables

A Trade receivables - Non current (valued at amortised cost)

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Considered good	15.49	21.83
	15.49	21.83

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

7 Trade receivables (Contd..)

B Trade receivables - Current (valued at amortised cost)

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Considered good	670.56	593.60
Considered doubtful	56.40	43.06
	726.96	636.66
Less: Allowance for doubtful trade receivables	(56.40)	(43.06)
	670.56	593.60

Trade Receivables Ageing (Non-current and Current)

₹ crore							
As at 31st March, 2023	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables-considered good	517.35	118.57	30.12	4.13	-	-	670.17
(ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	33.39	0.49	-	33.88
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	18.89	8.09	26.98
(iv) Disputed Trade receivables-considered good	0.02	0.30	0.01	0.13	-	-	0.46
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	0.70	4.11	-	4.81
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	0.13	6.02	6.15
Allowance for doubtful trade receivables							(56.40)
Total	517.37	118.87	30.13	38.35	23.62	14.11	686.05

₹ crore							
As at 31st March, 2022	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables-considered good	499.70	46.57	38.27	4.64	-	-	589.18
(ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	29.77	4.77	-	34.54
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	7.55	18.57	26.12
(iv) Disputed Trade receivables-considered good	0.01	0.63	1.18	0.80	-	-	2.62
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	4.30	0.09	-	4.39
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	0.01	1.63	1.64
Allowance for doubtful trade receivables							(43.06)
Total	499.71	47.20	39.45	39.51	12.42	20.20	615.43

Notes:

- a) The net carrying value of trade receivables is considered a reasonable approximation of fair value.
- b) Book debts are hypothecated with the bankers against Working capital demand loan & Term Bank loan.(Refer Note 14)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

8 Cash and cash equivalents

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance with banks :		
In current accounts	68.74	27.06
In deposit accounts (with less than 3 months maturity)	8.00	143.99
In Margin Money	-	0.15
Cash on hand (including cash in transit)*	0.10	0.42
	76.84	171.62

*Includes INR equivalent of Foreign Currency

9 Bank balances other than Cash and cash equivalents

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposits with maturity more than 3 months but less than 12 months	25.00	64.00
Earmarked balances with banks		
Unclaimed dividend account	4.10	3.47
Others (escrow account)	-	666.58
Bank Balance as Margin money	3.54	9.52
	32.64	743.57

10 Loans

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured considered good		
Others	0.66	1.23
	0.66	1.23

11 Share capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Authorised capital				
Equity shares of ₹ 2 each	65,50,00,000	131.00	65,50,00,000	131.00
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each, fully paid-up	63,61,09,719	127.22	63,34,05,959	126.68
	63,61,09,719	127.22	63,34,05,959	126.68

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

11 Share capital (Contd..)

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Outstanding at the beginning of the year	63,34,05,959	126.68	62,76,91,353	125.54
Shares issued on account of exercising Employee stock option schemes	27,03,760	0.54	57,14,606	1.14
Outstanding at the end of the year	63,61,09,719	127.22	63,34,05,959	126.68

b. Rights, preferences and restrictions on shares

The Group has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

c. Details of shareholders holding more than 5% shares in the Group

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each fully paid				
Macritchie Investments Pte Ltd	-	0.00%	3,76,12,367	5.94%
SBI Mutual Fund	-	0.00%	3,60,86,076	5.70%
HDFC Trustee Company Ltd- A/C HDFC MID - CAP Opportunities Fund	3,55,50,615	5.59%	-	0.00%
Mirae Asset Large Cap Fund	3,19,62,928	5.02%	-	0.00%

d. Shares reserved for issuance under Stock Option Plans of the Group at face value of ₹ 2 (Also Refer Note 38)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Crompton Stock Option Plan 2016 (ESOP 2016)	9,92,576	0.20	18,93,854	0.38
Crompton Performance Share Plan 1 2016 (PSP 1)	44,10,033	0.88	55,38,176	1.11
Crompton Performance Share Plan 2 2016 (PSP 2)	23,27,297	0.47	30,79,392	0.62
Crompton Stock Option Plan 2019 (ESOP 2019)	85,66,950	1.71	82,64,317	1.65

- e. No class of shares have been issued as bonus shares or for consideration other than cash by the Group during the period of five years immediately preceding the current year end.
- f. No class of shares have been bought back by the Group during the period of five years immediately preceding the current year end.
- g. There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment.
- h. The Board of Directors have recommended payment of final dividend of ₹ 3 (Rupees three only) per equity share of the face value of ₹ 2 each for the financial year ended 31st March, 2023.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

11 Share capital (Contd..)

i. Promoter Shareholding

Shares held by promoters at the end of the year 31st March, 2023			% change during the year
Promoter name	No. of shares	% of total shares	
	NIL		

Shares held by promoters at the end of the year 31st March, 2022			% change during the year
Promoter name	No. of shares	% of total shares	
Macritchie Investments Pte Ltd	3,76,12,367	5.94%	No change during the year
Total	3,76,12,367	5.94%	

Notes:

- (i) The Group had received a request from Macritchie Investments Pte. Ltd and Seletar Investments Pte Ltd. on 9th June, 2022 for their re-classification from the Promoter Group category to Public category shareholder. In pursuance of the same, the Board of Directors of the Group ('the Board') in their meeting held on 13th June, 2022 had approved the request of reclassification and subsequently upon recommendation of the Board, shareholders of the Group approved the same in an Annual General Meeting of the Group held on 22nd July, 2022. In furtherance to the same an application was made to Stock Exchanges, which was approved on 21st December, 2022, following which Macritchie Investments Pte. Ltd and Seletar Investments Pte Ltd. are reclassified as public shareholders w.e.f 21st December, 2022.
- (ii) As per records of the Group, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

12 Other equity

Particulars	₹ crore	
	As at 31st March, 2023	As at 31st March, 2022
Capital reserve	0.05	0.05
Securities premium	209.51	144.87
Employee stock option outstanding account	140.41	138.63
Retained earnings	2,348.62	1,964.51
Other comprehensive income	1.07	3.23
Debenture redemption reserve	-	75.00
Equity - Loss on acquisition of NCI	(166.89)	-
	2,532.77	2,326.28

Note: For movements in reserves - refer Consolidated Statement of Changes in Equity.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

12 Other equity (Contd..)

Nature and purpose of reserves

Capital reserve

Capital reserve was created on cancellation of shares as per statutory requirement.

Securities premium

Securities premium was created on issue of shares at premium in accordance with Employee Stock Option Plans (ESOP).

Employee stock option outstanding

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

Retained earnings

Retained earnings are the profits that the Group has earned till date, net-off less any transfers to general reserve, dividends or other distributions paid to shareholders.

Debenture redemption reserve

Debenture redemption reserve is a Statutory Reserve (as per the Companies Act, 2013) created out of profits of the Group for the purpose of redemption of debentures issued by the Company. In terms of amended rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, the Group is not required to maintain debenture redemption reserve.

Equity - Loss on acquisition of NCI

Changes in a parent's ownership interest that do not result in a change in control of the subsidiary is accounted as equity transactions (i.e., no gain or loss is recognized in earnings). The carrying amount of the NCI is adjusted to reflect the change in the NCI's ownership interest in the subsidiary. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognized in equity and attributed to the equity holders of the parent.

13 Non controlling interest

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at beginning of the year	782.45	-
Addition relating to acquisition	-	782.45
Adjustment for changes in ownership interests (Refer Note 34)	(347.75)	-
Profit attributable during the year	13.19	-
Other comprehensive income attributable during the year	(0.18)	-
Balance at end of the year	447.71	782.45

The table below provides information in respect of subsidiary as at 31st March, 2023:

₹ crore			
Name of Subsidiary	Country of incorporation and operation	% of NCI	NCI
Butterfly Gandhimathi Appliances Limited	India	25%	447.71

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

14 Borrowings

A Borrowings - Non-current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at amortized cost		
Secured		
7.25% Series B Redeemable Non-Convertible Debentures	-	149.86
7.40% Redeemable Non Convertible Debentures Tranche 1	325.00	-
7.40% Series A Redeemable Non-Convertible Debentures Tranche 2	300.00	-
7.65% Series B Redeemable Non-Convertible Debentures Tranche 2	300.00	-
Term Loan - from Bank	-	9.34
Term Loan - from Financial Institution	-	0.02
Unamortized Non-Convertible Debentures Issue Expenses	(2.82)	-
	922.18	159.22
Less: Current maturities of long-term borrowings	(325.00)	(154.66)
	597.18	4.56

B Borrowings - current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at amortized cost		
Secured		
Working capital demand loan from bank	-	292.56
Current maturities of non-convertible debentures (Refer Note 14 A)	325.00	149.86
Current maturities of Term Loan - from Bank (Refer Note 14 A)	-	4.80
Unsecured		
Commercial Paper	-	1,155.73
	325.00	1,602.95

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

14 Borrowings (Contd..)

Notes:

(a) Non-Convertible Debentures

(i) Terms of Debentures:

Particulars of Debentures	Series B (2020 issue)	Tranche 1 (2022 issue)	Series A Tranche 2 (2022 issue)	Series B Tranche 2 (2022 issue)
Face value per debenture (₹)	10,00,000	10,00,000	10,00,000	10,00,000
Date of allotment	29th May, 2020	12th July, 2022	22nd July, 2022	22nd July, 2022
As at 31st March, 2023 (₹ crore)	-	325.00	300.00	300.00
As at 31st March, 2022 (₹ crore)	150.00	-	-	-
Interest	7.25% p.a. payable annually	7.40% p.a. payable annually	7.40% p.a. payable annually	7.65% p.a. payable annually
Terms of repayment	Due for redemption on 29th May, 2023, with call option on 27th May, 2022	Due for redemption on 12th January, 2024	Due for redemption on 22nd July, 2024, with call option on 22nd January, 2024	Due for redemption on 22nd July, 2025, with call option on 22nd July, 2024
Secured by charge	a) on 'Crompton' Brand and Registered Trade Marks of the Group; and b) by way of equitable mortgage by deposit of title deeds of immovable properties situated in the State of Maharashtra, Himachal Pradesh and Goa.	on 'Crompton' and 'Crompton Greaves' Brand (including assignment of license, agreements, if any)		

- (ii) Funds raised from Non-Convertible Debentures were utilised for the purpose it were obtained.
- (iii) During the year, the Group redeemed Secured Non-Convertible Debentures amounting to ₹ 150 crores, Series B (2020 issue), along with interest thereon, on 27th May, 2022.

(b) Term Loan from Bank (Butterfly)

Term Loans from Banks (including vehicle loans) were repayable over a period of 2 to 6 years. Term Loans from Banks were secured by first charge by way of hypothecation of specific Plant and Machinery and Other Fixed Assets/Vehicles acquired out of loans and Equitable Mortgage of certain Land and Building of the Company at Pudupakkam , Collateral security of ₹ 1 crore in fixed deposit with IndusInd bank against the term loan & Personal Guarantee of the erstwhile Promoter Directors. The same is fully repaid along with interest thereon, during the year.

(c) Term Loan from Financial Institution (Butterfly)

Term Loans from other than bank (including vehicle loans) were repayable over a period of 3 to 7 years. Vehicle Loans were secured by hypothecation of vehicles purchased out of such loans. Other Term Loans were secured by hypothecation of first and exclusive charge on movable fixed assets purchased out of such loans and Equitable Mortgage of Undivided share of Land and office complex Building at Egattur & Personal Guarantee of the erstwhile Directors. The same is fully repaid along with interest thereon, during the year.

(d) Working capital demand loan

In case of **Crompton**, loan facility is secured by way of charge on the Company's inventories and trade receivables.

In case of **Butterfly**, loan facility was secured by hypothecation by way of a first charge on Inventories, book debts, present and future and collateral paripassu charge of Land and Buildings and also by the paripassu second charge on other Fixed Assets, other than the Fixed Assets mentioned in the above point b) & c) above, of the Company at Pudupakkam along with personal Guarantee of the Holding Company. The same is fully repaid along with interest thereon, during the year.

- (e) Funds raised from Commercial paper were utilised for long term purposes and spent for the purpose it were obtained. During the year, the Group redeemed commercial paper.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

15 Provisions

A Provisions - Non-current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for post medical retirement benefits	7.24	6.78
Provision for compensated absences	15.35	14.59
Provision for warranty	105.43	84.56
Provision for Statutory dues	3.21	3.62
	131.23	109.55

B Provisions - current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for post medical retirement benefits	0.31	0.32
Provision for compensated absences	2.04	2.15
Provision for gratuity	2.88	0.14
Provision for warranty	108.04	113.70
Provision for Statutory dues	12.67	12.67
Provision for Other litigation Claims	0.06	0.06
Others	42.48	53.20
	168.48	182.24

Notes:

₹ crore			
(1) Movement in provisions	Warranty	Statutory Dues	Other litigation claims
Carrying amount as at 1st April, 2022	198.26	16.29	0.06
Provision made during the year (net)	130.37	0.07	-
Amounts used during the year	(119.74)	(0.48)	-
Unused amounts reversed during the year	4.58	-	-
Carrying amount as at 31st March, 2023	213.47	15.88	0.06
Current	108.04	12.67	0.06
Non-Current	105.43	3.21	-

₹ crore		
Movement of provisions	Others	Total
Carrying amount at the beginning of the year	53.20	267.81
Provision made during the year (net)	42.01	172.45
Amounts used during the year	(52.73)	(172.95)
Unused amounts reversed during the year	-	4.58
Carrying amount as at 31st March, 2023	42.48	271.89
Current	42.48	163.25
Non-Current	-	108.64

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

15 Provisions (Contd..)

(2) Nature of provisions:

- (a) **Product warranties:** The Group gives warranties on certain products and services, undertaking to repair / replace products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of repair / replacement. The timing of outflows is expected to be within a period of two to five years.
- (b) **Provision for statutory dues** represents liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Acts / Rules.
- (c) **Provision for other litigation obligation** claims represents liabilities that are expected to materialise in respect of matters in appeal.
- (d) **Other provisions** represent provision for expenses.

16 Trade payables

A Trade payables - Non current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below)	-	-
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	13.19	8.07
	13.19	8.07

B Trade payables - Current

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Acceptances	66.17	245.48
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below)	245.18	120.18
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	724.03	644.05
	1,035.38	1,009.71

Notes:

- (a) Micro, Small and Medium enterprises have been identified by the Group on the basis of the information available. Total outstanding dues to suppliers which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2023. The disclosure pursuant to the said Act is as under:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

16 Trade payables (Contd..)

₹ crore		
Particulars	31st March, 2023 /2022-23	31st March, 2022 /2021-22
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	245.18	120.18
Interest	0.00	0.01
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	4.15	4.55
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.09	0.09
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	0.00	0.01

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

Trade Payables Ageing (Non-current and Current)

₹ crore						
As at 31st March, 2023	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	195.15	50.03	-	-	-	245.18
(ii) Others	615.00	159.25	10.53	5.08	13.53	803.39
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	810.15	209.28	10.53	5.08	13.53	1,048.57

₹ crore						
As at 31st March, 2022	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	119.77	-	0.41	-	-	120.18
(ii) Others	675.11	191.97	8.84	2.69	18.99	897.60
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	794.88	191.97	9.25	2.69	18.99	1,017.78

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

17 Current Financial liabilities - Others

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due on borrowings	36.50	9.46
Security deposits	34.76	31.92
Creditors for capital goods and services	0.81	1.27
Financial guarantee liability	0.32	0.28
Fair value of derivative liabilities	1.11	1.91
	73.50	44.84

18 Other current liabilities

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances from customers	7.13	9.68
Statutory dues payables	36.21	90.49
Unclaimed dividend	4.10	3.11
Employee benefit payables	49.78	28.85
Others	1.15	1.48
	98.37	133.61

19 Income taxes

₹ crore		
(a) Tax expense recognised in Statement of profit and loss comprises :	2022-23	2021-22
Current tax	178.62	159.52
Adjustment of tax relating to earlier periods	(16.71)	3.97
Deferred tax (credit)/ charge	(26.16)	9.67
Tax expense for the year	135.75	173.16

₹ crore						
(b) Amounts recognised in Other comprehensive income	2022-23			2021-22		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements gains / (losses) on post employment defined benefit plans and tax thereon	(3.33)	0.99	(2.34)	2.74	(0.69)	2.05
	(3.33)	0.99	(2.34)	2.74	(0.69)	2.05

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

19 Income taxes (Contd..)

₹ crore		
(c) Reconciliation of effective tax rate	2022-23	2021-22
Profit before tax	612.15	751.54
Applicable tax rate	25.17%	25.17%
Computed tax expense	154.07	189.14
Adjustment of tax relating to earlier periods (Refer Note below)	(16.71)	3.97
Corporate social responsibility disallowance	3.43	3.10
Allowance of dividend received from subsidiaries	(2.32)	(2.98)
Impact of Share based payment expense	(9.39)	(26.06)
Effect of differential tax rates & unutilised tax credits used to reduce tax expense	0.44	-
Others	6.23	5.99
Income tax expense for the current year	135.75	173.16
Effective tax rate	22.18%	23.04%

Notes:

- a) Based on assessment order received during the year, the Group has written-back an amount of ₹ 16.71 crore in respect of earlier years and the same is adjusted against tax expense for the year ended 31st March, 2023.
- b) Basis the explanation as inserted by Finance Act, 2022, adjustment of tax relating to earlier periods amounting to ₹ 3.97 crore pertaining to Education cess claimed as an allowance in earlier years has been provided in previous year.

(d) Components of deferred tax assets / (liabilities) recognised in Balance sheet and Statement of profit and loss:

₹ crore					
Sr. No.	Particulars	Balance sheet		Statement of profit and loss	
		As at 31st March, 2023	As at 31st March, 2022	2022-23	2021-22
(a)	Employee stock option outstanding	32.81	32.23	0.58	(6.02)
(b)	Provision allowed under tax on payment basis	14.82	12.68	2.14	0.77
(c)	Provision for doubtful debts and advances	13.66	10.83	2.83	1.97
(d)	Difference between Written down value of Property, Plant and Equipment and Intangible assets as per books of accounts and Income Tax	(17.57)	(18.56)	0.99	(0.21)
(e)	Fair valuation of Investments	(2.26)	(10.95)	8.69	(3.11)
(f)	Impact of Revenue Recognition, Right to use Asset, and Lease Liabilities	14.43	7.94	6.49	(0.41)
(g)	Difference between fair value & book value of Property, plant and equipment and Intangible assets acquired through Business Combination (Refer Note 39)	(70.61)	(82.71)	12.10	-
(h)	Provision for Advances	0.58	0.33	0.25	-
(i)	Financial Guarantee	0.11	0.10	0.01	-
(j)	MAT Credit Entitlement	-	7.97	(7.97)	-
(k)	Other temporary differences	1.76	0.71	0.05	(2.66)
	Deferred tax income /(expense)			26.16	(9.67)
	Net deferred tax assets / (liabilities)	(12.27)	(39.43)		

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

19 Income taxes (Contd..)

(e) Reconciliation of deferred tax assets/(liabilities):

₹ crore			
Sr. No.	Particulars	2022-23	2021-22
(a)	Opening balance as at 1st April	(39.43)	58.55
(b)	Tax (income)/expense during the period recognised in:		
(i)	Statement of profit and loss in profit or loss	26.16	(9.67)
(ii)	Statement of profit and loss under OCI	0.99	(0.69)
(iii)	Impact of Business Combination	-	(87.62)
	Closing balance as at 31st March	(12.27)	(39.43)

20 Revenue from Operations

₹ crore		
Particulars	2022-23	2021-22
A. Sales of products and services		
Revenue from contract with customers		
Sale of products (excluding Goods and Service tax)		
(i) Electric consumer durables	4,734.11	4,291.75
(ii) Lighting products	1,051.60	1,073.57
(iii) Butterfly Products	1,041.71	-
	6,827.42	5,365.32
Sale of services		
(i) Electric consumer durables	0.99	1.12
(ii) Lighting products	4.14	7.62
(iii) Butterfly Products	-	-
	5.13	8.74
	6,832.55	5,374.06
B. Other operating revenue		
Export benefits and other incentives	1.52	2.95
Scrap sales	35.54	17.10
	37.06	20.05
	6,869.61	5,394.11

21 Other income

₹ crore		
Particulars	2022-23	2021-22
Interest income	45.92	28.52
Net Gain/(Loss) on sale and fair valuation of investments	15.75	36.94
Others	5.11	7.19
	66.78	72.65

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

22 Cost of materials consumed

₹ crore		
Particulars	2022-23	2021-22
Opening stock	198.32	79.00
Add: Purchases	1,612.04	1,179.84
Less: Closing stock	(117.70)	(111.83)
Cost of raw materials consumed	1,692.66	1,147.01
Add: Sub-contracting charges	42.30	46.90
	1,734.96	1,193.91

23 Purchases of stock-in-trade

₹ crore		
Particulars	2022-23	2021-22
Electric consumer durables	2,311.05	1,922.26
Lighting products	507.11	545.31
Butterfly Products	193.16	-
	3,011.32	2,467.57

24 Changes in inventories of finished goods, stock-in-trade and work-in-progress

₹ crore		
Particulars	2022-23	2021-22
Opening Stock :		
Finished goods	206.89	132.75
Stock-in-trade	264.83	279.27
Work-in-progress	46.16	23.18
	517.88	435.20
Less:		
Closing Stock:		
Finished goods	209.75	134.74
Stock-in-trade	325.38	230.55
Work-in-progress	48.68	29.61
	583.81	394.90
Changes in inventories:		
Finished goods	(2.86)	(1.99)
Stock-in-trade	(60.55)	48.72
Work-in-progress	(2.52)	(6.43)
	(65.93)	40.30

25 Employee benefits expense

₹ crore		
Particulars	2022-23	2021-22
Salaries, wages, bonus and other benefits	457.63	286.56
Contribution to provident and other funds (Refer Note 33)	15.45	10.85
Gratuity (Refer Note 33)	3.88	2.68
Privilege Leave (Refer Note 33)	4.05	2.52
Staff welfare expenses	32.62	22.02
Share-based Payments to employees (Refer Note 38)	27.17	37.76
	540.80	362.39

(For remuneration paid to key management personnel refer note 35)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

26 Finance costs

₹ crore		
Particulars	2022-23	2021-22
Interest on borrowing	102.00	28.79
Interest on lease liability (Refer Note 32)	6.85	6.40
Interest other	0.12	-
Others finance cost	0.21	0.12
	109.18	35.31

27 Other expenses*

₹ crore		
Particulars	2022-23	2021-22
Consumption of stores and spares	13.97	15.80
Power and fuel	19.25	5.73
Rent	15.63	11.61
Repair to property, plant and equipment	7.93	2.89
Insurance	6.23	3.57
Rates and taxes	5.29	2.22
Freight and forwarding outward	223.41	144.43
Packing materials	76.97	69.07
After sales service	76.15	57.57
Sales promotion	109.62	29.24
Corporate social responsibility expenses (Refer Note 31)	13.81	12.47
Advertising	96.86	60.21
Legal and professional charges	105.07	84.50
Payment to the auditors (Refer Note below)	1.64	1.02
Bad Debts written off	7.89	6.01
Allowance for doubtful debt	13.34	8.97
Miscellaneous expenses	84.93	45.18
	877.99	560.49

*includes expenditure on research and costs not eligible for capitalisation (Refer Note 30)

Payment to the auditors

₹ crore		
Particulars	2022-23	2021-22
Auditors' remuneration (excluding Goods and Service tax)		
Statutory Audit fees	0.80	0.53
Tax audit fees	0.17	0.10
Other services		
(i) Certification work	0.17	0.07
(ii) Others	0.43	0.28
Reimbursement of expenses	0.07	0.04
	1.64	1.02

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

28 Exceptional Items

₹ crore		
Particulars	2022-23	2021-22
Exceptional Items		
Cost of acquisition	-	12.97
	-	12.97

Note:

Acquisition related costs of ₹ 12.97 crores incurred by the Group have been recognised as an expense in the consolidated statement of profit and loss as an Exceptional items in the previous year. (Refer Note 34)

29 Contingent liabilities and commitments

₹ crore			
Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
A	Contingent Liabilities: (to the extent not provided for)		
	(a) Claims against the Group not acknowledged as debts	24.71	23.96
	(b) Income tax liability that may arise in respect of matters in appeal	33.66	29.01
	(c) Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	10.46	8.85
	(d) GST/ Entry Tax/ Sales tax / VAT liability that may arise in respect of matters in appeal	119.22	119.12
B	Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	15.88	11.22

Notes:

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

30 Expenditure on research and development

₹ crore			
Sr. No.	Particulars	2022-23	2021-22
(a)	Capital expenditure*	48.96	13.76
	Sub-total (a)	48.96	13.76
(b)	Revenue expenditure		
	Raw materials consumed	0.26	1.19
	Employee benefits	14.77	19.66
	Depreciation and amortisation	6.20	3.98
	Other expenses		
	Consumption of stores and spares	1.70	1.19
	Repairs and maintenance	0.01	0.98
	Miscellaneous expenses	6.60	10.10
	Sub-total (b)	29.54	37.10
	Total (a) + (b)	78.50	50.86

*includes ₹ 36.82 crore capitalised under Product Development & IAUD as a Development cost as per Ind AS 38.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

31 Expenditure on Corporate Social Responsibility (CSR)

₹ crore		
Particulars	2022-23	2021-22
Gross amount required to be spent by the Group during the year	13.81	12.47
Amount of expenditure incurred by the Group during the year		
(i) Construction / acquisition of any asset		
(ii) On purposes other than (i) above:		
Nature of CSR activities		
Community Development	2.30	1.52
Monitoring & Evaluation	0.40	0.15
Promotion of Health and Response to Covid 19 Pandemic	-	2.54
Skill Development	3.79	0.34
Water Conservation	5.46	7.44
Transferred to Unspent account	1.45	-
Administration	0.43	0.46
Other provisions (Refer Note below)	-	0.02
Total CSR expenditure	13.83	12.47
Details of related party transactions- contribution to a trust controlled by the Group in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (contributed to Crompton (CSR) Foundation)	13.15	11.96

Notes:

(a) Movement in other provisions	Amount
Carrying amount at the beginning of the year	0.02
Additional provision made during the year	-
Amounts used during the year	(0.02)
Unused amounts reversed during the year	-
Carrying amount at the end of the year	-

(b) The Group's subsidiary "Butterfly" is in process of transferring the unspent amount of ₹ 0.01 crore for FY 2022-23 to prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) on or before 30th September, 2023.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

32 Leases

Group as lessee

A Right-of-Use assets

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Cost		
Opening Balance	103.41	54.89
Additions	36.66	59.87
Acquisition through Business Combination	-	1.76
Disposal / derecognized during the year	(11.28)	(13.11)
Closing Balance	128.79	103.41
Accumulated depreciation		
Opening Balance	32.31	19.56
Depreciation expense	27.35	21.00
Disposal / derecognized during the year	(6.82)	(8.25)
Closing Balance	52.84	32.31
Closing Balance	75.95	71.10

B Lease liabilities

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	78.22	39.32
Addition	36.66	59.87
Acquisition through Business Combination	-	1.05
Accredition of interest	6.85	6.40
Payments	(33.72)	(23.01)
Adjustments for disposals	(5.08)	(5.41)
Closing Balance	82.93	78.22
Current maturities of lease liabilities	27.00	34.08
Non-current lease liabilities	55.93	44.14

C Amounts recognised in Statement of profit and loss

₹ crore		
Particulars	2022-23	2021-22
Depreciation expense of Right-of-Use assets	27.35	21.00
Interest expense on lease liabilities	6.85	6.40
Short term and low value leases	35.02	11.61
Total	69.22	39.01

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

32 Leases (Contd..)

D Maturity analysis of lease liabilities (undiscounted)

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than one year	32.55	28.83
One to five years	60.70	59.98
More than five years	2.60	2.60
Total	95.85	91.41

E Amounts recognised in statement of Cash Flows

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Cash outflow for leases	33.72	23.01

- F (a) The Group applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and low value asset.
- (b) Lease contracts entered by the Group pertains to warehouses and offices taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

33 Employee Benefits

A Holding Company (Crompton)

(a) Defined contribution plans (Refer Accounting Policy Note 1.14)

Amount of ₹ 18.68 crore (Previous year ₹ 16.66 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 25)

₹ crore

Benefits (Contribution to)	2022-23	2021-22
Provident fund	9.97	8.74
Superannuation fund	1.21	1.23
Employee state insurance scheme	0.07	0.24
Labour welfare scheme	0.01	0.00
Gratuity	2.72	2.68
National Pension Scheme	0.75	0.64
Privilege Leave	3.30	2.52
Post retirement medical benefits	0.65	0.61
Total	18.68	16.66

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

33 Employee Benefits (Contd..)

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.14) as per Actuarial Valuation are as under:

₹ crore

Particulars	Gratuity		Post Retirement Medical Benefits	
	2022-23 (Funded)	2021-22 (Funded)	2022-23 (Non funded)	2021-22 (Non funded)
I Change in present value of defined benefit obligation during the year				
Present value of defined benefit obligation at the beginning of the year	26.82	25.50	7.11	6.93
Amount recognised in statement of profit and loss				
Interest cost	1.87	1.64	0.53	0.48
Current service cost	3.04	2.91	0.48	0.46
Past service cost	-	-	-	-
Amount recognised in other comprehensive income				
Actuarial (gains) / losses	0.82	(1.32)	(0.21)	(0.44)
Benefits paid	(3.31)	(1.91)	(0.36)	(0.32)
Present Value of defined benefit obligation at the end of the year	29.24	26.82	7.55	7.11
II Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	30.02	29.08	-	-
Expected return on plan assets	2.09	1.87	-	-
Contributions	-	-	-	-
Benefits paid from the fund	-	(1.91)	-	-
Amount recognised in other comprehensive income	-	-	-	-
Actuarial gain / (loss)	(1.14)	0.98	-	-
Fair value of plan assets at the end of the year	30.97	30.02	-	-
III Actual return on plan assets				
Expected return on plan assets	2.09	1.87	-	-
Actuarial gain / (loss)	(1.14)	0.98	-	-
Actual return on plan assets	0.95	2.85	-	-
IV Net asset / (liability) recognised in the balance sheet				
Present Value of defined benefit obligation at the end of the year	(29.24)	(26.82)	(7.55)	(7.11)
Fair value of plan assets at the end of the year	30.97	30.02	-	-
Asset / (Liability) recognised in the balance sheet	1.73	3.20	(7.55)	(7.11)
V Expenses recognised in the statement of profit and loss				
Current service cost	3.04	2.91	0.48	0.46
Interest cost	(0.22)	(0.23)	0.53	0.48
Past Service cost	-	-	-	-
	2.82	2.68	1.01	0.94

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

33 Employee Benefits (Contd..)

Particulars	₹ crore			
	Gratuity		Post Retirement Medical Benefits	
	2022-23 (Funded)	2021-22 (Funded)	2022-23 (Non funded)	2021-22 (Non funded)
VI Expenses recognised in the Other comprehensive income				
Actuarial (Gains)/Losses on Obligation for the Period	0.82	(1.32)	(0.21)	(0.44)
Return on Plan Assets, Excluding Interest Income	1.14	(0.98)	-	-
Change in Asset Ceiling	-	-	-	-
Net (Income)/Expense For the Period Recognized in OCI	1.96	(2.30)	(0.21)	(0.44)
VII The major categories of plan assets as a percentage of total plan				
Insurer managed funds	100%	100%	NA	NA
VIII Sensitivity analysis for significant assumptions:				
Increase/(Decrease) on present value of defined benefits obligation at the end of the year				
1% increase in discount rate	(1.58)	(1.53)	0.02	(0.91)
1% decrease in discount rate	1.76	1.71	2.98	1.17
1% increase in salary escalation rate	1.77	1.71	-	-
1% decrease in salary escalation rate	(1.62)	(1.55)	-	-
1% increase in employee turnover rate	0.05	0.02	-	-
1% decrease in employee turnover rate	(0.06)	(0.03)	-	-
1% increase in Medical inflation rate	-	-	1.31	1.18
1% decrease in Medical inflation rate	-	-	(1.03)	(0.93)
IX Maturity profile of defined benefit obligations				
Within the next 12 months	3.56	3.30	-	-
Between 1 and 5 years	11.30	10.50	-	-
Between 5 and 10 years	14.38	13.02	-	-
X Actuarial assumptions				
Discount rate (p.a.)	7.49%	6.98%	7.40%	7.40%
Expected Return on Plan Assets (p.a.)	7.49%	6.98%	N.A	N.A
Employee turnover rate	6.00%	6.00%	6.00%	6.00%
Salary escalation rate	6.00%	6.00%	N.A	N.A
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Medical premium inflation rate	N.A	N.A	2%	2%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

33 Employee Benefits (Contd..)

- (c) The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.
- (d) The Company makes contributions to the Gratuity Trust, which manages the investment. The Trust is a funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.
- (e) The Company provides post retirement medical benefits to qualifying employees.
- (f) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2023 and 31st March, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- (g) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- (h) Expected rate of return on the plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.
- (i) The salary escalation rate considered in the actuarial valuation is arrived after taking into consideration the seniority, the promotion, inflation and other relevant factors.

B Subsidiary Company (Butterfly)

(a) Defined contribution plans (Refer Accounting Policy Note 1.14)

Amount of ₹ 5.35 crore is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 25)

₹ crore	
Benefits (Contribution to)	2022-23
Provident fund	2.87
Employee deposit linked insurance scheme	0.56
Labour welfare scheme	0.01
Gratuity	1.16
Privilege Leave	0.75
Total	5.35

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.14) as per Actuarial Valuation are as under:

Particulars	Gratuity	
	2022-23 (Funded)	2021-22 (Funded)
I Change in present value of defined benefit obligation during the year		
Present value of defined benefit obligation at the beginning of the year	10.93	-
Amount recognised in statement of profit and loss		
Interest cost	0.65	-
Current service cost	1.22	-
Past service cost	-	-
Amount recognised in other comprehensive income		
Actuarial (gains) / losses	1.70	-
Benefits paid	(4.15)	-
Present Value of defined benefit obligation at the end of the year	10.35	-
II Change in fair value of plan assets during the year		
Fair value of plan assets at the beginning of the year	10.79	-
Expected return on plan assets	0.64	-
Contributions	0.07	-
Benefits paid from the fund	(4.15)	-
Amount recognised in other comprehensive income	-	-
Actuarial gain / (loss)	0.12	-
Fair value of plan assets at the end of the year	7.47	-
III Actual return on plan assets		
Expected return on plan assets	0.64	-
Actuarial gain / (loss)	0.12	-
Actual return on plan assets	0.76	-
IV Net asset / (liability) recognised in the balance sheet		
Present Value of defined benefit obligation at the end of the year	(10.35)	-
Fair value of plan assets at the end of the year	7.47	-
Asset / (Liability) recognised in the balance sheet	(2.88)	(0.14)
V Expenses recognised in the statement of profit and loss		
Current service cost	1.22	-
Interest cost	0.01	-
Past Service cost	-	-
	1.23	-
VI Expenses recognised in the Other comprehensive income		
Actuarial (Gains)/Losses on Obligation For the Period	1.70	-
Return on Plan Assets, Excluding Interest Income	(0.12)	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	1.58	-
VII The major categories of plan assets as a percentage of total plan		
Insurer managed funds	100%	100%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

33 Employee Benefits (Contd..)

Particulars	Gratuity	
	2022-23 (Funded)	2021-22 (Funded)
VIII Sensitivity analysis for significant assumptions:		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year		
0.50% increase in discount rate	(0.57)	-
0.50% decrease in discount rate	0.62	-
0.50% increase in salary escalation rate	0.61	-
0.50% decrease in salary escalation rate	0.57	-
0.50% increase in employee turnover rate	-	-
0.50% decrease in employee turnover rate	-	-
IX Maturity profile of defined benefit obligations		
Within the next 12 months	0.44	-
Between 1 and 5 years	2.33	-
Between 5 and 10 years	4.42	-
X Actuarial assumptions		
Discount rate (p.a.)	7.22%	6.98%
Expected Return on Plan Assets (p.a.)	7.22%	6.98%
Employee turnover rate	3.00%	6.00%
Salary escalation rate	7.00%	6.00%

- (c) The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.
- (d) The subsidiary makes contributions to the Insurer Managed Funds (LIC).
- (e) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2023 and 31st March, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- (f) Discount rate has been determined by reference to market yields on 31st March, 2023 on government bonds of term consistent with estimated term of the obligations as per para 83 of Ind AS 19. The source of determining the market yields is the Zero Coupon Sovereign Rupee Yield Curve estimated by the Clearing Corporation of India Limited (CCIL) as on 31st March, 2023
- (g) Expected rate of return on the plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.
- (i) The salary escalation rate considered in the actuarial valuation is arrived after taking into consideration the seniority, the promotion, inflation and other relevant factors.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

34 Business Combination

Refer Note 1.11 for accounting policy on Business Combination

On 22nd February, 2022, a Share Purchase Agreement ('SPA') was entered amongst the Group, Butterfly Gandhimathi Appliances Limited ('Butterfly'), its Promoters and certain members of the Promoter group of Butterfly for the sale of 55% of the issued and paid-up equity share capital of Butterfly. Consequent to the acquisition of 55% of the issued and paid-up equity share capital of Butterfly, the Group has become the Promoter and Holding Group of Butterfly with effect from 30th March, 2022.

In accordance with regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, after acquisition of 55% stake of Butterfly on 30th March, 2022, an open offer was made by the Group for acquisition of upto 26% of the issued and paid-up equity share capital of Butterfly from its public shareholders. The open offer was fully subscribed and therefore the Group's holding was increased from 55% to 81% w.e.f. 4th June, 2022.

To comply with the minimum public shareholding ('MPS') requirements mandated under Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Group divested 6% of the issued and paid-up equity share capital of Butterfly on 20th September, 2022 & 21st September, 2022 through Offer for Sale ('OFS') mechanism, which resulted into decrease in holding from 81% to 75%.

As at 31st March, 2022, provisional goodwill was recognised as per Ind AS 103 "Business Combination" in the Consolidated Financial Statements. However, there is no change in the amount of goodwill recorded as at 31st March,2023.

35 Related Party Disclosures

i) Other Related Parties:

ASK Wealth Advisors Private Limited (upto 23rd July, 2021)
Crompton (CSR) Foundation
DFM Foods Ltd. (upto 28th January, 2022)
Swaminathan Enterprises Private Limited (upto 3rd January, 2023)
Opera Gratia Pvt. Ltd (upto 30th April, 2023)

ii) Name of Post employment benefit plans with whom transactions were carried out during the year:

Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust
Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund
Butterfly Gandhimathi Appliances Limited Employees Group Gratuity Trust Fund

iii) Key Management Personnel:

Crompton Greaves Consumer Electricals Limited

Mr. H. M. Nerurkar, Chairman and Independent Director
Mr. D. Sundaram, Independent Director
Mr. P. M. Murty, Independent Director
Ms. Smita Anand, Independent Director
Mr. P.R. Ramesh, Independent Director (from 21st May, 2021)
Ms. Hiroo Mirchandani, Independent Director (from 28th January, 2022)
Ms. Shweta Jalan, Non-Executive Director (upto 23rd July, 2021)
Mr. Sahil Dalal, Non-Executive Director (upto 23rd July, 2021)
Mr. Promeet Ghosh, Non-Executive Director (upto 30th April, 2023); Managing Director and Chief Executive Officer (from 1st May, 2023)
Mr. Shantanu Khosla, Managing Director (upto 30th April, 2023); Vice Chairman and Executive Director (from 1st May, 2023)
Mr. Mathew Job, Executive Director and Chief Executive Officer (upto 30th April, 2023)
Mr. Sandeep Batra, Chief Financial Officer (upto 30th May, 2022)
Mr. Kaleeswaran Arunachalam, Chief Financial Officer (from 5th September, 2022)
Ms. Pragya Kaul, Company Secretary & Compliance Officer (upto 15th September, 2022)
Ms. Rashmi Khandelwal, Company Secretary & Compliance Officer (from 28th November, 2022)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

35 Related Party Disclosures (Contd..)

Butterfly Gandhimathi Appliances Limited

Mr. M. Padmanabhan, Independent Director
Mr. A. Balasubramanian, Independent Director
Mr. G.S. Samuel, Independent Director
Mr. T.R. Srinivasan, Independent Director
Mrs. Maheshwari Mohan, Independent Director
Mr. Rangarajan Sriram, Managing Director (from 30th March, 2022)
Mr. R. Nagarajan, Chief Financial Officer (upto 05th April, 2023)
Mrs. Priya Varshinee V M, Company Secretary & Compliance Officer (upto 03th February, 2023)
Mr. P.M.Murty - Chairman, Non- Executive Director (from 01st April,2022)
Mr. P.R.Ramesh, Independent Director (from 01st April,2022 to 09th November, 2022)
Mr. Shantanu Khosla - Non- Executive Director (from 30th March, 2022)
Mr. Mathew Job - Non- Executive Director (upto 30th March, 2023)
Ms. Smita Anand, Independent Director (from 01st April,2022)
Mr. Viral Sarvaiya - Company Secretary & Compliance Officer (from 25th March, 2023)
Ms. Ananda Shalini - Chief Financial Officer (from 06th April, 2023)

iv) Details of related party transactions:

₹ crore			
Sr. No.	Nature of transaction	2022-23	2021-22
1	Services received		
	DFM Foods Ltd.	-	0.00
	Opera Gratia Pvt. Ltd	1.47	-
	Total	1.47	0.00
2	Services rendered		
	Swaminathan Enterprises Private Limited	0.08	-
	Total	0.08	-
3	Contributions (Employer's) to Post Retirement Funds		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.21	1.23
	Total	1.21	1.23
4	Compensation to Key Management Personnel		
	Short-term benefits*	74.34	178.84
	Share-based Payments (Refer Note b below)	9.71	19.28
	Director's sitting fees	1.01	0.70
	Commission	2.40	1.00
	Total	87.46	199.82
5	Donations paid		
	Crompton (CSR) Foundation	13.15	11.96
	Total	13.15	11.96

*Short-term benefits for the current year include ₹ 42.68 crores (previous year: ₹ 153.69 crores) on account of exercise of stock options.

Notes:

- a) Liabilities for post retirement benefits being Gratuity, Leave encashment and Post retirement medical benefits are provided on actuarial basis for the Group as a whole. The amount pertaining to Key management personnel are not included above.
- b) The Group has granted shares under various Schemes to the eligible Key Management Personnel. The amount mentioned is the fair value of the grant charged to Statement of profit and loss.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

35 Related Party Disclosures (Contd..)

v) Amount due to / from related parties

₹ crore			
Sr. No.	Nature of transaction	As at 31st March, 2023	As at 31st March, 2022
1	Other Receivable		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	1.73	3.20
	Total	1.73	3.20
2	Other Payable		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.09	0.08
	Commission Payable to Key Management Personnel	2.40	1.00
	Total	2.49	1.08

Notes:

- a) All the related party contracts/ arrangements have been entered on arms' length basis.
- b) The amount of outstanding balances as shown above are unsecured and will be settled/ recovered in cash.

36 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

₹ crore			
Particulars		2022-23	2021-22
(a) Basic earnings per share			
Numerator for earnings per share			
Profit after tax	₹ crore	463.21	578.38
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	Nos	63,49,86,510	62,82,28,014
Earnings per share - Basic (one equity share of ₹ 2 each)	₹	7.29	9.21
(b) Diluted earnings per share			
Numerator for earnings per share			
Profit after tax	₹ crore	463.21	578.38
Denominator for earnings per share			
Weighted number of equity shares outstanding for basic EPS during the year	Nos	63,49,86,510	62,82,28,014
Add: Weighted average number of potential equity shares on account of Employee Stock Option Schemes	Nos	22,16,124	27,83,037
Weighted number of equity shares outstanding for diluted EPS during the year	Nos	63,72,02,634	63,10,11,051
Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	7.27	9.17

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

37 Impairment testing of Goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating division (not at segment level), which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Electric Consumer Durables	590.10	590.10
Lighting Products	189.31	189.31
Butterfly (Refer Note 34)	506.05	506.05
Total	1,285.46	1,285.46

The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using pre-tax budgeted EBITDA projections of the next five years which is considered by the Board as a reasonable period.

The key assumptions used in value-in-use calculations are as follows:

- a) Earnings (before interest and tax) margin: The margins have been estimated based on past experience after considering incremental revenue and savings from the efficiencies and cost saving initiatives driven by the Group.
- b) Discount rate: Discount rate reflects the current market assessment of the risks specific to a cash generating unit and is estimated based on the weighted average cost of capital.
- c) Long-term growth rate: The growth rates used are in line with the long-term average growth rates of the Group and are consistent with the internal / external sources of information.

The assumptions used are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

Based on the above assumptions and analysis, no impairment was identified for any of the cash generating unit as at 31st March 2023 and 31st March, 2022 as the recoverable value of the cash generating unit exceeded the carrying value.

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. The Group has concluded that, given the significant headroom that exists, and the results of the sensitivity analysis performed, there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

38 Share-based Payments

Employee stock options - equity settled

- a) The Members of the Group have approved by way of postal ballots grant of Employee stock options under various Schemes. The plan envisaged grant of shares to eligible employees at market price/pre-determined value as determined by the Nomination and Remuneration Committee (NRC) of the Board of Directors from time to time.

Disclosures:

₹ crore		
Particulars	31st March, 2023 / 2022-23	31st March, 2022 / 2021-22
Share-based Payments to employee	27.17	37.76
Employee Stock option outstanding	140.41	138.63

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

38 Share-based Payments (Contd..)

(b) The position of the existing schemes is summarized as under -

Particulars	31st March, 2023/ 2022-23				31st March, 2022/ 2021-22			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Date of Shareholder's approval	19th January, 2020 and amended on 06th January, 2021	22nd October, 2016	22nd October, 2016	22nd October, 2016	19th January, 2020 and amended on 06th January, 2021	22nd October, 2016	22nd October, 2016	22nd October, 2016
Total number of options approved under ESOS	98,00,000	40,00,000	1,09,68,057	31,33,731	98,00,000	40,00,000	1,09,68,057	31,33,731
Vesting requirements	1-5 Years	1-5 Years	1-10 Years	1-10 Years	1-5 Years	1-5 Years	1-10 Years	1-10 Years
Exercise price or pricing formula (₹)	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	92.83	185.66	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	92.83	185.66
Maximum term of Options granted (years)	Options granted under ESOP 2019 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant		Options granted under ESOP 2019 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant	
Source of shares (Primary, Secondary or combination)					Primary			
Variation in terms of options			There have been no variations in the terms of the options					

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

38 Share-based Payments (Contd..)

(c) Options movement during the year:

Particulars	2022-23				2021-22			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
No. of options outstanding at the beginning of the year	82,64,317	18,93,854	55,38,176	30,79,392	74,96,499	26,33,826	1,06,27,872	30,79,392
No. of options granted during the year	15,25,000	-	-	-	14,20,000	-	-	-
No. of options forfeited / lapsed during the year	11,21,867	1,78,256	-	-	6,23,182	1,44,062	-	-
No. of options vested during the year	10,30,631	1,98,669	-	-	8,90,868	2,65,938	-	-
No. of options exercised during the year	1,00,500	7,23,022	11,28,143	7,52,095	29,000	5,95,910	50,89,696	-
Money realised by exercise of options (₹)	2,59,94,325	14,56,88,852	10,47,25,515	13,96,33,958	76,40,785	12,31,83,176	47,24,76,480	-
No. of options outstanding at the end of the year	85,66,950	9,92,576	44,10,033	23,27,297	82,64,317	18,93,854	55,38,176	30,79,392
No. of options exercisable at the end of the year	17,15,881	8,40,076	44,10,033	23,27,297	8,81,117	14,33,854	55,38,176	30,79,392
Weighted Average Remaining Contractual Life (in years)	6.53	3.01	2.26	2.16	7.21	3.36	2.71	2.52

(d) Weighted average information for year:

Particulars	2022-23				2021-22			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Weighted average exercise price of options granted during the year whose								
Exercise price equals market price (₹)	330.95	-	-	-	413.59	-	-	-
Exercise price is greater than market price (₹)	-	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-
Weighted average fair value of options granted during the year whose								
Exercise price equals market price (₹)	138.21	-	-	-	168.44	-	-	-
Exercise price is greater than market price (₹)	-	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

38 Share-based Payments (Contd..)

(e) The Black-Scholes Valuation Model has been used for computing weighted average fair value considering the following inputs:-

Particulars	₹ crore	
	2022-23 ESOP 2019	2021-22 ESOP 2019
Price of the underlying share in market at the time of the option grant (₹)	330.95	413.59
Exercise price (₹)	330.95	413.59
Risk free interest rate (based on government securities)	7.21%	6.13%
Expected life (years)	5.81	5.81
Expected volatility	32.61%	33.08%
Dividend yield	0.76%	0.60%

(f) Number and Weighted Average Exercise Price of Options

Particulars	2022-23		2021-22	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,87,75,739	257.07	2,38,37,589	215.17
Granted during the year	15,25,000	369.12	14,20,000	413.59
Forefeited during the year	13,00,123	384.42	7,67,244	373.49
Exercised during the year	27,03,760	153.88	57,14,606	105.57
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,62,96,856	274.51	1,87,75,739	257.07
Exercisable at the end of the period	92,93,287	185.59	1,09,32,539	158.88

(g) Weighted average share price of options exercised during the year is ₹ 378.99 (Previous year ₹ 394.70).

39 Operating Segments

A. General Information

The Group has determined following reporting segments based on the information reviewed by the Group’s Chief Operating Decision Maker (‘CODM’).

- a) Electric Consumer Durables
- b) Lighting Products
- c) Butterfly (acquisition through business combination)

The above business segments have been identified considering:

- a) the nature of products and services
- b) the differing risks and returns
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems.

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee as explained in the Director’s Report section.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

39 Operating Segments (Contd..)

B. Information about reportable segments

₹ crore				
2022-23	Reportable segments			
Particulars	Electric Consumer Durables	Lighting Products	Butterfly	Total
Revenue				
External Customers	4,755.66	1,058.13	1,055.82	6,869.61
Inter-segment	-	-	-	-
Total revenue	4,755.66	1,058.13	1,055.82	6,869.61
Segment profit	789.30	100.52	83.97	973.79
Segment profit includes:				
Depreciation and amortization expense	12.76	6.00	16.15	34.91
Segment assets	1,184.03	425.49	491.40	2,100.92
Segment liabilities	933.20	364.03	205.76	1,502.99
Other disclosures				
Capital expenditure	38.44	16.14	9.99	64.57

₹ crore				
2021-22	Reportable segments			
Particulars	Electric Consumer Durables	Lighting Products	Butterfly	Total
Income				
External Customers	4,311.00	1,083.11	-	5,394.11
Inter-segment	-	-	-	-
Total income	4,311.00	1,083.11	-	5,394.11
Segment profit	826.70	127.82	-	954.52
Segment profit includes:				
Depreciation and amortization expense	10.39	5.77	-	16.16
Segment assets	961.74	442.03	511.40	1,915.17
Segment liabilities	1,039.96	398.10	276.39	1,714.45
Other disclosures				
Capital expenditure	34.19	11.98	18.73	64.90

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

39 Operating Segments (Contd..)

C. Reconciliations of information on reportable segments

₹ crore		
Particulars	2022-23	2021-22
(a) Income		
Total income for reportable segments	6,869.61	5,394.11
Elimination of inter-segment revenue	-	-
Total income (Refer Note 20)	6,869.61	5,394.11
(b) Profit before tax		
Total profit before tax for reportable segments	973.79	954.52
Unallocated amounts:		
Expense on Employee Stock Option Scheme	(27.17)	(37.76)
Finance costs	(109.18)	(35.31)
Other unallocable expenditure net of unallocable Income	(225.29)	(116.94)
Total profit before tax from operations as reported in Statement of profit and loss	612.15	764.51

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
(c) Assets		
Total assets for reportable segments	2,100.92	1,915.17
Other unallocated amounts		
Goodwill	1,285.46	1,285.46
Other assets	2,268.05	3,247.96
Total assets as reported in Balance sheet	5,654.43	6,448.59
(d) Liabilities		
Total liabilities for reportable segments	1,502.99	1,714.45
Other unallocated amounts		
Borrowings	922.18	1,314.95
Other liabilities	121.56	183.78
Total liabilities as reported in Balance sheet	2,546.73	3,213.18

D. Reconciliation of revenue recognised in statement of profit and loss with contracted price

₹ crore		
Particulars	2022-23	2021-22
Revenue as per contracted price	6,982.18	5,463.24
Less: Cash discount	(149.63)	(89.18)
Total revenue from contract with customers	6,832.55	5,374.06

E. Disaggregation of revenue based on products

Information given above concerning reportable segment-wise revenue are sufficient to meet the required disclosures under Ind AS 115, *Revenue from Contracts with Customers*, with respect to disaggregation of revenue.

F. Geographic information

The Group mainly caters to Indian Market, accordingly, secondary information/ geographical segment is not applicable.

G. Information about major customers

There are no customers having revenue exceeding 10% of total revenues.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ crore							
As at 31st March, 2023	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Non-current investment	0.35	-	0.35	0.35	-	-	0.35
Trade receivables	-	15.49	15.49	-	-	-	-
Other non-current financial assets	-	18.73	18.73	-	-	-	-
Current financial assets							
Current investments	547.83	-	547.83	547.83	-	-	547.83
Trade receivables	-	670.56	670.56	-	-	-	-
Cash and cash equivalents	-	76.84	76.84	-	-	-	-
Bank balance other than cash and cash equivalents	-	32.64	32.64	-	-	-	-
Loans	-	0.66	0.66	-	-	-	-
Other current financial assets	-	18.97	18.97	-	-	-	-
	548.18	833.89	1,382.07	548.18	-	-	548.18
Financial liabilities							
Non-current financial liabilities							
Borrowings	-	597.18	597.18	-	-	-	-
Lease Liabilities	-	55.93	55.93	-	-	-	-
Trade payables	-	13.19	13.19	-	-	-	-
Current financial liabilities							
Borrowings	-	325.00	325.00	-	-	-	-
Lease Liabilities	-	27.00	27.00	-	-	-	-
Trade payables	-	1,035.38	1,035.38	-	-	-	-
Derivative liabilities	1.11	-	1.11	1.11	-	-	1.11
Other current financial liabilities	0.32	72.07	72.39	-	-	0.32	0.32
	1.43	2,125.75	2,127.18	1.11	-	0.32	1.43

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

As at 31st March, 2022	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Non Current Investment	0.34	-	0.34	0.34	-	-	0.34
Trade receivables	-	21.83	21.83	-	-	-	-
Other non-current financial assets	-	15.39	15.39	-	-	-	-
Current financial assets							
Current investments	623.83	-	623.83	623.83	-	-	623.83
Trade receivables	-	593.60	593.60	-	-	-	-
Cash and cash equivalents	-	171.62	171.62	-	-	-	-
Bank balance other than cash and cash equivalents	-	743.57	743.57	-	-	-	-
Loans	-	1.23	1.23	-	-	-	-
Other current financial assets	-	14.16	14.16	-	-	-	-
	624.17	1,561.40	2,185.57	624.17	-	-	624.17
Financial liabilities							
Non-current financial liabilities							
Borrowings	-	4.56	4.56	-	-	-	-
Lease Liabilities	-	44.14	44.14	-	-	-	-
Trade payables	-	8.07	8.07	-	-	-	-
Current financial liabilities							
Borrowings	-	1,602.95	1,602.95	-	-	-	-
Lease Liabilities	-	34.08	34.08	-	-	-	-
Trade payables	-	1,009.71	1,009.71	-	-	-	-
Derivative liabilities	1.91	-	1.91	1.91	-	-	1.91
Other current financial liabilities	0.28	42.65	42.93	-	-	0.28	0.28
	2.19	2,746.16	2,748.35	1.91	-	0.28	2.19

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

B. Fair value heirarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

C. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments - forwards foreign exchange contracts	The Group has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
Derivative instruments - options foreign exchange contracts	Fair value of foreign currency options contract is provided by bank's with whom the derivatives are entered into.	Not applicable	Not applicable
Investment in mutual funds	The fair value of the units of mutual fund scheme are based on net asset value at the reporting date.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates.	Not applicable	Not applicable

D. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has constituted a Risk Management Committee (RMC) for identification, evaluation and mitigation of operations, strategic and external risks. RMC has the overall responsibility for monitoring and recovering the Risk Management Plan and associated practices of the Group.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The RMC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, investment in mutual funds and cash and cash equivalents. The Group makes provision on trade receivables based on Expected Credit loss (ECL) method based on provision matrix.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group has a detailed review mechanism of overdue trade receivables at various levels in the organisation to ensure proper attention and focus on realisation.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	₹ crore	
	As at 31st March, 2023	As at 31st March, 2022
Not past due	517.37	499.71
Past due 1–360 days	149.00	86.65
Past due 361- 720 days	38.35	39.51
more than 720 days	37.73	32.62
	742.45	658.49

Expected credit loss assessment

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Particulars	₹ crore
Balance as at 1st April, 2021	21.24
Addition due to Business Combination (net)	12.85
Impairment loss recognised	14.98
Write off of bad debts	(6.01)
Balance as at 01st April, 2022	43.06
Impairment loss recognised	21.83
Write off of bad debts	(8.49)
Balance as at 31st March, 2023	56.40

Cash and cash equivalents and bank deposits

The Group held cash and cash equivalents and bank deposits with banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an on-going basis and is considered to be good. Investment of surplus funds are made in bank deposits and other risk free securities.

Derivatives

The derivatives (forwards and options for foreign currency payments) are entered into with banks and financial institution counterparties with good credit ratings.

Investment in mutual funds

The Group limits its exposure to credit risk by investing only with counterparties that have a good credit rating. The Group does not expect any losses from non performance by these counter parties

Other than trade receivables, the Group has no other financial assets that are past due but not impaired.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

ii. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due at reasonable price. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group monitors cash flow requirements and aims at optimising its cash return on investments and to maintain the level of its cash and bank balance and other highly marketable mutual fund investments at an amount in excess of expected cash outflows on financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flows are gross and undiscounted, and include estimated interest payments.

As at 31st March, 2023	₹ crore				
	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities					
Long Term Borrowings	600.00	-	300.00	300.00	-
Lease liabilities (undiscounted)	63.30	-	28.38	32.32	2.60
Trade payables	13.19	4.41	3.54	5.24	-
Current financial liabilities					
Short term Borrowings (including interest)	358.68	358.68	-	-	-
Lease liabilities (undiscounted)	32.55	32.55	-	-	-
Trade payables	1,035.38	1,035.38	-	-	-
Other financial liabilities	36.19	36.19	-	-	-

As at 31st March, 2022	₹ crore				
	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities					
Long Term Borrowings	4.56	-	4.45	0.11	-
Lease liabilities (undiscounted)	62.58	-	24.70	35.28	2.60
Trade payables	8.07	1.86	3.03	3.15	0.03
Current financial liabilities					
Short term Borrowings (including interest)	1,612.41	1,612.41	-	-	-
Lease liabilities (undiscounted)	28.83	28.83	-	-	-
Trade payables	1,009.71	1,009.71	-	-	-
Other financial liabilities	34.12	34.12	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, Group's exposure to market risk is a function of investing and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Market risk comprises two types of risks: currency risk and interest rate risk

a) Currency risk

The Group is exposed to currency risk on account of its receivable and payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward foreign exchange contracts and options foreign exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date.

The Group does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

Category	Instrument	Currency	Cross Currency	Amounts (\$ in million)	Buy/Sell	Period
Hedges of recognised liabilities	Option Contract	USD	INR	4.96	Buy	As at 31st March, 2023
Hedges of recognised liabilities	Forward Contract	USD	INR	0.37	Buy	As at 31st March, 2023

Exposure to currency risk

The currency profile of financial assets and financial liabilities denominated in USD are as below:

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets		
Trade receivables	7.90	5.07
	7.90	5.07
Financial liabilities		
Trade payables	55.55	79.33
	55.55	79.33
Net foreign currency exposure	(47.65)	(74.26)

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the Indian Rupee against foreign currencies at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in ₹ crore	Movement	Profit or loss	
		Strengthening	Weakening
31st March, 2023			
USD	5%	(2.38)	2.38
		(2.38)	2.38

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

Effect in ₹ crore	Movement	Profit or loss	
		Strengthening	Weakening
31st March, 2022			
USD	5%	(3.71)	3.71
		(3.71)	3.71

b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to Interest Rate Risk / Sensitivity

The Group's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed-rate instruments		
Financial assets		
Bank deposits	36.54	885.45
Total	36.54	885.45
Financial liabilities		
Non-current borrowings	597.18	4.56
Current borrowings	325.00	1,310.39
Variable-rate Instruments		
Financial liabilities		
Current borrowings	-	292.56
Total	922.18	1,607.51

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for variable-rate instruments

The interest expenses and impact on statement of Profit on Loss on account of Increase/decrease of 100 basis points in interest rates at the balance sheet date is provided in table below:

₹ crore	
Particulars	As at 31st March, 2023
Interest Expenses arising on account of variable rate of interest on short term borrowings	-
Impact on Interest Cost:	
Increase in 100 basis point (Increase in Interest Cost)	-
Decrease in 100 basis points (Decrease in Interest Cost)	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

41 Financial performance ratios:

Particulars	Numerator	Denominator	31st March, 2023	31st March, 2022	Variance	Refer Note
A. Performance Ratios						
Net Profit Margin (in %)	Profit after tax	Total Income	6.87%	10.58%	-35.08%	(a)
Net Capital Turnover ratio (in times)	Revenue from operations	Working Capital	8.12	3.29	146.62%	(b)
Return on Capital Employed (in %)	Earnings before interest and taxes	Tangible Capital Employed	204.11%	166.18%	22.82%	
Return on equity (in %)	Net Profit after Taxes	Average Shareholder's Equity	15.02%	22.39%	-32.91%	(c)
Return on Investment (in %)	Net gain on investment	Weighted average investments	5.69%	4.71%	20.72%	
Debt Service Coverage Ratio (in times)	Profit After Tax + Interest + Depreciation	Finance Cost + Repayments made during the year	2.47	1.80	37.55%	(d)
B. Leverage Ratio						
Debt-Equity Ratio (in times)	Total Debt	Equity	0.30	0.50	-40.28%	(d)
C. Liquidity Ratio						
Current ratio (in times)	Current Assets	Current liabilities excl. current Borrowings	1.60	2.17	-26.19%	(d)
D. Activity Ratios						
Inventory Turnover (in times)	Cost of goods sold	Average Inventory	6.39	5.97	7.04%	
Debtors Turnover (in times)	Revenue from operations	Avg. Trade Receivables	10.56	10.02	5.39%	
Trade Payables Turnover ratio (in times)	Cost of goods sold	Avg. Accounts payables	4.53	4.03	12.48%	

Note: Explanation for change in the ratio by more than 25%

- (a) Net Profit Margin ratio declined as a result of increased finance costs (on account of subsidiary acquisition).
- (b) Net Capital Turnover ratio increased due to growth in sales and reduction in working capital.
- (c) Return on equity ratio declined as a result of increased average shareholder's fund.
- (d) Movement in ratios is on account of repayment of borrowings during the year.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

42 Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

₹ crore		
Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Inventories		
Raw Material	109.94	116.46
Finished Goods	471.11	365.28
Work-in-Progress	37.70	29.61
b) Trade receivables	545.29	512.53
c) Inventories & Book debts (Butterfly)	-	173.38
Total assets pledged as security (a+b+c)	1,164.04	1,197.26

43 Details of relationship with struck-off companies

₹ crore				
Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31st March, 2023 (₹ crore)	Balance outstanding as at 31st March, 2022 (₹ crore)	Relationship with the struck off company, if any, to be disclosed
Air Temp Solutions Private Limited	Advance from customer	-	0.00	Customer
Alif Trading Company	Receivables	0.02	0.02	Customer
Bright Electricals & Sanitary	Advance from customer	0.00	-	Customer
H.K. Power Corporation Private Limited	Advance from customer	-	0.01	Customer
Hammer Head Technologies Private Limited	Advance from customer	-	0.00	Customer
Kapson Power Technology Private Limited	Advance from customer	0.00	0.00	Customer
Kiapco Infrastructure Private Limited	Advance from customer	-	0.01	Customer
Ncs Infocomm Private Limited	Advance from customer	-	0.01	Customer
Shakedi Shengtai Electrics Private Limited	Advance from customer	-	0.00	Customer
Shreeskanda Systems Private Limited	Advance from customer	0.00	0.01	Customer
Suzusons Care Private Limited	Advance from customer	-	0.00	Customer
Takkar Interna.Trademart Private Limited	Advance from customer	-	0.00	Customer
Techno India Wtr & Waste Wtr Private Limited	Advance from customer	-	0.00	Customer
Venus Dealmark Private Limited	Advance from customer	-	0.00	Customer
Atlantis Technologies	Advance to vendor	0.06	-	Vendor

44 Capital Management

Equity share capital and other equity are considered for the purpose of Group's capital management. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

44 Capital Management (Contd..)

The Group monitors capital using a ratio of ‘adjusted net debt’ to ‘total equity’. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents and other bank balances. Total equity comprises all components of equity.

The Group’s adjusted net debt-to-equity ratio at 31st March, 2023 was as follows:

Particulars	₹ crore	
	As at 31st March, 2023	As at 31st March, 2022
Total equity	3,107.70	3,235.41
Total borrowings (including current portion of long-term debts)	922.18	1,607.51
Less: cash and cash equivalents	76.84	171.62
Less : other bank balances	32.64	743.57
Net debt	812.70	692.32
Overall financing	3,920.40	3,927.73
Gearing ratio	0.21	0.18

45 Additional Information pursuant to Schedule III to the Companies Act, 2013

For the year ended 31st March, 2023

Name of Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)
Parent Company								
Crompton Greaves Consumer Electricals Limited	90.28%	2,805.75	88.94%	423.70	55.98%	(1.31)	89.10%	422.39
Indian Subsidiaries								
Pinnacles Lighting Project Private Limited	0.26%	7.93	0.10%	0.50	0.00%	-	0.11%	0.50
Nexustar Lighting Project Private Limited	0.27%	8.38	0.11%	0.54	0.00%	-	0.11%	0.54
Butterfly Gandhimathi Appliances Limited	9.19%	285.64	10.85%	51.67	44.02%	(1.03)	10.68%	50.64

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

45 Additional Information pursuant to Schedule III to the Companies Act, 2013 (Contd..)

For the year ended 31st March, 2022

Name of Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)
Parent Company								
Crompton Greaves Consumer Electricals Limited	91.99%	2,975.93	98.32%	568.66	100.00%	2.05	98.33%	570.71
Indian Subsidiaries								
Pinnacles Lighting Project Private Limited	0.38%	12.43	0.91%	5.28	0.00%	-	0.91%	5.28
Nexustar Lighting Project Private Limited	0.37%	12.05	0.77%	4.44	0.00%	-	0.76%	4.44
Butterfly Gandhimathi Appliances Limited	7.26%	235.01	0.00%	0.00	0.00%	-	0.00%	-

46 Separate Financial Statements

The Group has following subsidiary companies:

Sr. No.	Name of the subsidiary companies	Principal place of business	Proportion of direct ownership as on 31st March, 2023	Proportion of direct ownership as on 31st March, 2022
1	Pinnacles Lighting Project Private Limited	India	100%	100%
2	Nexustar Lighting Project Private Limited	India	100%	100%
3	Butterfly Gandhimathi Appliances Limited	India	75%	55%

47 The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

48 There has been no delay in charges or satisfaction to be registered with ROC beyond the statutory period.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

49 Utilisation of Borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

50 The Board of Directors at their meeting held on 25th March, 2023 considered and approved the Scheme of Amalgamation of the Butterfly Gandhimathi Appliances Limited, a subsidiary, with the Group, and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder. The Scheme is subject to the receipt of necessary statutory and regulatory approvals including approval of Stock Exchanges, the Securities and Exchange Board of India, the respective shareholders and creditors of respective companies and National Group Law Tribunal(s) (Mumbai & Chennai Benches). The Group has filed the Scheme of arrangement with BSE and NSE on 7th April, 2023. The Group is in the process of obtaining other approvals in relation to the Scheme. Pending such approval, no effect of the proposed amalgamation has been given in these financial statements.

51 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, received Presidential assent on 28th September, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13th November, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

52 No significant subsequent events have been observed which may require an adjustments to the financial statements.

53 Amount shown as ₹ 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).

54 Figures for the previous year have been regrouped wherever necessary.

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Mumbai
19th May, 2023

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

Rashmi Khandelwal
Company Secretary
M. No. A28839



BDO India LLP
The Palm Springs Plaza
Office No. 1501-8, 15th Floor
Sector-54, Golf Course Road
Gurgaon-122001, Haryana
INDIA

Assurance Statement

To

The Board of Directors and Management
Crompton Greaves Consumer Electricals Limited
Equinox Business Park, 1st Floor, Tower 3
LBS Marg, Kurla (W)
Mumbai, 400070, Maharashtra, India

Independent Assurance Statement on non-financial disclosures in the Business Responsibility and Sustainability Report (BRSR) for FY 2022-23

Introduction and objective of engagement

Crompton Greaves Consumer Electricals Limited (the 'Company') has developed a Business Responsibility and Sustainability Report ('BRSR' or the 'Report'), following the principles of National Guidelines on Responsible Business Conduct (NGRBC), which the Company has included in its Integrated Report 2022-23 based on the applicable accounting standards.

BDO India LLP (BDO) was engaged by the Company to provide independent assurance on its non-financial disclosures in the Report that includes the Company's sustainability performance for the period 1st April 2022 to 31st March 2023.

Respective responsibilities

The Report content and its presentation are the sole responsibilities of the management of the Company. The Company management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement.

BDO's responsibility, as agreed with the management of the Company, is to provide assurance on the Report content as described in the 'Scope of assurance and methodology' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard

The assurance process was conducted in line with the requirements of the AA1000 AS v3 (2020) Type 2 assurance¹. We applied a moderate² level of assurance.

Scope of assurance and methodology

The scope of assurance engagement was limited to review of the following non-financial data and information in the Report, pertaining to the Company's performance for the period 1st April 2022 to 31st March 2023:

- Stakeholder consultation and materiality;
- Governance structure and Board composition;
- Environmental data (namely, direct and indirect energy consumption, Scope 1 and Scope 2 GHG emissions, waste, water, effluents and air emissions);
- Safety data (namely, safety management system, training and safety incidents);
- Human Resources data (namely, total number of employees, total number of employees onboarded, employee training data and employee benefits).

We conducted review and verification of data collection, collation and calculation methodologies and general review of the logic of inclusion/ omission of relevant information/ data in the Report. Our review was limited to:

- Evaluating the appropriateness of the quantification methods used to arrive at the non-financial disclosures presented in the Report;
- Review of consistency of data/information within the report as well as between the report and source;
- Review of Stakeholder consultation and materiality;
- Execution of an audit trail of claims and data streams, on selective basis, to determine the level of accuracy in collection, transcription, and aggregation;
- Review of non-financial data collection and management procedures;
- Verification of non-financial/sustainability performance data, on sample basis, based on our professional judgement, at Company's Head Office (Mumbai) and the following four operational facilities, namely, Baroda, Ahmednagar, Goa (Kundaim) and Baddi (Unit 2), conducted through remote audits using web-enabled tools.

Limitations of our engagement

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2022 to 31st March 2023);
- Review of the 'economic and/or financial performance indicators' included in the Report which, we have been informed by the Company, are derived from the Company's audited financial records;

¹ Type 2 Assurance: an engagement in which the assurance provider gives findings and conclusions on the principles of Inclusivity, Materiality, Impact and Responsiveness, and verifies the reliability of specified sustainability performance information AA1000ASv3 (2020) Standard.
² A moderate level of assurance as per AA1000AS v3 (2020) Standard is commensurate with "limited" assurance as defined in the International Standard on Assurance Engagements (ISAE) 3000

- The Company's statements and claims related to any topics other than those listed in the 'Scope of assurance and methodology';
- The Company's statements that describe qualitative/quantitative assertions, expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

As agreed with the Company, data assurance was done through remote assessments using appropriate web-enabled tools. We did not conduct physical verification at operational facilities or offices of the Company. Audit trails and review were conducted through remote discussion with officials of the Company, and gathering of evidence on sample basis.

Our observations

While the Company has made efforts towards consistency of data for this Report, the Company may continue to improve robustness of its data collection and collation process. Specific focus should be applied to ensure that methodologies used to compile non-financial data are consistent and closely aligned to local and international leading standards and practices. The Company may consider strengthening the auditability of the non-financial data and information. During our assurance process, we observed errors in several data points, which were subsequently addressed.

Our conclusion

Based on the scope of our review, our conclusions are outlined below:

Inclusiveness: We are not aware of any matter that would lead us to conclude that the Company has not applied the principle of inclusivity in engaging with key stakeholder groups. The Company disclosed its stakeholder engagement approach and activities in the Report. The Company may consider reinforcing the stakeholder engagement process further.

Materiality: We noted that the Company has listed the material topics in the Report. Nothing has come to our attention that causes us to believe that any material topic has been excluded from the Report of the Company. More comprehensive coverage of high priority material topics will be desirable going forward.

Responsiveness: We are not aware of any matter that would lead us to believe that the Company has not applied the responsiveness principle for dealing with the relevant stakeholders covering its non-financial performance.

Impact: We are not aware of any matter that would lead us to believe that the Company does not monitor and measure, and is not accountable for, the impact on their stakeholders.

Our assurance team and independence

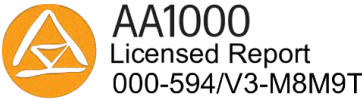
BDO India LLP is a professional services firm providing services in Advisory, Assurance, Tax and Business Services, to both domestic and international organisations across industry sectors. Our non-financial assurance practitioners for this engagement is drawn from a dedicated Sustainability and ESG Team in the organisation. This team comprises of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems and processes across sectors and geographies. As an assurance provider, BDO India LLP is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India LLP



Dipankar Ghosh
Partner & Leader | Sustainability & ESG
Business Advisory Services

Gurugram, Haryana
5th June 2023



BDO India LLP
The Palm Springs Plaza
Office No. 1501-8, 15th Floor
Sector-54, Golf Course Road
Gurgaon-122001, Haryana
INDIA

Assurance Statement

To

The Board of Directors and Management
Crompton Greaves Consumer Electricals Limited
Equinox Business Park, 1st Floor, Tower 3
LBS Marg, Kurla (W)
Mumbai, 400070, Maharashtra, India

Independent Assurance Statement on non-financial disclosures in the Integrated Report for FY 2022-23 titled “Meeting Everyday Needs with Innovative and Sustainable Solutions”

Introduction and objective

Crompton Greaves Consumer Electricals Limited (the 'Company') has developed its *Integrated Report 2022-23* (the 'Report') titled “Meeting Everyday Needs with Innovative and Sustainable Solutions” based on the applicable accounting standards and has incorporated the principles of the Integrated Reporting (<IR>) Framework published by the International Integrated Reporting Council (IIRC). Its non-financial performance reporting criteria have referenced the Global Reporting Initiative (GRI) Standards 2016.

BDO India LLP (BDO) was engaged by the Company to provide independent assurance on its non-financial disclosures in the Report that includes the Company's sustainability performance for the period 1st April 2022 to 31st March 2023.

Respective responsibilities

The Report content and its presentation are the sole responsibilities of the management of the Company. The Company management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement.

BDO's responsibility, as agreed with the management of the Company, is to provide assurance on the Report content as described in the 'Scope of assurance and methodology' section below. We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard

The assurance process was conducted in line with the requirements of the AA1000 AS v3 (2020) Type 2 assurance¹. We applied a moderate² level of assurance.

Scope of assurance and methodology

The scope of assurance engagement was limited to review of the following non-financial data and information in the Report, pertaining to the Company's performance for the period 1st April 2022 to 31st March 2023:

- Stakeholder consultation and materiality;
- Governance structure and Board composition;
- Environmental data (namely, direct and indirect energy consumption, Scope 1 and Scope 2 GHG emissions, waste, water, effluents and air emissions);
- Safety data (namely, safety management system, training and safety incidents);
- Human Resources data (namely, total number of employees, total number of employees onboarded, employee training data and employee benefits).

We conducted review and verification of data collection, collation and calculation methodologies and general review of the logic of inclusion/ omission of relevant information/ data in the Report. Our review was limited to:

- Evaluating the appropriateness of the quantification methods used to arrive at the non-financial disclosures presented in the Report;
- Review of consistency of data/information within the report as well as between the report and source;
- Review of Stakeholder consultation and materiality;
- Execution of an audit trail of claims and data streams, on selective basis, to determine the level of accuracy in collection, transcription, and aggregation;
- Review of non-financial data collection and management procedures;
- Verification of non-financial/sustainability performance data, on sample basis, based on our professional judgement, at Company's Head Office (Mumbai) and the following four operational facilities, namely, Baroda, Ahmednagar, Goa (Kundaim) and Baddi (Unit 2), conducted through remote audits using web-enabled tools.

Limitations of our engagement

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2022 to 31st March 2023);

¹ Type 2 Assurance: an engagement in which the assurance provider gives findings and conclusions on the principles of Inclusivity, Materiality, Impact and Responsiveness, and verifies the reliability of specified sustainability performance information AA1000ASv3 (2020) Standard.
² A moderate level of assurance as per AA1000AS v3 (2020) Standard is commensurate with “limited” assurance as defined in the International Standard on Assurance Engagements (ISAE) 3000

- Review of the ‘economic and/or financial performance indicators’ included in the Report which, we have been informed by the Company, are derived from the Company’s audited financial records;
- The Company’s statements and claims related to any topics other than those listed in the ‘Scope of assurance and methodology’;
- The Company’s statements that describe qualitative/quantitative assertions, expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

As agreed with the Company, data assurance was done through remote assessments using appropriate web-enabled tools. We did not conduct physical verification at operational facilities or offices of the Company. Audit trails and review were conducted through remote discussion with officials of the Company, and gathering of evidence on sample basis.

Our observations

While the Company has made efforts towards consistency of data for this Report, the Company may continue to improve robustness of its data collection and collation process. Specific focus should be applied to ensure that methodologies used to compile non-financial data are consistent and closely aligned to local and international leading standards and practices. The Company may consider strengthening the auditability of the non-financial data and information. During our assurance process, we observed errors in several data points, which were subsequently addressed.

Our conclusion

Based on the scope of our review, our conclusions are outlined below:

Inclusiveness: We are not aware of any matter that would lead us to conclude that the Company has not applied the principle of inclusivity in engaging with key stakeholder groups. The Company disclosed its stakeholder engagement approach and activities in the Report. The Company may consider reinforcing the stakeholder engagement process further.

Materiality: We noted that the Company has listed the material topics in the Report. Nothing has come to our attention that causes us to believe that any material topic has been excluded from the Report of the Company. More comprehensive coverage of high priority material topics will be desirable going forward.

Responsiveness: We are not aware of any matter that would lead us to believe that the Company has not applied the responsiveness principle for dealing with the relevant stakeholders covering its non-financial performance.

Impact: We are not aware of any matter that would lead us to believe that the Company does not monitor and measure, and is not accountable for, the impact on their stakeholders.

Our assurance team and independence

BDO India LLP is a professional services firm providing services in Advisory, Assurance, Tax and Business Services, to both domestic and international organisations across industry sectors. Our non-financial assurance practitioners for this engagement is drawn from a dedicated Sustainability and ESG Team in the organisation. This team comprises of multidisciplinary professionals, with expertise across the domains of sustainability, global sustainability reporting standards and principles, and related assurance standards. This team has extensive experience in conducting independent assurance of sustainability data, systems and processes across sectors and geographies. As an assurance provider, BDO India LLP is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

For BDO India LLP



Dipankar Ghosh
Partner & Leader | Sustainability & ESG
Business Advisory Services

Gurugram, Haryana
5th June 2023



GRI Content Index

General disclosures			
GRI 2: General Disclosures 202	2-1 Organizational details	Know more about Crompton , BRSR (Section A Q1-Q24)	6,7, 227-232
	2-2 Entities included in the organization's sustainability reporting	About the report, BRSR (Section A Q21)	3, 229
	2-3 Reporting period, frequency and contact point	About the report, BRSR (Section A-Para I)	3, 227
	2-5 External assurance	About the report	3
	2-6 Activities, value chain and other business relationships	Manufactured capital, Social and relationship capital BRSR (Section - A Q14 & Q17-C)	69, 74, 108, 227, 228
	2-7 Employees	Human Capital, BRSR (Section-A Q18)	98,228
	2-8 Workers who are not employees	BRSR (Section-A Q18)	228
	2-9 Governance structure and composition	Responsible Governance for sustainable growth BRSR (Section-B Q8 & Q9)	32-43, 234
	2-10 Nomination and selection of the highest governance body	Responsible Governance for sustainable growth, Report on Corporate Governance	38, 39, 198
	2-11 Chair of the highest governance body	Responsible Governance for sustainable growth	32-43
	2-12 Role of the highest governance body in overseeing the management of impacts	Responsible Governance for sustainable growth , BRSR (Section-B Q9) , BRSR Principle 4 LQ 1	32-43, 234,246
	2-13 Delegation of responsibility for managing impacts	BRSR (Section-B Q9)	234
	2-14 Role of the highest governance body in sustainability reporting	BRSR (Section-B Q8)	234
	2-15 Conflicts of interest	BRSR (Principle 1 EQ6 & EQ7)	237
	2-16 Communication of critical concerns	BRSR (Section - A Q23)	230
	2-17 Collective knowledge of the highest governance body	BRSR (Principle 1 EQ1)	235
	2-18 Evaluation of the performance of the highest governance body	Responsible governance for sustainable growth, Boards' Report, Report on Corporate Governance	38, 141, 198
	2-19 Remuneration policies	Responsible governance for sustainable growth,BRSR (Section B 1a, Principle 5 EQ3), Boards report	34, 39, 233, 248,142
	2-20 Process to determine remuneration	Responsible governance for sustainable growth, BRSR (Section B1a, Principle 5 EQ3), Boards report	34, 39, 233, 248,142
	2-21 Annual total compensation ratio	BRSR (Principle 5 EQ3)	248
	2-22 Statement on sustainable development strategy	BRSR (Section-B Q7)	234
	2-23 Policy commitments	BRSR (Section-B 1-5)	233
	2-24 Embedding policy commitments	BRSR (Section-B Q10)	234

General disclosures			
	2-25 Processes to remediate negative impacts	BRSR (Section-A Q23)	230
	2-26 Mechanisms for seeking advice and raising concerns	BRSR (Section-A Q23)	230
	2-27 Compliance with laws and regulations	Responsible governance for sustainable growth, Board's Report, Report on Corporate Governance, BRSR (Principle 1 EQ2, Principle 6 E Q12)	33, 146, 210, 211, 236, 253
	2-28 Membership associations	Membership and collaboration, BRSR (Principle 7 EQ1a, 1b)	33, 256
	2-29 Approach to stakeholder engagement	Crafting need-based engagements with stakeholders, Responsible governance for sustainable growth, BRSR (Principe 4 EQ1 and Q2)	26-27, 32, 245-246
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Approach to materiality	28-29
	3-2 List of material topics	Approach to materiality	28-29
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
	201-2 Financial implications and other risks and opportunities due to climate change	BRSR (Section-A Q24)	231, 232
	201-3 Defined benefit plan obligations and other retirement plans	BRSR (Principle 3 EQ2)	241
Market presence			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	BRSR (Principle 5 EQ2)	247
Indirect economic impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Initatives for Impactful ESG performance, Social and relationship capital, BRSR (Principle 8 EQ4)	58, 109,257
Procurement practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	BRSR (Principle 8 EQ4)	257
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Responsible governance for sustainable growth, Initiatives for impactful ESG performance, BRSR (Principle 1 EQ4, EQ5)	38, 58, 236

Anti-corruption			
	205-2 Communication and training about anti-corruption policies and procedures	Responsible Governance for sustainable growth, BRSR (Principle 1 EQ1)	39, 235
	205-3 Confirmed incidents of corruption and actions taken	BRSR (Principle 1 EQ5, EQ7)	236, 237
Anti-competitive behavior			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	BRSR (Principle 7 EQ2)	256
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Developing energy efficient products	117
	301-2 Recycled input materials used	Waste management	119
	301-3 Reclaimed products and their packaging materials	Initiatives for impactful ESG performance, (BRSR Principle 2 EQ3, LQ5)	58, 238, 239
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 302: Energy 2016	302-1 Energy consumption within the organization	How we create and sustain long-term value, BRSR (Principle 6 EQ1, LQ1)	30-31, 250, 253
	302-2 Energy consumption outside of the organization	How we create and sustain long-term value, BRSR (Principle 6 EQ1, LQ1)	30-31, 250, 253
	302-4 Reduction of energy consumption	How we create and sustain long-term value	31
	302-5 Reductions in energy requirements of products and services	Developing energy efficient products	117
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water conservation, BRSR (Principle 6 EQ3, EQ4, LQ2, LQ3)	118, 250, 253, 254
	303-2 Management of water discharge-related impacts	Water conservation	118
	303-3 Water withdrawal	Water conservation, BRSR (Principle 6 EQ3, EQ4, LQ2, LQ3)	118, 250, 253, 254
	303-4 Water discharge	Water conservation, BRSR (Principle 6 EQ3, EQ4, LQ2, LQ3)	118, 250, 253, 254
	303-5 Water consumption	Water conservation, BRSR (Principle 6 EQ3, EQ4, LQ2, LQ3)	118, 250, 253, 254

Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Natural Capital BRSR (Principle 6 EQ6)	118, 251
	305-2 Energy indirect (Scope 2) GHG emissions	Natural Capital BRSR (Principle 6 EQ6)	118, 251
	305-5 Reduction of GHG emissions	Social and Relationship Capital, Emissions reduction, BRSR (Principle 6 EQ7)	112, 118, 251
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	BRSR (Principle 6 EQ5)	251
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste generated , BRSR (Principle 6 EQ8)	119, 251
	306-2 Management of significant waste-related impacts	Waste generated, BRSR (Principle 6 EQ8)	119, 251
	306-3 Waste generated	Waste generated , BRSR Section C principle 6 EQ 8	119, 251
	306-4 Waste diverted from disposal	Extended Producer Responsibility, waste generated, BRSR (Principle 2 EQ4)	119, 238
	306-5 Waste directed to disposal	BRSR (Principle 2 EQ3)	238
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supplier selection process, BRSR (Principle 6 LQ9)	39, 255
	308-2 Negative environmental impacts in the supply chain and actions taken	BRSR (Principle 6 LQ9)	255
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Human capital, BRSR (Section-A Q20)	101, 229
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	BRSR (Principle 3 EQ2)	241
	401-3 Parental leave	BRSR (Principle 3 EQ1a, Q1b)	240
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Integration leading to sustained business success , Human capital, BRSR (Principle 3 EQ10, EQ11, EQ12)	75, 104, 243
	403-2 Hazard identification, risk assessment, and incident investigation	EHS Focus (Human capital), BRSR (Principle 3 EQ10 (b), EQ10(c))	104, 243

Occupational health and safety			
	403-3 Occupational health services	BRSR (Principle 3 EQ10(d))	243
	403-4 Worker participation, consultation, and communication on occupational health and safety	EHS Focus, BRSR (Principle 3 EQ8)	104, 242
	403-5 Worker training on occupational health and safety	Safety training ,BRSR (Principle 3 EQ8)	104, 242
	403-6 Promotion of worker health	BRSR (Principle 3 EQ12, EQ13, EQ14, EQ15)	243, 244
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Vendor training, Human capital, BRSR (Principle 3 EQ15)	104, 108, 244
	403-8 Workers covered by an occupational health and safety management system	BRSR (Principle 3 EQ10(a))	243
	403-9 Work-related injuries	Progressive and transparent ESG metrics, Responsible governance for sustainable growth, BRSR (Principle 3 EQ11)	36, 59, 243
Occupational health and safety			
	403-10 Work-related ill health	Progressive and transparent ESG metrics, Responsible governance for sustainable growth, BRSR (Principle 3 EQ11)	36, 59, 243
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Human capital, BRSR (Principle 1 EQ1, Principle 3 EQ8)	102, 235, 242
	404-2 Programs for upgrading employee skills and transition assistance programs	Human capital, BRSR (Principle 3 EQ8, LQ4)	102, 242, 244
	404-3 Percentage of employees receiving regular performance and career development reviews	BRSR (Principle 3 EQ9)	242
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Human Capital, BRSR (Principle 3 EQ3, EQ4)	98, 99, 241
	405-2 Ratio of basic salary and remuneration of women to men	BRSR (Principle 5 EQ3)	248
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	BRSR (Principle 5 EQ6)	248
Child labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Progressive and transparent ESG metrics, BRSR (Principle 5 EQ6)	59,248

Forced or compulsory labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Adapting for a Better World, Community, BRSR (Principle 8 LQ6)	58, 109, 258
Security practices			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	BRSR (Principle 5 EQ1)	247
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Adapting for a Better World, Community, BRSR (Principle 8 LQ6)	58, 109, 258
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainable supply chain, Supplier selection process	39, 59, 108
Public policy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 415: Public Policy 2016	415-1 Political contributions	Responsible Governance for sustainable growth, BRSR (Principle 7 LQ1)	34, 256
Customer health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	New product development, BRSR (Principle 9 LQ2)	77, 260
Marketing and labeling			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Effective Communication of Product Information, BRSR (Principle 9 EQ2)	107, 258
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Approach to materiality	28-29
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Governance initiatives, BRSR (Principle 9 EQ3)	58, 259

Notes

[illegible]

Notes

Crompton

Crompton Greaves Consumer Electricals Limited

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

www.crompton.co.in

CIN: L31900MH2015PLC262254