

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

(₹ in Crore)

Particulars	Consolidated		Standalone	
	F.Y. 2022-23	F.Y. 2021-22	F.Y. 2022-23	F.Y. 2021-22
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 crore 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 separate 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 its 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 meet its financial obligations.

Further, India Ratings and Research (Ind-Ra) has assigned your Company a Long-Term Issuer Rating

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.

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

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.

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

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-subsiary-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-subsiary-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 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.

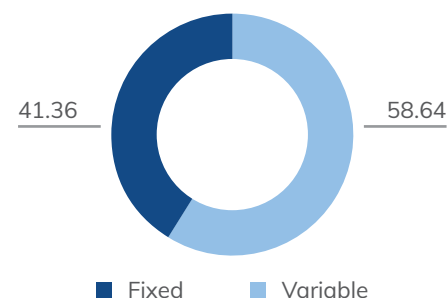
The remuneration to MD and CEO includes the fixed pay and the variable pay. The variable pay of MD and CEO is paid annually which is determined by N&RC after factoring in the individual performance, i.e. KPIs achieved and the Company's performance. There is no clawback provision in the remuneration paid to the MD and CEO of the Company. In terms of applicable laws, there is no mandatory stock 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 Members from time to time. N&RC is responsible for administering 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

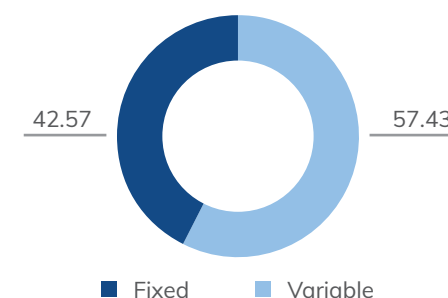
individual performance and Company's performance. For details of grant, vesting and exercised options please refer to Report on Corporate Governance which forms part of this Integrated Annual Report.

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 imbuing 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.inverstorrelations@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 as 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 SuccessFactors, 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 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. 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 joiners, 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:

- Gomant Sarvoch Suraskha Puraskar award for F.Y. 2022-23: and
- 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

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

H. M. Nerurkar
Chairman
DIN: 00265887

Place: Mumbai
Date: May 19, 2023

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.

- 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.

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%.

- Names of subsidiaries which are yet to commence operations: **Nil**
- 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	

- Names of associates or joint ventures which are yet to commence operations: **Nil**
- 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

- 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/>

- 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>

- (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 Batten 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:

Particulars	Nature of Relationship	Duration of Contract	Date of Approval by Board	Salient Terms	Justification	Date of Special Resolution	Amount paid as advances	Amount (₹ in Crore)
Nature of Contract								
Rendering of services								
Butterfly Gandhimathi Appliances Limited ("Butterfly")	Subsidiary	2 years (March 30, 2022 to March 29, 2024)	March 28, 2022		To provide management resources on Secondment to oversee business operations and provide the identified services to Butterfly (Mr. Rangarajan Sriram)	NA		2.80
		2 years (March 30, 2022 to March 29, 2024)	March 28, 2022		To provide management resources on Secondment to oversee business operations and provide the identified services to Butterfly (Ms. Ananda Shalini)	NA		0.68
		2 years (June 1, 2022 to May 31, 2024)	May 27, 2022	Secondment of Employee(s)	To provide management resources for marketing on Secondment to Butterfly for growth of business. (Mr. Anil Gurnani)	NA		1.46
		2 years (November 1, 2022 to October 31, 2024)	October 26, 2022		To provide management resources for Human Resources/ Research & Development/ IT/ Procurement on Secondment to Butterfly. (Mr. Rajasekar T. / Mr. C. R. Senthil/ Mr. Gaurishankar M. / Mr. Vaibhav K.)	NA		0.97
		2 years (February 2, 2023 to February 1, 2025)	February 1, 2023		To provide management resources for all Planning & Logistics related activities on Secondment to Butterfly (Ms. Shristi Gupta)	NA		0.10
		2 years (March 25, 2023 to March 24, 2025)	March 25, 2023		To provide management resources for all secretarial related activities on Secondment to Butterfly. (Mr. Viral Sarvaiya)	NA		0.00
Total								6.01

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:

- Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- 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.:

- Acquisition of further 26% equity share capital of Butterfly Gandhimathi Appliances Limited on June 8, 2022;
- Buy Back of Commercial Papers of ₹600 Crore (Rupees six Hundred Crore) on July 18, 2022;
- Redemption of Commercial Papers of ₹600 Crore (Rupees Six Hundred Crore) on March 16, 2023;
- Redemption of Non-Convertible Debentures ("NCDs") of ₹150 Crore (Rupees One Hundred Fifty Crore) on May 27, 2022;
- Issuance of Non-Convertible Debentures ("NCDs") of ₹325 Crore (Rupees Three Hundred Twenty-Five Crore) on July 12, 2022;
- Issuance of Non-Convertible Debentures ("NCDs") of ₹600 Crore (Rupees Six Hundred Crore) on July 22, 2022;
- Sale of stake of 6% equity share capital of Butterfly Gandhimathi Appliances Limited on September 19, 2022;
- Announcement of scheme of amalgamation of the Company with Butterfly Gandhimathi Appliances Limited on March 25, 2023.

For **Parikh & Associates**
Company Secretaries

Mitesh Dhaliwala
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.

- 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.
- 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 believe that the process and practices, We followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
- 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.
- 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 Dhaliwala
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 ensuing 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")
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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 Committee ("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
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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				7.21%
2. Expected Life				5.81
3. Expected Volatility				32.61%
4. Dividend Yield	No grants during the year			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
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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

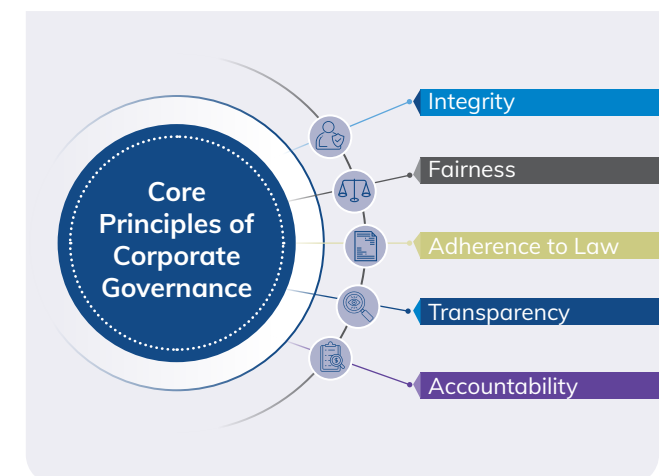
Your Company's commitment towards the adoption of best corporate governance practices goes beyond compliance with the law and endeavors to embrace responsibility for corporate actions and the impact of its initiatives on all its stakeholders. Your Company continuously strives for the betterment of its 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