Independent Auditor's Report

To the Members of
Crompton Greaves Consumer Electricals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Crompton Greaves Consumer Electricals Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31st March, 2023, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in terms of the Code of Ethics issued by Institute of Chartered Accountants of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended 31st March, 2023. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Goodwill and Other Intangible Assets with Indefinite Useful Lives** (Refer Notes 2 and 37 to the Consolidated Financial Statements) The goodwill balance as of 31st March, 2023 of ₹ 1,285.46 crores pertains to: (i) ₹ 779.41 crores on account of demerger of the Consumer Business from Crompton Greaves Limited (now CG Power and Industrial Solutions Limited) and Crompton Greaves Consumer Electricals Limited in 2015; and	Our audit procedures with respect to this matter included, but were not limited to, the following: a. Obtained an understanding of the process and assessed the design, implementation and tested the operating effectiveness of internal controls over the accounting for goodwill and other intangible assets with indefinite useful lives. b. Assessed reasonableness of the future revenue and margin projections, the historical accuracy of the estimates and its ability to produce accurate long-term forecasts. c. Involved our valuation experts ("auditor's expert") to assist in examining the reasonableness of the Company's valuation model and analysing the underlying key assumptions, including terminal growth rates and discount rates.

<table>
<tr><th>Sr. No.</th><th>Key Audit Matter</th><th>How the Key Audit Matter was addressed in our audit</th></tr>
<tr><td></td><td>(ii) ₹ 506.05 crores on account of business acquisition of Butterfly Gandhimathi Appliances Limited (“Butterfly”).

Other Intangible assets with indefinite useful lives pertains to brand and trademarks on account of business acquisition of Butterfly.

Carrying value of goodwill and other intangible assets with indefinite useful lives is material as at 31st March, 2023 and inherent uncertainty is involved in forecasting and discounting future cash flows, determination of discount and terminal growth rates for computing the value and the assessment of its recoverability.

The Company has carried out an impairment assessment using the value-in-use model which is based on the net present value of the forecast earnings of the cash generating units. The computation involves using certain assumptions around discount rates, growth rates and cash flow forecasts. Thus, assessment of recoverability of carrying value of goodwill and other intangible assets with indefinite useful lives is a key audit matter.</td><td>d. Evaluated the sensitivity in the valuation, resulting from changes to key assumptions applied and compared the assumptions to corroborating information including industry reports and data from competitors, historic performance, local economic developments and industry outlook.
e. Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board and tested the mathematical accuracy of management’s calculations.
f. Assessed the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements.</td></tr>
<tr><td>2</td><td>Estimates – Provision for Warranties

(Refer Note 15 to Consolidated Financial Statements)

The Company’s business involves the sale of products under warranty. The Company also has back-to-back contractual arrangements with its vendors for reimbursement of cost relating to products supplied by the vendors.

Warranty provisions, which are inherently judgmental in nature, are provided by the Company to record an appropriate estimate of the costs of repairing and replacing products and spares within the warranty period. The Company estimates and provides for liability for product warranties in the year in which the products are sold. Further, the timing of outflows will vary based on the actual warranty claims made during the warranty period in the future.

The above estimations of warranty provision require significant judgement considering the nature and timing of the cash outflows. Also, there is estimation uncertainty as regards to the timing and the amount of the actual warranty claims that may devolve over the warranty period. Accordingly, provision for warranties has been determined by us to be a key audit matter.</td><td>Our audit procedures with respect to this matter included, but were not limited to, the following:
a. Obtained an understanding of the warranty claims process and assessed the design and implementation and tested the operating effectiveness of internal controls over the provision for warranties.
b. Reviewed the historical data of warranty costs incurred in regard to the product sales, the trend of claims over the warranty period and the comparison between provisions previously recognised and actual expenses. Also reviewed the historical data of recoveries from vendors against warranty claims and defective returns.
c. Reviewed reconciliations of sales data to determine completeness of transactions on which warranty obligation is determined.
d. Performed enquiry procedures and reviewed relevant documents in evaluating the accuracy of historical information prepared by the management (including cost of repairs and returns).
e. Reviewed the recognition and appropriateness of provisions by verifying the computation of defect rates, vendors recovery and mathematical accuracy of management calculations and obtaining management statements, evidence and supporting documents.
f. Assessed the adequacy and appropriateness of the relevant disclosures made in the Consolidated Financial Statements.</td></tr>
</table>

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3	**Ongoing litigations and related accounting and disclosure of provisions and contingent liabilities, including provision for tax** (Refer Note 29 of Consolidated Financial Statement) The Company has unsettled tax matters under ongoing litigations and disputes with regulatory authorities, which involves significant judgment to determine probable, possible or a reliable estimate of the outcome of the dispute. These provisions are estimated using a significant degree of management judgement in interpreting the various relevant rules, regulations and practices. Further these amounts are likely to have a significant impact on the Consolidated Financial Statements. Provision for tax is also based on the presumption of significant estimates and assumptions on the allowability/ disallowability of claims at the assessment level. Accordingly, this is considered as the key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a. Obtained an understanding of the key uncertain tax provisions and also obtained information of completed tax assessments and demands / refunds received by the Company during the financial year. b. Reviewed the processes and design, implementation and operating effectiveness of controls in place over tax assessments and demands / refunds through discussions with the management's internal experts / external consultants and reviewed the communications with those charged with governance pertaining to this issue. c. Involved our internal tax experts ("auditor's expert") to discuss with the appropriate management to critically evaluate the key assumptions in estimating the tax provisions and assessed the possible outcome of the assessment / demands of the disputed claims. Our tax experts considered past precedence and other rulings in evaluating Company's position on these uncertain tax positions. d. Further, considered the effect of all the information in respect of uncertain tax positions as at 31st March, 2023 and provision for tax to evaluate whether it was necessary to revise the Company's position on these uncertainties. e. Assessed the adequacy and appropriateness of the relevant disclosures made in the Consolidated Financial Statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, etc but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial

Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matter

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 545.26 crores as at 31st March, 2023, total revenues of ₹ 1,070.85 crores and net cash flows amounting to ₹ 31.40 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

    d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

    e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group, incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

    g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group

- Refer Note 29 to the Consolidated Financial Statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

iv. a. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

v. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries, that are Indian companies under the Act, we report that:

a. the final dividend paid by the Holding Company and its two subsidiaries during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

b. the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of their respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 11(h) to the Consolidated Financial Statements)

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, and its subsidiary companies, incorporated in India only w.e.f. 1st April, 2023, reporting under this clause is not applicable.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group, to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries, in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the Consolidated Financial Statements are as follows:

Sr. No.	Name of the Company	CIN	Type of Company	Clause number of the CARO Report which is qualified
1	Butterfly Gandhimathi Appliances Limited	L28931TN1986PLC012728	Subsidiary	Clause (ii)(b) Clause (xi)(a) Clause (xx)(a)

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Partner
Membership No.: 207132
UDIN: 23207132BGQRZM7645

Place: Mumbai
Date: 19th May, 2023

Annexure A to the Independent Auditor's Report on even date on the Consolidated Financial Statements of Crompton Greaves Consumer Electricals Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the year ended 31st March, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Partner
Membership No.: 207132
UDIN: 23207132BGQRZM7645

Place: Mumbai
Date: 19th May, 2023

Annexure B to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Crompton Greaves Consumer Electricals Limited

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Crompton Greaves Consumer Electricals Limited on the Consolidated Financial Statements for the year ended 31st March, 2023]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of Crompton Greaves Consumer Electricals Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March, 2023, based on the criteria for internal control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the criteria for internal control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements in so far as it relates to three subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Partner
Membership No.: 207132
UDIN: 23207132BGQRZM7645

Place: Mumbai
Date: 19th May, 2023

Consolidated Balance Sheet

as at 31st March, 2023

₹ crore

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2 A	408.02	404.53
(b) Capital work-in-progress	2 E	5.46	13.00
(c) Right to use assets	2 B	75.95	71.10
(d) Intangible Assets	2 C	1,285.46	1,285.46
(e) Other intangible assets	2 D	1,480.51	1,512.38
(f) Intangible assets under development	2 F	21.05	-
(g) Financial assets			
(i) Investments	3 A	0.35	0.34
(ii) Trade receivables	7 A	15.49	21.83
(iii) Other financial asset	4 A	18.73	15.39
(h) Non-current tax assets (net)		9.36	13.83
(i) Other non-current assets	5 A	75.76	67.31
Total non-current assets		**3,396.14**	**3,405.17**
(2) Current assets			
(a) Inventories	6	743.85	721.04
(b) Financial assets			
(i) Investments	3 B	547.83	623.83
(ii) Trade receivables	7 B	670.56	593.60
(iii) Cash and cash equivalents	8	76.84	171.62
(iv) Bank balances other than (iii) above	9	32.64	743.57
(v) Loans	10	0.66	1.23
(vi) Other financial assets	4 B	18.97	14.16
(c) Current tax assets (net)		19.81	23.81
(d) Other current assets	5 B	147.13	150.56
Total current assets		**2,258.29**	**3,043.42**
TOTAL ASSETS		**5,654.43**	**6,448.59**

Consolidated Balance Sheet (Contd..)

as at 31st March, 2023

₹ crore

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	127.22	126.68
(b) Other equity	12	2,532.77	2,326.28
Equity attributable to equity holders of parent		**2,659.99**	**2,452.96**
(c) Non-controlling interests	13	447.71	782.45
Total equity		**3,107.70**	**3,235.41**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14 A	597.18	4.56
(ii) Lease liabilities	32	55.93	44.14
(iii) Trade payables	16 A		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		-	-
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		13.19	8.07
(b) Deferred tax liabilities (net)	19	12.27	39.43
(c) Provisions	15 A	131.23	109.55
Total non-current liabilities		**809.80**	**205.75**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14 B	325.00	1,602.95
(ii) Lease liabilities	32	27.00	34.08
(iii) Trade payables	16 B		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises		245.18	120.18
(b) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		790.20	889.53
(iv) Other financial liabilities	17	73.50	44.84
(b) Other current liabilities	18	98.37	133.61
(c) Provisions	15 B	168.48	182.24
(d) Current tax liabilities (net)		9.20	-
Total current liabilities		**1,736.93**	**3,007.43**
Total liabilities		**2,546.73**	**3,213.18**
TOTAL EQUITY AND LIABILITIES		**5,654.43**	**6,448.59**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
19th May, 2023

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2023

₹ crore

Particulars	Notes	2022-23	2021-22
Income			
I. Revenue from operations	20	6,869.61	5,394.11
II. Other income	21	66.78	72.65
III. Total Income (I+II)		**6,936.39**	**5,466.76**
IV. Expenses			
Cost of materials consumed	22	1,734.96	1,193.91
Purchase of stock-in-trade	23	3,011.32	2,467.57
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	(65.93)	40.30
Employee benefits expense	25	540.80	362.39
Finance costs	26	109.18	35.31
Depreciation and amortisation expense	2	115.92	42.28
Other expenses	27	877.99	560.49
Total Expenses (IV)		**6,324.24**	**4,702.25**
V. Profit before exceptional items and tax (III-IV)		**612.15**	**764.51**
Exceptional items	28	-	12.97
VI. Profit before tax		**612.15**	**751.54**
VII. Tax expenses:			
Current tax		178.62	159.52
Adjustment of tax relating to earlier periods		(16.71)	3.97
Deferred tax (credit)/ charge	19	(26.16)	9.67
Total Tax expenses (VII)		**135.75**	**173.16**
VIII. Profit for the year (VI-VII)		**476.40**	**578.38**
IX. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) on defined benefit plans		(3.33)	2.74
(ii) Income tax related to items that will not be reclassified to profit or loss		0.99	(0.69)
Other comprehensive income for the year (net of tax) (IX)		**(2.34)**	**2.05**
X. Total comprehensive income for the year (VIII+IX)		**474.06**	**580.43**
Profit attributable to:			
Owners of the Holding Company		463.21	578.38
Non-controlling interests		13.19	-
Other Comprehensive income attributable to:			
Owners of the Holding Company		(2.17)	2.05
Non-controlling interests		(0.17)	-
Total Comprehensive income attributable to:			
Owners of the Holding Company		461.04	580.43
Non-controlling interests		13.02	-
XI. Earnings per equity share (in ₹) of face value of ₹ 2 each	36		
1. Basic		7.29	9.21
2. Diluted		7.27	9.17

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

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Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
19th May, 2023

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2023

(A) EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore
Balance as at the beginning of the reporting year	63,34,05,959	126.68	62,76,91,353	125.54
Changes in equity share capital during the year	27,03,760	0.54	57,14,606	1.14
Balance as at the end of the reporting year	**63,61,09,719**	**127.22**	**63,34,05,959**	**126.68**

(B) OTHER EQUITY

₹ crore

Particulars	Reserves and Surplus					Other comprehensive income	Equity attributable to equity holders of the parent	Non-Controlling Interest	Total Other Equity
	Capital Reserve	Securities premium	Employee stock options outstanding account	Debenture redemption reserve	Retained earnings	Remeasurement gain / (loss) on defined benefit plans			
Balance as at 01st April, 2021	**0.05**	**24.01**	**162.53**	**75.00**	**1,543.09**	**1.18**	**1,805.85**	**-**	**1,805.85**
Profit for the year	-	-	-	-	578.38	-	578.38	-	578.38
Additions on account of acquisition through business combination (Refer note 34)	-	-	-	-	-	-	-	782.45	782.45
Dividends paid	-	-	-	-	(156.96)	-	(156.96)	-	(156.96)
Securities premium received	-	59.20	-	-	-	-	59.20	-	59.20
Amount transferred to / (from) Securities premium	-	61.66	(61.66)	-	-	-	-	-	-
Amount transferred to / (from) Retained earnings	-	-	-	-	-	-	-	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	2.05	2.05	-	2.05
Employee compensation expense for the year (Refer Note 25)	-	-	37.76	-	-	-	37.76	-	37.76
Balance as at 31st March, 2022	**0.05**	**144.87**	**138.63**	**75.00**	**1,964.51**	**3.23**	**2,326.28**	**782.45**	**3,108.73**
Profit for the year	-	-	-	-	476.40	-	476.40	-	476.40
Additions on account of acquisition through business combination (Refer note 34)	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(158.41)	-	(158.41)	-	(158.41)
Securities premium received	-	41.06	-	-	-	-	41.06	-	41.06
Amount transferred to / (from) Securities premium	-	23.58	(23.58)	-	-	-	-	-	-
Amount transferred to / (from) Retained earnings	-	-	(1.81)	(75.00)	66.13	-	(10.68)	13.19	2.51
Movement in Other comprehensive income for the year	-	-	-	-	-	(2.16)	(2.16)	(0.18)	(2.34)
Employee compensation expense for the year (Refer Note 25)	-	-	27.17	-	-	-	27.17	-	27.17
Adjustment for changes in ownership interests	-	-	-	-	(166.89)	-	(166.89)	(347.75)	(514.64)
Balance as at 31st March, 2023	**0.05**	**209.51**	**140.41**	**-**	**2,181.73**	**1.07**	**2,532.77**	**447.71**	**2,980.48**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

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Managing Director and
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Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
19th May, 2023

Consolidated Statement of Cash Flows

for the year ended 31st March, 2023

₹ crore

Particulars	2022-23	2021-22
[A] CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**612.15**	**751.54**
Adjustments for:		
Depreciation and amortisation expense	115.92	42.29
Finance cost	109.18	35.31
(Gain)/loss on sale of property, plant and equipment	(3.75)	0.14
Share-based payments to employees	27.17	37.76
Net gain on sale/ fair valuation of investments	(15.75)	(36.94)
Interest income	(45.92)	(28.52)
Unrealised exchange (gain) / loss (net)	(2.69)	1.12
Exceptional items	-	12.97
	184.16	**64.13**
Cash generated from operations before working capital changes	**796.31**	**815.67**
Adjustments for:		
(Increase) / Decrease in trade receivables	(70.62)	(61.74)
(Increase) / Decrease in inventories	(22.81)	7.29
(Increase) / Decrease in other financial and non financial assets	(14.89)	16.46
Increase / (Decrease) in trade payables	33.49	57.71
(Decrease) / Increase in other financial and non financial liabilities	(33.62)	64.05
Increase / (Decrease) in provisions	4.59	16.73
	(103.86)	**100.50**
Cash generated from operations	**692.45**	**916.17**
Income tax paid (net of refunds)	(139.86)	(179.82)
Net cash generated from operating activities [A]	**552.59**	**736.35**
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Add: Inflows from investing activities		
Interest received	43.18	37.03
Proceeds from sale of Investment in subsidiary (net)	161.08	-
Proceeds from current investments (net)	91.75	182.85
Proceeds from sale of property, plant and equipment	8.28	0.56
	304.29	**220.44**
Less: Outflows from investing activities		
Investment in subsidiaries	672.96	1,392.97
(Increase) / Decrease in other bank balances and term deposits	(710.93)	392.17
Purchase of property, plant and equipment and intangible assets (including assets under development & capital advances)	79.10	171.15
	41.13	**1,956.29**
Net cash generated from / (used in) investing activities [B]	**263.16**	**(1,735.85)**

Consolidated Statement of Cash Flows (Contd..)

for the year ended 31st March, 2023

₹ crore

Particulars	2022-23	2021-22
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Add: Inflows from financing activities		
Proceeds from issue of equity shares	41.60	60.33
Proceeds from issue of debentures	925.00	-
Proceeds from short-term borrowings	-	1,406.90
	966.60	**1,467.23**
Less: Outflows from financing activities		
Payment of dividend including dividend distribution tax	157.78	156.35
Repayment of debentures	150.00	330.00
Repayment of other long-term borrowings	9.36	-
Repayment of short-term borrowings	1,449.80	-
Payment of lease liability	33.72	23.01
Interest paid	76.47	50.53
	1,877.13	**559.89**
Net cash (used in)/ generated from financing activities [C]	**(910.53)**	**907.34**
Net decrease in cash and cash equivalents (A+B+C)	**(94.78)**	**(92.16)**
(a) Cash and cash equivalents at beginning of the year	171.62	262.42
(b) Cash and cash equivalents at end of the year	76.84	170.26
(c) Net decrease in cash and cash equivalents (c = b-a)	**(94.78)**	**(92.16)**
(d) Cash and cash equivalents of Butterfly Gandhimathi Appliances Limited at the end of year	-	1.36
Consolidated Cash and cash equivalents movement (with Butterfly Gandhimathi Appliances Limited balance)		
(e) Cash and cash equivalents at end of the year (e = b+d)	**76.84**	**171.62**

Consolidated Statement of Cash Flows(Contd..)

for the year ended 31st March, 2023

Notes:

(i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).

(ii) Changes in liabilities arising from financing activities :

₹ crore

Particulars	As at 01st April, 2022	Cash flow changes		Non-cash flow changes		As at 31st March, 2023
		Receipts	Payments	Unamortized expenses	Others	
Non-current borrowings (Refer Note 14A)	4.56	925.00	(4.56)	(2.82)	(325.00)	597.18
Current borrowings (Refer Note 14B)	1,602.95	-	(1,604.60)	1.65	325.00	325.00
Total	**1,607.51**	**925.00**	**(1,609.16)**	**(1.17)**	**-**	**922.18**

₹ crore

Particulars	As at 01st April, 2021	Cash flow changes		Non-cash flow changes		As at 31st March, 2022
		Receipts	Payments	Unamortized expenses	Others*	
Non-current borrowings (Refer Note 14A)	298.79	-	(150.00)	1.08	(145.31)	4.56
Current borrowings (Refer Note 14B)	180.00	1,406.90	(180.00)	(1.52)	197.57	1,602.95
Total	**478.79**	**1,406.90**	**(330.00)**	**(0.44)**	**52.26**	**1,607.51**

* includes financial libilities assumed through acquisition of Butterfly

As per our report of even date attached

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Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
19th May, 2023

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

CORPORATE INFORMATION

Crompton Greaves Consumer Electricals Limited (the 'Company' or 'Crompton' or 'Holding Company') is engaged in the business of manufacturing, trading, selling and distribution of fans, lighting, pumps and appliances. The Company is a public limited company incorporated and domiciled in India and has its registered office at Mumbai, India.

The consolidated financial statements comprise the financial statements of Crompton Greaves Consumer Electricals Limited (the 'Company') and its subsidiaries (collectively, the 'Group'). Refer Note 46 for list of subsidiaries.

1. Significant Accounting policies

1) Statement of compliances and basis of preparation and presentation

A. Statement of compliance

The consolidated financial statements have been prepared in compliance with Indian Accounting Standards (the 'Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

B. Basis of presentation and consolidation

The Balance sheet and the Statement of profit and loss are prepared and presented in the format prescribed in the Division II of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7, *Statement of Cash Flows*. The disclosure requirements with respect to items in the Balance sheet and Statement of profit and loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The consolidated financial statements of the Group for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors on 19th May, 2023.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The consolidated financial statements of the Company and its subsidiaries have been combined on a line by-line basis by adding together the book values of like items of assets and liabilities, after eliminating intra-group balances, intra-group transactions and the unrealised profits/losses, unless cost/revenue cannot be recovered.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for.

Non-controlling interests ('NCI') in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests represent that part of the total comprehensive income and net assets of subsidiaries attributable to the interests which is owned, directly or indirectly, by the Holding Company.

The consolidated financial statements are presented in INR, the functional currency of the Group. Items included in the consolidated financial statements of the Group are recorded using the currency of the primary economic environment in which the Group operates (the 'functional currency').

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

C. Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and a historical cost convention, except for the following assets and liabilities which have been measured at fair value:

i) Financial instruments measured at fair value through profit or loss; and

ii) Defined benefit plans – plan assets measured at fair value

iii) Share based payment transactions

These financial statements are prepared by applying uniform accounting policies with those used by the parent Company.

D. Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes are presented in crore and have been rounded off to two decimals as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

2) Key estimates and assumptions

The preparation of consolidated financial statements requires the management to make judgments, use estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are described below:

A. Goodwill impairment

For testing of impairment of goodwill, if events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the Cash Generating Units ('CGUs') (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount is the higher of fair value less costs to sell and value in use, both of which are calculated by the group using a discounted cash flow analysis. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimation and judgments involve, but are not limited to, industry trends including pricing, estimating long-term revenues, revenue growth and operating expenses. An impairment loss recognised for goodwill is not reversed in subsequent periods.

B. Provision for warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years. (Refer Note 15)

Estimates are made of the expected reimbursement claim based upon historical levels of recoveries from supplier, applied to the volume of product under warranty as on Balance Sheet date. Supplier reimbursements are recognised as separate asset as expected recoverable from vendors against warranty.

C. Estimates related to Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. (Refer Note 38)

D. Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 19)

E. Measurement of Defined Benefit Obligations, key actuarial assumptions

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. (Refer Note 33).

Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

F. Contingent Liabilities

It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities. The Group does not expect any reimbursements in respect of the contingent liabilities. The Group's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

3) Foreign currency translation

A. Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency').

The consolidated financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

B. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing on reporting date are generally recognized in Statement of profit and loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

4) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency forward contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

A. Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

i) those measured at amortised cost, and

ii) those to be measured at fair value either through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

After initial recognition, financial assets are measured at Fair value through Other Comprehensive Income ('FVOCI') or through profit or loss ('FVPL') or amortised cost.

Debt instruments

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost**

  Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. A gain or loss on a debt investment (unhedged) that is subsequently measured at amortised cost is recognised in the Statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate ('EIR') method.

- **Fair value through profit or loss** ('FVTPL') category are measured at fair value with all changes recognised in the Statement of profit and loss.

De-recognition

A financial asset (or where applicable, a part of a financial asset or part of similar assets) is primarily derecognised (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

- When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.
- On derecognition of financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.
- If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized and the proceeds received are recognised as a collateralized borrowing.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies expected credit loss ('ECL') model for recognition and measurement of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost
- Trade receivables using the simplified approach. This does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

B. Financial liabilities

The Group's financial liabilities comprise of borrowings including bank overdrafts and derivative financial instruments, trade payable and other liabilities.

Classification

The Group classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are initially measured at fair value. In the case of loans and borrowings and payables, financial liability is recognised net of directly attributable transaction costs.

Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. The EIR is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period at effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of profit and loss.

Other financial liabilities

These are measured at amortised cost using the effective interest method.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

the event of default, insolvency or bankruptcy of the Group or the counterparty

Derivative financial instruments

The Group uses derivative financial instruments, such as foreign currency forward contracts and foreign currency option contracts to manage its exposure to foreign exchange risks. For these contracts, hedge accounting is not followed, and such designated derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value through profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time of issuance of guarantee. A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised.

5) Fair Value Measurement:

The Group measures financial instruments such as derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability, or

ii) In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Group.

Fair value measurements are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entity:

Level 1: Financial instruments measured using quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date are included in Level 1;

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimate. If all significant inputs require to fair value an instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Above levels of fair value hierarchy are applied consistently and generally, there are no transfers between the levels of the fair value hierarchy unless the circumstances change warranting such transfer.

6) Property, plant and equipment ('PPE')

A. Recognition and measurement

Freehold land is carried at historical cost. All other items of PPE are measured at cost less accumulated depreciation and any accumulated impairment losses, if any.

The cost of an item of PPE comprises:

i) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

ii) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

PPE which are not ready for intended use as on the date of Balance sheet are disclosed as Capital work-in-progress. Where cost of a part of an asset (asset component) is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately, and such asset component is depreciated over its separate useful life.

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Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in Statement of profit and loss.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss

B. Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

C. Depreciation

Depreciable amount for assets is the cost of an asset or other amount substituted for cost less its estimated residual value. Depreciation on PPE (other than leasehold land) has been provided based on useful life of the assets as estimated by the management on Straight Line Method. The useful lives used are in agreement with those specified in Schedule II to the Companies Act, 2013 except in respect of following category of property, plant and equipment where the useful life is considered differently based on technical evaluation.

Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

- Plant and equipment - maximum 21 years
- Furniture and fixtures - maximum 15 years

Premium paid on leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the management estimate of useful life, where the lease period is beyond the life of the building. In other cases, buildings constructed on leasehold land is amortised over the primary lease period of the land.

Depreciation on addition to/deductions from, owned assets is calculated *pro rata* to the period of use. Depreciation methods estimated useful lives and residual values are reviewed at each reporting date and the effect of any change in the estimates of useful life/ residual value is adjusted prospectively.

Gains or losses arising from derecognition of a PPE are measured as the difference between the disposal proceeds and the carrying amount of the asset and are accordingly recognised in the Statement of profit and loss.

7) Intangible assets

A. Recognition and measurement

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

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises of its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of the asset. These are included in Statement of profit and loss within other gains/ (losses).

The estimated useful life and amortisation methods are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

B. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

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for the year ended 31st March, 2023

C. Amortisation

Other intangible assets	Useful life (in years)
Product Development	Up to 5
Non-compete*	5
Distribution Networks*	8
Computer Software	5-10
Trademark	Indefinite
Technical knowhow/R&D	Indefinite
Brand*	Indefinite

* Intangible assets acquired through Business combination

Intangible assets with finite useful life are amortized on a straight-line basis over their estimated useful life and are assessed for impairment whenever there is an indication for impairment. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows are considered to have an indefinite life. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues. If not, it is impaired or changed prospectively basis revised estimates.

D. Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. (Refer Note 37 for a description of impairment testing procedures)

E. Research and development cost

i) Research cost

Revenue expenditure on research is charged to Statement of profit and loss under the respective heads of accounts in the period in which it is incurred.

ii) Development cost

Development expenditure on new product is capitalised as intangible asset, if the Group can demonstrate all of the following:

i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) its intention to complete the development of intangible asset and use or sell it;

iii) its ability to use or sell the intangible asset;

iv) How the asset will generate future economic benefits including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;

v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

vi) its ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development costs on the intangible assets, fulfilling the criteria are amortised over its useful life, otherwise are expensed in the period in which they are incurred.

Intangibles which are not ready for intended use as on the date of Balance sheet are disclosed as Intangible assets under development.

8) Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less costs of disposal and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at their lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. An

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impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognised or relates to a change in the estimate of the recoverable amount in the previous periods. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

9) Inventories

Inventories are valued at the lower of cost and net realisable value.

Raw materials, packaging materials and stores and spare parts:

Valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods:

Valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Provision for obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

10) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at banks, call deposits and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

11) Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Holding Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

Acquisition-related costs are recognised in the statement of profit and loss as incurred, except to the extent related to the issue of debt or equity securities. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date. Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible Assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Such goodwill is tested annually for impairment.

12) Borrowings and loans

Borrowings and loans are initially recognised at fair value, net of transaction costs incurred. It is subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs that are an integral part of the effective interest rate. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of profit and loss over the period of borrowings using the effective interest rate.

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for the year ended 31st March, 2023

13) **Leases**

The Group as a lessee:

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset; (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a Right-of-Use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit ('CGU') to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance sheet and lease payments have been classified as financing cash flows.

14) **Employee benefit plans**

A. Short-term employee benefits:

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

B. Post-employment benefits:

Defined contribution plans:

The Group's contribution to defined contribution plans, namely State governed provident fund, superannuation fund, employee state insurance scheme, employee pension scheme and labour welfare fund are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. The contributions are classified as Defined Contribution Scheme as the Group has no further defined obligations beyond the monthly contributions.

Defined benefit plans:

Defined benefit schemes in the form of gratuity liability and post-retirement medical benefits, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit

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entitlement and measures each unit separately to build up the final obligation.

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

Changes in the present value of the defined benefit obligation resulting from Investment plan amendments are recognised immediately in the Statement of profit or loss as past service cost.

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

In case of funded plans, the fair value of the plan asset is reduced from the gross obligations under the defined benefit plans to recognize the obligation on a net basis.

C. Long-term employee benefits:

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

D. Termination benefits:

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

E. Share-based Payments:

Employees of the Group receive remuneration in the form of Share-based Payments in consideration of the services rendered.

Under the equity settled share-based payment, the fair value on the grant date of the award given to employees is recognised as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Group issues fresh equity shares.

15) Provisions, contingent liabilities, contingent assets and commitments

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate of the amount can be made. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed when there is a possible but not probable obligation arising from past events, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are disclosed in the consolidated financial statements when an inflow of economic benefit is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be extracted on capital account and not provided for.

16) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. (Refer Note 19)

a) Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year or on the basis of book profits wherever minimum alternate tax ('MAT') is applicable. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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Current tax assets and liabilities are offset only if:

i) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and

ii) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for deductible temporary differences (if any) to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary difference or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax asset can be realized.

Deferred tax assets and deferred tax liabilities are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset, only if, they relate to income taxes levied by the same taxation authority on the same taxable entity.

17) Revenue from contract with customers

The Group recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or services to a customer. Revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of assets (goods or services) to a customer is done over time and in other cases, performance obligations satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation and the progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation. Revenue excludes goods and services tax which is recorded separately.

Sale of Goods

The Group recognizes revenue from sale of goods measured upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Appropriate provisions are recorded for returns and discounts/incentives which are estimated on the basis of historical experience, market assessment and various discount programs launched by the Group.

Rendering of services

The Group primarily earns revenue from installation, operations and maintenance services which is recognised over the period when services are rendered.

Income from services are recognized as and when performance obligation is met.

Interest income

Interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial

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for the year ended 31st March, 2023

Instruments, and where no significant uncertainty as to measurability or collectability exists.

Other income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

18) Government grants & incentives

Government incentives, such as export benefits etc., are recognised at fair value when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received.

The Government incentives are recognised in profit or loss on a systematic basis over the period in which the Group recognizes as expenses. The related costs for which the incentives are intended to compensate or immediately if the costs have already been incurred.

19) Borrowing costs

Borrowing costs include interest and other costs incurred in connection with the borrowing of funds and charged to Statement of profit and loss on the basis of effective interest rate. Borrowing costs net of any investment income from temporary investment of related borrowings that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are recognised as expense in the Statement of profit or loss in the period in which they are incurred.

20) Earnings per share ('EPS')

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

21) Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group. Such income or expense is classified as an exceptional item and accordingly, disclosed in the notes to the consolidated financial statements.

22) Segment accounting

The segment reporting of the Group has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provision of the Act).

The Chief Operating Decision Maker ('CODM') monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "unallocable".

Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets, borrowings and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "unallocable".

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

23) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit or loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

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Cash and cash equivalents (including bank balances) shown in the Statement of cash flows exclude items which are not available for general use as at the date of balance sheet.

24) Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On 31st March, 2023 MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

A. **Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

B. **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

C. **Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

D. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

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2 Property, plant and equipment and Intangible assets

₹ crore

ASSETS	Gross block (Cost)					Depreciation/ Amortisation				Net Block	
	As at 1st April, 2022	Additions	Acquisition through Business Combination*	Deductions	As at 31st March, 2023	As at 31st March, 2022	For the year@	Deductions	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
A. Property, plant and equipment											
Freehold land (Refer Note ii)	178.40	0.55	-	-	178.95	-	-	-	-	178.95	178.40
Leasehold land	2.69	-	-	-	2.69	0.81	0.01	-	0.82	1.87	1.88
Buildings (Refer Note ii)	94.18	4.63	-	0.53	98.28	9.83	4.59	0.13	14.29	83.99	84.35
Leasehold Improvements	5.79	0.16	-	-	5.95	0.55	1.34	-	1.89	4.06	5.24
Plant and equipment (Including Tools & Dies)	150.17	33.23	-	9.81	173.59	44.77	28.34	8.77	64.34	109.25	105.40
Furniture and fixtures	9.27	0.71	-	0.11	9.87	3.06	1.37	0.09	4.34	5.53	6.21
Electrical Installations and Equipment	4.47	0.85	-	0.10	5.22	-	0.70	0.05	0.65	4.57	4.47
Office equipment	20.70	7.21	-	1.20	26.71	11.16	5.20	1.49	14.87	11.84	9.54
Vehicles	11.42	4.92	-	6.86	9.48	2.38	2.08	2.94	1.52	7.96	9.04
Sub-total A	**477.09**	**52.26**	**-**	**18.61**	**510.74**	**72.56**	**43.63**	**13.47**	**102.72**	**408.02**	**404.53**
B. Right-of-Use assets (Refer Note 32)	103.41	36.66	-	11.28	128.79	32.31	27.35	6.82	52.84	75.95	71.10
Sub-total B	**103.41**	**36.66**	**-**	**11.28**	**128.79**	**32.31**	**27.35**	**6.82**	**52.84**	**75.95**	**71.10**
C. Intangible assets											
Goodwill (Refer Note 37)	1,285.46	-	-	-	1,285.46	-	-	-	-	1,285.46	1,285.46
Sub-total C	**1,285.46**	**-**	**-**	**-**	**1,285.46**	**-**	**-**	**-**	**-**	**1,285.46**	**1,285.46**
D. Other Intangible assets											
Computer software	11.35	2.13	-	-	13.48	8.50	0.90	-	9.40	4.08	2.85
Technical knowhow	1.90	-	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Research and development	0.68	-	-	-	0.68	0.64	-	-	0.64	0.04	0.04
Trademark and Patents	32.91	-	-	-	32.91	-	-	-	-	32.91	32.91
Brand	1,163.06	-	-	-	1,163.06	-	-	-	-	1,163.06	1,163.06
Non-Compete	108.45	-	-	-	108.45	-	21.69	-	21.69	86.76	108.45
Distribution Networks	205.06	-	-	-	205.06	-	25.63	-	25.63	179.43	205.06
Product Development	-	15.77	-	-	15.77	-	1.55	-	1.55	14.22	-
Sub-total D	**1,523.41**	**17.90**	**-**	**-**	**1,541.31**	**11.03**	**49.77**	**-**	**60.80**	**1,480.51**	**1,512.38**
Total A + B + C + D	3,389.37	106.82	-	29.89	3,466.30	115.90	120.75	20.29	216.36	3,249.94	3,273.47

*Refer Note 34- Business Combination

@During the year, the Group has capitalised depreciation of ₹ 4.83 crore under Product Development & Intangible assets under development as a Development cost as per Ind AS 38.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

2 Property, plant and equipment and Intangible assets (Contd..)

₹ crore

ASSETS	Gross block (Cost)					Depreciation/ Amortisation				Net Block	
	As at 1st April, 2021	Additions	Acquisition through Business Combination*	Deductions	As at 31st March, 2022	As at 31st March, 2021	For the year	Deductions	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
A. Property, plant and equipment											
Freehold land (Refer Note ii)	4.41	95.11	78.88	-	178.40	-	-	-	-	178.40	4.41
Leasehold land	2.69	-	-	-	2.69	0.78	0.03	-	0.81	1.88	1.91
Buildings (Refer Note ii)	45.92	4.52	44.14	0.40	94.18	8.06	2.15	0.38	9.83	84.35	37.86
Leasehold Improvements	-	5.79	-	-	5.79	-	0.55	-	0.55	5.24	-
Plant and equipment (Including Tools & Dies)	82.28	22.69	52.23	7.03	150.17	38.80	12.34	6.37	44.77	105.40	43.48
Furniture and fixtures	4.74	1.94	3.06	0.47	9.27	2.66	0.61	0.21	3.06	6.21	2.08
Electrical Installations and Equipment	-	-	4.47	-	4.47	-	-	-	-	4.47	-
Office equipment	14.64	5.02	2.08	1.04	20.70	8.95	3.14	0.93	11.16	9.54	5.69
Vehicles	4.23	3.77	4.47	1.05	11.42	2.23	0.97	0.82	2.38	9.04	2.00
Sub-total A	**158.91**	**138.84**	**189.33**	**9.99**	**477.09**	**61.48**	**19.79**	**8.71**	**72.56**	**404.53**	**97.43**
B. Right-of-Use assets (Refer Note 32)	54.89	59.87	1.76	13.11	103.41	19.56	21.00	8.25	32.31	71.10	35.33
Sub-total B	**54.89**	**59.87**	**1.76**	**13.11**	**103.41**	**19.56**	**21.00**	**8.25**	**32.31**	**71.10**	**35.33**
C. Intangible assets											
Goodwill (Refer Note 37)	779.41	-	506.05	-	1,285.46	-	-	-	-	1,285.46	779.41
Sub-total C	**779.41**	**-**	**506.05**	**-**	**1,285.46**	**-**	**-**	**-**	**-**	**1,285.46**	**779.41**
D. Other Intangible assets											
Computer software	9.77	0.80	0.78	-	11.35	7.00	1.50	-	8.50	2.85	2.77
Technical knowhow	1.90	-	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Research and development	0.68	-	-	0.00	0.68	0.64	-	-	0.64	0.04	0.04
Trademark and Patents	-	32.91	-	-	32.91	-	-	-	-	32.91	-
Brand	-	-	1,163.06	-	1,163.06	-	-	-	-	1,163.06	-
Non-Compete	-	-	108.45	-	108.45	-	-	-	-	108.45	-
Distribution Networks	-	-	205.06	-	205.06	-	-	-	-	205.06	-
Product Development	-	-	-	-	-	-	-	-	-	-	-
Sub-total D	**12.35**	**33.71**	**1,477.35**	**0.00**	**1,523.41**	**9.53**	**1.50**	**-**	**11.03**	**1,512.38**	**2.82**
Total A + B + C + D	**1,005.56**	**232.42**	**2,174.49**	**23.10**	**3,389.37**	**90.57**	**42.29**	**16.96**	**115.90**	**3,273.47**	**914.99**

*Refer Note 34- Business Combination

E. Capital work-in-progress ('CWIP')

(i) CWIP Movement

₹ crore

Particulars	2022-23	2021-22
As at 1st April	**13.00**	**10.86**
Add: Additions during the year	23.36	18.20
Add: Acquisition through Business Combination	-	5.50
Less: Capitalized during the year	30.90	21.56
As at 31st March	**5.46**	**13.00**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

2 Property, plant and equipment and Intangible assets (Contd..)

(ii) CWIP Ageing schedule

₹ crore

As at 31st March, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4.40	0.87	0.07	0.12	5.46
Projects temporarily suspended	-	-	-	-	-

₹ crore

As at 31st March, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	10.88	2.00	0.12	-	13.00
Projects temporarily suspended	-	-	-	-	-

CWIP where completion is overdue or has exceeded its cost compared to its original plan is Nil (Previous year Nil).

F. Intangible Assets under Development ('IAUD')

(i) IAUD Movement

₹ crore

Particulars	2022-23	2021-22
As at 1st April	-	-
Add: Additions during the year	21.05	-
Less: Capitalized during the year	-	-
As at 31st March	21.05	-

(ii) IAUD Ageing schedule

₹ crore

As at 31st March, 2023	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21.05	-	-	-	21.05
Projects temporarily suspended	-	-	-	-	-

₹ crore

As at 31st March, 2022	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

IAUD where completion is overdue or has exceeded its cost compared to its original plan is Nil (Previous year Nil).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

2 Property, plant and equipment and Intangible assets (Contd..)

Notes:

(i) Carrying amount of property, plant and equipment and intangible assets given as collateral for borrowings is ₹ 779.41 crore; (Previous year ₹ 785.35 crore).

(ii) Title deeds of immovable property not held in name of the Group

₹ crore

Description of item of property	Gross carrying value (₹ crore) 31st March, 2023	Gross carrying value (₹ crore) 31st March, 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	In the books of	Reason for not being held in the name of the Group
Building	-	0.67	Crompton Greaves Ltd.	No	01st January, 2016	Crompton Greaves Consumer Electricals Limited	Title deeds of Office premise was not transferred at the time of "Scheme of Arrangement" in year 2015, in the name of the Company. However, the same was in possession of the company. Subsequently in current year, these assets have been transferred to Crompton Greaves Ltd.
Land	0.10	0.10	Hercules Metal Processors	Erstwhile Directors are partners of the firm	21st March, 1990	Butterfly Gandhimathi Appliances Limited	For want of original revenue records (name change is under process)

(iii) There have been no proceedings initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iv) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

3 Investments

A Non-current investments

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at Fair value through Profit and Loss		
Investment in Mutual funds (Quoted)	0.35	0.34
Reliance - Nippon India large cap fund - Growth plan growth option 30,777.754 units (PY 30,777.754 units)		
SBI - Equity hybrid fund regular growth 9233.593 units (PY 9233.593 units)		
	0.35	**0.34**
Aggregate amount of quoted investments:		
Book value	0.20	0.20
Market value	0.35	0.34

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

3 Investments (Contd..)

B Current investments

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at Fair value through Profit and Loss		
Investment in Bonds (Quoted)	265.20	32.08
Investment in Mutual funds (Unquoted)	282.63	591.75
	547.83	**623.83**
Details of investments:		
Aggregate book value of:		
Quoted investments	265.20	32.08
Unquoted investments (accounted based on NAV)	282.63	591.75
	547.83	**623.83**
Aggregate market value of:		
Quoted investments	265.20	32.08
Unquoted investments	-	-
	265.20	**32.08**

(Refer Note 40 A for information about fair value measurement and Note 40 D (i) for credit risk of investments)

4 Other financial assets

A Other financial assets - Non-current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits (unsecured, considered good)	18.73	14.18
Others (including margin money)	-	1.21
	18.73	**15.39**

B Other financial assets - current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits (unsecured, considered good)	18.97	14.16
	18.97	**14.16**

5 Other assets

A Other assets - Non-current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital advances (net)	10.09	9.84
Expected recoverable from vendors against warranty	43.39	34.80
Amount paid under protest	22.28	22.67
	75.76	**67.31**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

5 Other assets (Contd..)

B Other assets - Current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance to suppliers	33.85	37.89
Balances with Indirect tax authorities	11.97	19.58
Expected recoverable from vendors against warranty	27.03	29.28
Prepaid expenses	24.24	10.08
Contract Assets	3.88	23.76
Others	46.16	29.97
	147.13	**150.56**

6 Inventories

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
(At lower of cost and net realisable value)		
Raw materials	116.45	141.47
Add: Goods-in-transit	1.25	4.21
	117.70	**145.68**
Work-in-progress	48.68	46.16
Finished goods	170.13	194.58
Add: Goods-in-transit	39.62	12.31
	209.75	**206.89**
Stock-in-trade	261.66	233.73
Add: Goods-in-transit	63.72	31.31
	325.38	**265.04**
Stores, spares and packing materials	42.34	57.27
	743.85	**721.04**

Note:

Inventories are hypothecated with the bankers against working capital facilities (Refer Note 14)

7 Trade receivables

A Trade receivables - Non current (valued at amortised cost)

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Considered good	15.49	21.83
	15.49	**21.83**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

7 Trade receivables (Contd..)

B Trade receivables - Current (valued at amortised cost)

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Considered good	670.56	593.60
Considered doubtful	56.40	43.06
	726.96	**636.66**
Less: Allowance for doubtful trade receivables	(56.40)	(43.06)
	670.56	**593.60**

Trade Receivables Ageing (Non-current and Current)

₹ crore

As at 31st March, 2023	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables-considered good	517.35	118.57	30.12	4.13	-	-	670.17
(ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	33.39	0.49	-	33.88
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	18.89	8.09	26.98
(iv) Disputed Trade receivables-considered good	0.02	0.30	0.01	0.13	-	-	0.46
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	0.70	4.11	-	4.81
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	0.13	6.02	6.15
Allowance for doubtful trade receivables							(56.40)
Total	**517.37**	**118.87**	**30.13**	**38.35**	**23.62**	**14.11**	**686.05**

₹ crore

As at 31st March, 2022	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables-considered good	499.70	46.57	38.27	4.64	-	-	589.18
(ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	29.77	4.77	-	34.54
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	7.55	18.57	26.12
(iv) Disputed Trade receivables-considered good	0.01	0.63	1.18	0.80	-	-	2.62
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	4.30	0.09	-	4.39
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	0.01	1.63	1.64
Allowance for doubtful trade receivables							(43.06)
Total	**499.71**	**47.20**	**39.45**	**39.51**	**12.42**	**20.20**	**615.43**

Notes:

a) The net carrying value of trade receivables is considered a reasonable approximation of fair value.

b) Book debts are hypothecated with the bankers against Working capital demand loan & Term Bank loan.(Refer Note 14)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

8 Cash and cash equivalents

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance with banks :		
In current accounts	68.74	27.06
In deposit accounts (with less than 3 months maturity)	8.00	143.99
In Margin Money	-	0.15
Cash on hand (including cash in transit)*	0.10	0.42
	76.84	**171.62**

*Includes INR equivalent of Foreign Currency

9 Bank balances other than Cash and cash equivalents

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposits with maturity more than 3 months but less than 12 months	25.00	64.00
Earmarked balances with banks		
Unclaimed dividend account	4.10	3.47
Others (escrow account)	-	666.58
Bank Balance as Margin money	3.54	9.52
	32.64	**743.57**

10 Loans

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured considered good		
Others	0.66	1.23
	0.66	**1.23**

11 Share capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Authorised capital				
Equity shares of ₹ 2 each	65,50,00,000	131.00	65,50,00,000	131.00
Issued, subscribed and paid-up				
Equity shares of ₹ 2 each, fully paid-up	63,61,09,719	127.22	63,34,05,959	126.68
	63,61,09,719	**127.22**	**63,34,05,959**	**126.68**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

11 Share capital (Contd..)

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Outstanding at the beginning of the year	63,34,05,959	126.68	62,76,91,353	125.54
Shares issued on account of exercising Employee stock option schemes	27,03,760	0.54	57,14,606	1.14
Outstanding at the end of the year	**63,61,09,719**	**127.22**	**63,34,05,959**	**126.68**

b. Rights, preferences and restrictions on shares

The Group has one class of share capital, i.e., equity shares having face value of ₹ 2 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

c. Details of shareholders holding more than 5% shares in the Group

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each fully paid				
Macritchie Investments Pte Ltd	-	0.00%	3,76,12,367	5.94%
SBI Mutual Fund	-	0.00%	3,60,86,076	5.70%
HDFC Trustee Company Ltd- A/C HDFC MID - CAP Opportunities Fund	3,55,50,615	5.59%	-	0.00%
Mirae Asset Large Cap Fund	3,19,62,928	5.02%	-	0.00%

d. Shares reserved for issuance under Stock Option Plans of the Group at face value of ₹ 2 (Also Refer Note 38)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Crompton Stock Option Plan 2016 (ESOP 2016)	9,92,576	0.20	18,93,854	0.38
Crompton Performance Share Plan 1 2016 (PSP 1)	44,10,033	0.88	55,38,176	1.11
Crompton Performance Share Plan 2 2016 (PSP 2)	23,27,297	0.47	30,79,392	0.62
Crompton Stock Option Plan 2019 (ESOP 2019)	85,66,950	1.71	82,64,317	1.65

e. No class of shares have been issued as bonus shares or for consideration other than cash by the Group during the period of five years immediately preceding the current year end.

f. No class of shares have been bought back by the Group during the period of five years immediately preceding the current year end.

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

h. The Board of Directors have recommended payment of final dividend of ₹ 3 (Rupees three only) per equity share of the face value of ₹ 2 each for the financial year ended 31st March, 2023.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

11 Share capital (Contd..)

i. Promoter Shareholding

Shares held by promoters at the end of the year 31st March, 2023			% change during the year
Promoter name	No. of shares	% of total shares	
	NIL		

Shares held by promoters at the end of the year 31st March, 2022			% change during the year
Promoter name	No. of shares	% of total shares	
Macritchie Investments Pte Ltd	3,76,12,367	5.94%	No change during the year
Total	**3,76,12,367**	**5.94%**	

Notes:

(i) The Group had received a request from Macritchie Investments Pte. Ltd and Seletar Investments Pte Ltd. on 9th June, 2022 for their re-classification from the Promoter Group category to Public category shareholder. In pursuance of the same, the Board of Directors of the Group ('the Board') in their meeting held on 13th June, 2022 had approved the request of reclassification and subsequently upon recommendation of the Board, shareholders of the Group approved the same in an Annual General Meeting of the Group held on 22nd July, 2022. In furtherance to the same an application was made to Stock Exchanges, which was approved on 21st December, 2022, following which Macritchie Investments Pte. Ltd and Seletar Investments Pte Ltd. are reclassified as public shareholders w.e.f 21st December, 2022.

(ii) As per records of the Group, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

12 Other equity

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital reserve	0.05	0.05
Securities premium	209.51	144.87
Employee stock option outstanding account	140.41	138.63
Retained earnings	2,348.62	1,964.51
Other comprehensive income	1.07	3.23
Debenture redemption reserve	-	75.00
Equity - Loss on acquisition of NCI	(166.89)	-
	2,532.77	**2,326.28**

Note: For movements in reserves - refer Consolidated Statement of Changes in Equity.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

12 Other equity (Contd..)

Nature and purpose of reserves

Capital reserve

Capital reserve was created on cancellation of shares as per statutory requirement.

Securities premium

Securities premium was created on issue of shares at premium in accordance with Employee Stock Option Plans (ESOP).

Employee stock option outstanding

The fair value of the equity-settled share based payment transactions with employees is recognised in Statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

Retained earnings

Retained earnings are the profits that the Group has earned till date, net-off less any transfers to general reserve, dividends or other distributions paid to shareholders.

Debenture redemption reserve

Debenture redemption reserve is a Statutory Reserve (as per the Companies Act, 2013) created out of profits of the Group for the purpose of redemption of debentures issued by the Company. In terms of amended rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, the Group is not required to maintain debenture redemption reserve.

Equity - Loss on acquisition of NCI

Changes in a parent's ownership interest that do not result in a change in control of the subsidiary is accounted as equity transactions (i.e., no gain or loss is recognized in earnings). The carrying amount of the NCI is adjusted to reflect the change in the NCI's ownership interest in the subsidiary. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognized in equity and attributed to the equity holders of the parent.

13 Non controlling interest

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at beginning of the year	782.45	-
Addition relating to acquisition	-	782.45
Adjustment for changes in ownership interests (Refer Note 34)	(347.75)	-
Profit attributable during the year	13.19	-
Other comprehensive income attributable during the year	(0.18)	-
Balance at end of the year	**447.71**	**782.45**

The table below provides information in respect of subsidiary as at 31st March, 2023:

₹ crore

Name of Subsidiary	Country of incorporation and operation	% of NCI	NCI
Butterfly Gandhimathi Appliances Limited	India	25%	447.71

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

14 Borrowings

A Borrowings - Non-current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at amortized cost		
Secured		
7.25% Series B Redeemable Non-Convertible Debentures	-	149.86
7.40% Redeemable Non Convertible Debentures Tranche 1	325.00	-
7.40% Series A Redeemable Non-Convertible Debentures Tranche 2	300.00	-
7.65% Series B Redeemable Non-Convertible Debentures Tranche 2	300.00	-
Term Loan - from Bank	-	9.34
Term Loan - from Financial Institution	-	0.02
Unamortized Non-Convertible Debentures Issue Expenses	(2.82)	-
	922.18	**159.22**
Less: Current maturities of long-term borrowings	(325.00)	(154.66)
	597.18	**4.56**

B Borrowings - current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at amortized cost		
Secured		
Working capital demand loan from bank	-	292.56
Current maturities of non-convertible debentures (Refer Note 14 A)	325.00	149.86
Current maturities of Term Loan - from Bank (Refer Note 14 A)	-	4.80
Unsecured		
Commercial Paper	-	1,155.73
	325.00	**1,602.95**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

14 Borrowings (Contd..)

Notes:

(a) Non-Convertible Debentures

(i) Terms of Debentures:

Particulars of Debentures	Series B (2020 issue)	Tranche 1 (2022 issue)	Series A Tranche 2 (2022 issue)	Series B Tranche 2 (2022 issue)
Face value per debenture (₹)	10,00,000	10,00,000	10,00,000	10,00,000
Date of allotment	29th May, 2020	12th July, 2022	22nd July, 2022	22nd July, 2022
As at 31st March, 2023 (₹ crore)	-	325.00	300.00	300.00
As at 31st March, 2022 (₹ crore)	150.00	-	-	-
Interest	7.25% p.a. payable annually	7.40% p.a. payable annually	7.40% p.a. payable annually	7.65% p.a. payable annually
Terms of repayment	Due for redemption on 29th May, 2023, with call option on 27th May, 2022	Due for redemption on 12th January, 2024	Due for redemption on 22nd July, 2024, with call option on 22nd January, 2024	Due for redemption on 22nd July, 2025, with call option on 22nd July, 2024
Secured by charge	a) on 'Crompton' Brand and Registered Trade Marks of the Group; and b) by way of equitable mortgage by deposit of title deeds of immovable properties situated in the State of Maharashtra, Himachal Pradesh and Goa.	on 'Crompton' and 'Crompton Greaves' Brand (including assignment of license, agreements, if any)		

(ii) Funds raised from Non-Convertible Debentures were utilised for the purpose it were obtained.

(iii) During the year, the Group redeemed Secured Non-Convertible Debentures amounting to ₹ 150 crores, Series B (2020 issue), along with interest thereon, on 27th May, 2022.

(b) Term Loan from Bank (Butterfly)

Term Loans from Banks (including vehicle loans) were repayable over a period of 2 to 6 years. Term Loans from Banks were secured by first charge by way of hypothecation of specific Plant and Machinery and Other Fixed Assets/Vehicles acquired out of loans and Equitable Mortgage of certain Land and Building of the Company at Pudupakkam , Collateral security of ₹ 1 crore in fixed deposit with IndusInd bank against the term loan & Personal Guarantee of the erstwhile Promoter Directors. The same is fully repaid along with interest thereon, during the year.

(c) Term Loan from Financial Institution (Butterfly)

Term Loans from other than bank (including vehicle loans) were repayable over a period of 3 to 7 years. Vehicle Loans were secured by hypothecation of vehicles purchased out of such loans. Other Term Loans were secured by hypothecation of first and exclusive charge on movable fixed assets purchased out of such loans and Equitable Mortgage of Undivided share of Land and office complex Building at Egattur & Personal Guarantee of the erstwhile Directors. The same is fully repaid along with interest thereon, during the year.

(d) Working capital demand loan

In case of **Crompton,** loan facility is secured by way of charge on the Company's inventories and trade receivables.

In case of **Butterfly,** loan facility was secured by hypothecation by way of a first charge on Inventories, book debts, present and future and collateral paripassu charge of Land and Buildings and also by the paripassu second charge on other Fixed Assets, other than the Fixed Assets mentioned in the above point b) & c) above, of the Company at Pudupakkam along with personal Guarantee of the Holding Company. The same is fully repaid along with interest thereon, during the year.

(e) Funds raised from Commercial paper were utilised for long term purposes and spent for the purpose it were obtained. During the year, the Group redeemed commercial paper.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

15 Provisions

A Provisions - Non-current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for post medical retirement benefits	7.24	6.78
Provision for compensated absences	15.35	14.59
Provision for warranty	105.43	84.56
Provision for Statutory dues	3.21	3.62
	131.23	**109.55**

B Provisions - current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for post medical retirement benefits	0.31	0.32
Provision for compensated absences	2.04	2.15
Provision for gratuity	2.88	0.14
Provision for warranty	108.04	113.70
Provision for Statutory dues	12.67	12.67
Provision for Other litigation Claims	0.06	0.06
Others	42.48	53.20
	168.48	**182.24**

Notes:

₹ crore

(1) Movement in provisions	Warranty	Statutory Dues	Other litigation claims
Carrying amount as at 1st April, 2022	**198.26**	**16.29**	**0.06**
Provision made during the year (net)	130.37	0.07	-
Amounts used during the year	(119.74)	(0.48)	-
Unused amounts reversed during the year	4.58	-	-
Carrying amount as at 31st March, 2023	**213.47**	**15.88**	**0.06**
Current	108.04	12.67	0.06
Non-Current	105.43	3.21	-

₹ crore

Movement of provisions	Others	Total
Carrying amount at the beginning of the year	53.20	267.81
Provision made during the year (net)	42.01	172.45
Amounts used during the year	(52.73)	(172.95)
Unused amounts reversed during the year	-	4.58
Carrying amount as at 31st March, 2023	**42.48**	**271.89**
Current	42.48	163.25
Non-Current	-	108.64

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

15 Provisions (Contd..)

(2) Nature of provisions:

(a) **Product warranties:** The Group gives warranties on certain products and services, undertaking to repair / replace products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of repair / replacement. The timing of outflows is expected to be within a period of two to five years.

(b) **Provision for statutory dues** represents liability on account of non-collection of declaration forms and other legal matters which are in appeal under the Acts / Rules.

(c) **Provision for other litigation obligation** claims represents liabilities that are expected to materialise in respect of matters in appeal.

(d) **Other provisions** represent provision for expenses.

16 Trade payables

A Trade payables - Non current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below)	-	-
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	13.19	8.07
	13.19	**8.07**

B Trade payables - Current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Acceptances	66.17	245.48
Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below)	245.18	120.18
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	724.03	644.05
	1,035.38	**1,009.71**

Notes:

(a) Micro, Small and Medium enterprises have been identified by the Group on the basis of the information available. Total outstanding dues to suppliers which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2023. The disclosure pursuant to the said Act is as under:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

16 Trade payables (Contd..)

₹ crore

Particulars	31st March, 2023 /2022-23	31st March, 2022 /2021-22
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	245.18	120.18
Interest	0.00	0.01
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	4.15	4.55
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.09	0.09
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	0.00	0.01

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

Trade Payables Ageing (Non-current and Current)

₹ crore

As at 31st March, 2023	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	195.15	50.03	-	-	-	245.18
(ii) Others	615.00	159.25	10.53	5.08	13.53	803.39
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**810.15**	**209.28**	**10.53**	**5.08**	**13.53**	**1,048.57**

₹ crore

As at 31st March, 2022	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 6 months	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	119.77	-	0.41	-	-	120.18
(ii) Others	675.11	191.97	8.84	2.69	18.99	897.60
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**794.88**	**191.97**	**9.25**	**2.69**	**18.99**	**1,017.78**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

17 Current Financial liabilities - Others

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due on borrowings	36.50	9.46
Security deposits	34.76	31.92
Creditors for capital goods and services	0.81	1.27
Financial guarantee liability	0.32	0.28
Fair value of derivative liabilities	1.11	1.91
	73.50	**44.84**

18 Other current liabilities

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances from customers	7.13	9.68
Statutory dues payables	36.21	90.49
Unclaimed dividend	4.10	3.11
Employee benefit payables	49.78	28.85
Others	1.15	1.48
	98.37	**133.61**

19 Income taxes

₹ crore

(a) Tax expense recognised in Statement of profit and loss comprises :	2022-23	2021-22
Current tax	178.62	159.52
Adjustment of tax relating to earlier periods	(16.71)	3.97
Deferred tax (credit)/ charge	(26.16)	9.67
Tax expense for the year	**135.75**	**173.16**

₹ crore

(b) Amounts recognised in Other comprehensive income	2022-23			2021-22		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements gains / (losses) on post employment defined benefit plans and tax thereon	(3.33)	0.99	(2.34)	2.74	(0.69)	2.05
	(3.33)	**0.99**	**(2.34)**	**2.74**	**(0.69)**	**2.05**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

19 Income taxes (Contd..)

₹ crore

(c) Reconciliation of effective tax rate	2022-23	2021-22
Profit before tax	**612.15**	**751.54**
Applicable tax rate	**25.17%**	**25.17%**
Computed tax expense	**154.07**	189.14
Adjustment of tax relating to earlier periods (Refer Note below)	(16.71)	3.97
Corporate social responsibility disallowance	3.43	3.10
Allowance of dividend received from subsidiaries	(2.32)	(2.98)
Impact of Share based payment expense	(9.39)	(26.06)
Effect of differential tax rates & unutilised tax credits used to reduce tax expense	0.44	-
Others	6.23	5.99
Income tax expense for the current year	**135.75**	**173.16**
Effective tax rate	**22.18%**	**23.04%**

Notes:

a) Based on assessment order received during the year, the Group has written-back an amount of ₹ 16.71 crore in respect of earlier years and the same is adjusted against tax expense for the year ended 31st March, 2023.

b) Basis the explanation as inserted by Finance Act, 2022, adjustment of tax relating to earlier periods amounting to ₹ 3.97 crore pertaining to Education cess claimed as an allowance in earlier years has been provided in previous year.

(d) Components of deferred tax assets / (liabilities) recognised in Balance sheet and Statement of profit and loss:

₹ crore

Sr. No.	Particulars	Balance sheet		Statement of profit and loss	
		As at 31st March, 2023	As at 31st March, 2022	2022-23	2021-22
(a)	Employee stock option outstanding	32.81	32.23	0.58	(6.02)
(b)	Provision allowed under tax on payment basis	14.82	12.68	2.14	0.77
(c)	Provision for doubtful debts and advances	13.66	10.83	2.83	1.97
(d)	Difference between Written down value of Property, Plant and Equipment and Intangible assets as per books of accounts and Income Tax	(17.57)	(18.56)	0.99	(0.21)
(e)	Fair valuation of Investments	(2.26)	(10.95)	8.69	(3.11)
(f)	Impact of Revenue Recognistion, Right to use Asset, and Lease Liabilities	14.43	7.94	6.49	(0.41)
(g)	Difference between fair value & book value of Property, plant and equipment and Intangible assets acquired through Business Combination (Refer Note 39)	(70.61)	(82.71)	12.10	-
(h)	Provision for Advances	0.58	0.33	0.25	-
(i)	Financial Guarantee	0.11	0.10	0.01	-
(j)	MAT Credit Entitlement	-	7.97	(7.97)	-
(k)	Other temporary differences	1.76	0.71	0.05	(2.66)
	Deferred tax income /(expense)			**26.16**	**(9.67)**
	Net deferred tax assets / (liabilities)	**(12.27)**	**(39.43)**		

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

19 Income taxes (Contd..)

(e) Reconciliation of deferred tax assets/(liabilities):

₹ crore

Sr. No.	Particulars	2022-23	2021-22
(a)	Opening balance as at 1st April	(39.43)	58.55
(b)	Tax (income)/expense during the period recognised in:		
	(i) Statement of profit and loss in profit or loss	26.16	(9.67)
	(ii) Statement of profit and loss under OCI	0.99	(0.69)
	(iii) Impact of Business Combination	-	(87.62)
	Closing balance as at 31st March	**(12.27)**	**(39.43)**

20 Revenue from Operations

₹ crore

Particulars	2022-23	2021-22
A. Sales of products and services		
Revenue from contract with customers		
Sale of products (excluding Goods and Service tax)		
(i) Electric consumer durables	4,734.11	4,291.75
(ii) Lighting products	1,051.60	1,073.57
(iii) Butterfly Products	1,041.71	-
	6,827.42	**5,365.32**
Sale of services		
(i) Electric consumer durables	0.99	1.12
(ii) Lighting products	4.14	7.62
(iii) Butterfly Products	-	-
	5.13	**8.74**
	6,832.55	**5,374.06**
B. Other operating revenue		
Export benefits and other incentives	1.52	2.95
Scrap sales	35.54	17.10
	37.06	**20.05**
	6,869.61	**5,394.11**

21 Other income

₹ crore

Particulars	2022-23	2021-22
Interest income	45.92	28.52
Net Gain/(Loss) on sale and fair valuation of investments	15.75	36.94
Others	5.11	7.19
	66.78	**72.65**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

22 Cost of materials consumed

₹ crore

Particulars	2022-23	2021-22
Opening stock	198.32	79.00
Add: Purchases	1,612.04	1,179.84
Less: Closing stock	(117.70)	(111.83)
Cost of raw materials consumed	1,692.66	1,147.01
Add: Sub-contracting charges	42.30	46.90
	1,734.96	**1,193.91**

23 Purchases of stock-in-trade

₹ crore

Particulars	2022-23	2021-22
Electric consumer durables	2,311.05	1,922.26
Lighting products	507.11	545.31
Butterfly Products	193.16	-
	3,011.32	**2,467.57**

24 Changes in inventories of finished goods, stock-in-trade and work-in-progress

₹ crore

Particulars	2022-23	2021-22
Opening Stock :		
Finished goods	206.89	132.75
Stock-in-trade	264.83	279.27
Work-in-progress	46.16	23.18
	517.88	**435.20**
Less:		
Closing Stock:		
Finished goods	209.75	134.74
Stock-in-trade	325.38	230.55
Work-in-progress	48.68	29.61
	583.81	**394.90**
Changes in inventories:		
Finished goods	(2.86)	(1.99)
Stock-in-trade	(60.55)	48.72
Work-in-progress	(2.52)	(6.43)
	(65.93)	**40.30**

25 Employee benefits expense

₹ crore

Particulars	2022-23	2021-22
Salaries, wages, bonus and other benefits	457.63	286.56
Contribution to provident and other funds (Refer Note 33)	15.45	10.85
Gratuity (Refer Note 33)	3.88	2.68
Privilege Leave (Refer Note 33)	4.05	2.52
Staff welfare expenses	32.62	22.02
Share-based Payments to employees (Refer Note 38)	27.17	37.76
	540.80	**362.39**

(For remuneration paid to key management personnel refer note 35)

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

26 Finance costs

₹ crore

Particulars	2022-23	2021-22
Interest on borrowing	102.00	28.79
Interest on lease liability (Refer Note 32)	6.85	6.40
Interest other	0.12	-
Others finance cost	0.21	0.12
	109.18	**35.31**

27 Other expenses*

₹ crore

Particulars	2022-23	2021-22
Consumption of stores and spares	13.97	15.80
Power and fuel	19.25	5.73
Rent	15.63	11.61
Repair to property, plant and equipment	7.93	2.89
Insurance	6.23	3.57
Rates and taxes	5.29	2.22
Freight and forwarding outward	223.41	144.43
Packing materials	76.97	69.07
After sales service	76.15	57.57
Sales promotion	109.62	29.24
Corporate social responsibility expenses (Refer Note 31)	13.81	12.47
Advertising	96.86	60.21
Legal and professional charges	105.07	84.50
Payment to the auditors (Refer Note below)	1.64	1.02
Bad Debts written off	7.89	6.01
Allowance for doubtful debt	13.34	8.97
Miscellaneous expenses	84.93	45.18
	877.99	**560.49**

*includes expenditure on research and costs not eligible for capitalisation (Refer Note 30)

Payment to the auditors

₹ crore

Particulars	2022-23	2021-22
Auditors' remuneration (excluding Goods and Service tax)		
Statutory Audit fees	0.80	0.53
Tax audit fees	0.17	0.10
Other services		
(i) Certification work	0.17	0.07
(ii) Others	0.43	0.28
Reimbursement of expenses	0.07	0.04
	1.64	**1.02**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

28 Exceptional Items

₹ crore

Particulars	2022-23	2021-22
Exceptional Items		
Cost of acquisition	-	12.97
	-	**12.97**

Note:

Acquisition related costs of ₹ 12.97 crores incurred by the Group have been recognised as an expense in the consolidated statement of profit and loss as an Exceptional items in the previous year. (Refer Note 34)

29 Contingent liabilities and commitments

₹ crore

Sr. No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
A	**Contingent Liabilities:**		
	(to the extent not provided for)		
	(a) Claims against the Group not acknowledged as debts	24.71	23.96
	(b) Income tax liability that may arise in respect of matters in appeal	33.66	29.01
	(c) Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	10.46	8.85
	(d) GST/ Entry Tax/ Sales tax / VAT liability that may arise in respect of matters in appeal	119.22	119.12
B	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	15.88	11.22

Notes:

1 The Group does not expect any reimbursements in respect of the above contingent liabilities.

2 It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration/appellate proceedings.

30 Expenditure on research and development

₹ crore

Sr. No.	Particulars	2022-23	2021-22
(a)	**Capital expenditure***	48.96	13.76
	Sub-total (a)	**48.96**	**13.76**
(b)	**Revenue expenditure**		
	Raw materials consumed	0.26	1.19
	Employee benefits	14.77	19.66
	Depreciation and amortisation	6.20	3.98
	Other expenses		
	Consumption of stores and spares	1.70	1.19
	Repairs and maintenance	0.01	0.98
	Miscellaneous expenses	6.60	10.10
	Sub-total (b)	**29.54**	**37.10**
	Total (a) + (b)	**78.50**	**50.86**

*includes ₹ 36.82 crore capitalised under Product Development & IAUD as a Development cost as per Ind AS 38.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

31 Expenditure on Corporate Social Responsibility (CSR)

₹ crore

Particulars	2022-23	2021-22
Gross amount required to be spent by the Group during the year	**13.81**	**12.47**
Amount of expenditure incurred by the Group during the year		
(i) Construction / acquision of any asset		
(ii) On purposes other than (i) above:		
Nature of CSR activities		
Community Development	2.30	1.52
Monitoring & Evaluation	0.40	0.15
Promotion of Health and Response to Covid 19 Pendamic	-	2.54
Skill Development	3.79	0.34
Water Conservation	5.46	7.44
Transferred to Unspent account	1.45	-
Administration	0.43	0.46
Other provisions (Refer Note below)	-	0.02
Total CSR expenditure	**13.83**	**12.47**
Details of related party transactions- contribution to a trust controlled by the Group in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (contributed to Crompton (CSR) Foundation)	13.15	11.96

Notes:

(a) Movement in other provisions	Amount
Carrying amount at the beginning of the year	0.02
Additional provision made during the year	-
Amounts used during the year	(0.02)
Unused amounts reversed during the year	-
Carrying amount at the end of the year	-

(b) The Group's subsidiary "Butterfly" is in process of transferring the unspent amount of ₹ 0.01 crore for FY 2022-23 to prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) on or before 30th September, 2023.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

32 Leases

Group as lessee

A Right-of-Use assets

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cost		
Opening Balance	103.41	54.89
Additions	36.66	59.87
Acquisition through Business Combination	-	1.76
Disposal / derecognized during the year	(11.28)	(13.11)
Closing Balance	**128.79**	**103.41**
Accumulated depreciation		
Opening Balance	32.31	19.56
Depreciation expense	27.35	21.00
Disposal / derecognized during the year	(6.82)	(8.25)
Closing Balance	**52.84**	**32.31**
Closing Balance	**75.95**	**71.10**

B Lease liabilities

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	78.22	39.32
Addition	36.66	59.87
Acquisition through Business Combination	-	1.05
Accredition of interest	6.85	6.40
Payments	(33.72)	(23.01)
Adjustments for disposals	(5.08)	(5.41)
Closing Balance	**82.93**	**78.22**
Current maturities of lease liabilities	**27.00**	**34.08**
Non-current lease liabilities	**55.93**	**44.14**

C Amounts recognised in Statement of profit and loss

₹ crore

Particulars	2022-23	2021-22
Depreciation expense of Right-of-Use assets	27.35	21.00
Interest expense on lease liabilities	6.85	6.40
Short term and low value leases	35.02	11.61
Total	**69.22**	**39.01**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

32 Leases (Contd..)

D Maturity analysis of lease liabilities (undiscounted)

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than one year	32.55	28.83
One to five years	60.70	59.98
More than five years	2.60	2.60
Total	**95.85**	**91.41**

E Amounts recognised in statement of Cash Flows

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total Cash outflow for leases	33.72	23.01

F (a) The Group applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and low value asset.

(b) Lease contracts entered by the Group pertains to warehouses and offices taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

33 Employee Benefits

A Holding Company (Crompton)

(a) Defined contribution plans (Refer Accounting Policy Note 1.14)

Amount of ₹ 18.68 crore (Previous year ₹ 16.66 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 25)

₹ crore

Benefits (Contribution to)	2022-23	2021-22
Provident fund	9.97	8.74
Superannuation fund	1.21	1.23
Employee state insurance scheme	0.07	0.24
Labour welfare scheme	0.01	0.00
Gratuity	2.72	2.68
National Pension Scheme	0.75	0.64
Privilege Leave	3.30	2.52
Post retirement medical benefits	0.65	0.61
Total	**18.68**	**16.66**

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for the year ended 31st March, 2023

33 Employee Benefits (Contd..)

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.14) as per Actuarial Valuation are as under:

₹ crore

Particulars	Gratuity		Post Retirement Medical Benefits	
	2022-23 (Funded)	2021-22 (Funded)	2022-23 (Non funded)	2021-22 (Non funded)
I Change in present value of defined benefit obligation during the year				
Present value of defined benefit obligation at the beginning of the year	26.82	25.50	7.11	6.93
Amount recognised in statement of profit and loss				
Interest cost	1.87	1.64	0.53	0.48
Current service cost	3.04	2.91	0.48	0.46
Past service cost	-	-	-	-
Amount recognised in other comprehensive income				
Actuarial (gains) / losses	0.82	(1.32)	(0.21)	(0.44)
Benefits paid	(3.31)	(1.91)	(0.36)	(0.32)
Present Value of defined benefit obligation at the end of the year	**29.24**	**26.82**	**7.55**	**7.11**
II Change in fair value of plan assets during the year				
Fair value of plan assets at the beginning of the year	30.02	29.08	-	-
Expected return on plan assets	2.09	1.87	-	-
Contributions	-	-	-	-
Benefits paid from the fund	-	(1.91)	-	-
Amount recognised in other comprehensive income	-	-	-	-
Actuarial gain / (loss)	(1.14)	0.98	-	-
Fair value of plan assets at the end of the year	**30.97**	**30.02**	**-**	**-**
III Actual return on plan assets				
Expected return on plan assets	2.09	1.87	-	-
Actuarial gain / (loss)	(1.14)	0.98	-	-
Actual return on plan assets	**0.95**	**2.85**	**-**	**-**
IV Net asset / (liability) recognised in the balance sheet				
Present Value of defined benefit obligation at the end of the year	(29.24)	(26.82)	(7.55)	(7.11)
Fair value of plan assets at the end of the year	30.97	30.02	-	-
Asset / (Liability) recognised in the balance sheet	**1.73**	**3.20**	**(7.55)**	**(7.11)**
V Expenses recognised in the statement of profit and loss				
Current service cost	3.04	2.91	0.48	0.46
Interest cost	(0.22)	(0.23)	0.53	0.48
Past Service cost	-	-	-	-
	2.82	**2.68**	**1.01**	**0.94**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

33 Employee Benefits (Contd..)

₹ crore

Particulars	Gratuity		Post Retirement Medical Benefits	
	2022-23 (Funded)	2021-22 (Funded)	2022-23 (Non funded)	2021-22 (Non funded)
VI Expenses recognised in the Other comprehensive income				
Actuarial (Gains)/Losses on Obligation for the Period	0.82	(1.32)	(0.21)	(0.44)
Return on Plan Assets, Excluding Interest Income	1.14	(0.98)	-	-
Change in Asset Ceiling	-	-	-	-
Net (Income)/Expense For the Period Recognized in OCI	**1.96**	**(2.30)**	**(0.21)**	**(0.44)**
VII The major categories of plan assets as a percentage of total plan				
Insurer managed funds	100%	100%	NA	NA
VIII Sensitivity analysis for significant assumptions:				
Increase/(Decrease) on present value of defined benefits obligation at the end of the year				
1% increase in discount rate	(1.58)	(1.53)	0.02	(0.91)
1% decrease in discount rate	1.76	1.71	2.98	1.17
1% increase in salary escalation rate	1.77	1.71	-	-
1% decrease in salary escalation rate	(1.62)	(1.55)	-	-
1% increase in employee turnover rate	0.05	0.02	-	-
1% decrease in employee turnover rate	(0.06)	(0.03)	-	-
1% increase in Medical inflation rate	-	-	1.31	1.18
1% decrease in Medical inflation rate	-	-	(1.03)	(0.93)
IX Maturity profile of defined benefit obligations	-	-	-	-
Within the next 12 months	3.56	3.30	-	-
Between 1 and 5 years	11.30	10.50	-	-
Between 5 and 10 years	14.38	13.02	-	-
X Actuarial assumptions				
Discount rate (p.a.)	7.49%	6.98%	7.40%	7.40%
Expected Return on Plan Assets (p.a.)	7.49%	6.98%	N.A	N.A
Employee turnover rate	6.00%	6.00%	6.00%	6.00%
Salary escalation rate	6.00%	6.00%	N.A	N.A
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14	Indian Assured Lives Mortality (2012-14)
Medical premium inflation rate	N.A	N.A	2%	2%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

33 Employee Benefits (Contd..)

(c) The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

(d) The Company makes contributions to the Gratuity Trust, which manages the investment. The Trust is a funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment as per the Company's Gratuity Scheme. Vesting occurs upon completion of five years of service.

(e) The Company provides post retirement medical benefits to qualifying employees.

(f) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2023 and 31st March, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(g) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

(h) Expected rate of return on the plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

(i) The salary escalation rate considered in the actuarial valuation is arrived after taking into consideration the seniority, the promotion, inflation and other relevant factors.

B Subsidiary Company (Butterfly)

(a) Defined contribution plans (Refer Accounting Policy Note 1.14)

Amount of ₹ 5.35 crore is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 25)

₹ crore

Benefits (Contribution to)	2022-23
Provident fund	2.87
Employee deposit linked insurance scheme	0.56
Labour welfare scheme	0.01
Gratuity	1.16
Privilege Leave	0.75
Total	**5.35**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.14) as per Actuarial Valuation are as under:

Particulars	Gratuity	
	2022-23 (Funded)	2021-22 (Funded)
I Change in present value of defined benefit obligation during the year		
Present value of defined benefit obligation at the beginning of the year	10.93	-
Amount recognised in statement of profit and loss		
Interest cost	0.65	-
Current service cost	1.22	-
Past service cost	-	-
Amount recognised in other comprehensive income		
Actuarial (gains) / losses	1.70	-
Benefits paid	(4.15)	-
Present Value of defined benefit obligation at the end of the year	**10.35**	**-**
II Change in fair value of plan assets during the year		
Fair value of plan assets at the beginning of the year	10.79	-
Expected return on plan assets	0.64	-
Contributions	0.07	-
Benefits paid from the fund	(4.15)	-
Amount recognised in other comprehensive income	-	-
Actuarial gain / (loss)	0.12	-
Fair value of plan assets at the end of the year	**7.47**	**-**
III Actual return on plan assets		
Expected return on plan assets	0.64	-
Actuarial gain / (loss)	0.12	-
Actual return on plan assets	**0.76**	**-**
IV Net asset / (liability) recognised in the balance sheet		
Present Value of defined benefit obligation at the end of the year	(10.35)	-
Fair value of plan assets at the end of the year	7.47	-
Asset / (Liability) recognised in the balance sheet	**(2.88)**	**(0.14)**
V Expenses recognised in the statement of profit and loss		
Current service cost	1.22	-
Interest cost	0.01	-
Past Service cost	-	-
	1.23	**-**
VI Expenses recognised in the Other comprehensive income		
Actuarial (Gains)/Losses on Obligation For the Period	1.70	-
Return on Plan Assets, Excluding Interest Income	(0.12)	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	**1.58**	**-**
VII The major categories of plan assets as a percentage of total plan		
Insurer managed funds	100%	100%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

33 Employee Benefits (Contd..)

Particulars	Gratuity	
	2022-23 (Funded)	2021-22 (Funded)
VIII Sensitivity analysis for significant assumptions:		
Increase/(Decrease) on present value of defined benefits obligation at the end of the year		
0.50% increase in discount rate	(0.57)	-
0.50% decrease in discount rate	0.62	-
0.50% increase in salary escalation rate	0.61	-
0.50% decrease in salary escalation rate	0.57	-
0.50% increase in employee turnover rate	-	-
0.50% decrease in employee turnover rate	-	-
IX Maturity profile of defined benefit obligations	-	-
Within the next 12 months	0.44	-
Between 1 and 5 years	2.33	-
Between 5 and 10 years	4.42	-
X Actuarial assumptions		
Discount rate (p.a.)	7.22%	6.98%
Expected Return on Plan Assets (p.a.)	7.22%	6.98%
Employee turnover rate	3.00%	6.00%
Salary escalation rate	7.00%	6.00%

(c) The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

(d) The subsidary makes contributions to the Insurer Managed Funds (LIC).

(e) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2023 and 31st March, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(f) Discount rate has been determined by reference to market yields on 31st March, 2023 on government bonds of term consistent with estimated term of the obligations as per para 83 of Ind AS 19. The source of determining the market yields is the Zero Coupon Sovereign Rupee Yield Curve estimated by the Clearing Corporation of India Limited (CCIL) as on 31st March, 2023

(g) Expected rate of return on the plan assets is based on the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

(i) The salary escalation rate considered in the actuarial valuation is arrived after taking into consideration the seniority, the promotion, inflation and other relevant factors.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

34 Business Combination

Refer Note 1.11 for accounting policy on Business Combination

On 22nd February, 2022, a Share Purchase Agreement ('SPA') was entered amongst the Group, Butterfly Gandhimathi Appliances Limited ('Butterfly'), its Promoters and certain members of the Promoter group of Butterfly for the sale of 55% of the issued and paid-up equity share capital of Butterfly. Consequent to the acquisition of 55% of the issued and paid-up equity share capital of Butterfly, the Group has become the Promoter and Holding Group of Butterfly with effect from 30th March, 2022.

In accordance with regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, after acquisition of 55% stake of Butterfly on 30th March, 2022, an open offer was made by the Group for acquisition of upto 26% of the issued and paid-up equity share capital of Butterfly from its public shareholders. The open offer was fully subscribed and therefore the Group's holding was increased from 55% to 81% w.e.f. 4th June, 2022.

To comply with the minimum public shareholding ('MPS') requirements mandated under Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Group divested 6% of the issued and paid-up equity share capital of Butterfly on 20th September, 2022 & 21st September, 2022 through Offer for Sale ('OFS') mechanism, which resulted into decrease in holding from 81% to 75%.

As at 31st March, 2022, provisional goodwill was recognised as per Ind AS 103 "Business Combination" in the Consolidated Financial Statements. However, there is no change in the amount of goodwill recorded as at 31st March,2023.

35 Related Party Disclosures

i) Other Related Parties:

ASK Wealth Advisors Private Limited (upto 23rd July, 2021)
Crompton (CSR) Foundation
DFM Foods Ltd. (upto 28th January, 2022)
Swaminathan Enterprises Private Limited (upto 3rd January, 2023)
Opera Gratia Pvt. Ltd (upto 30th April, 2023)

ii) Name of Post employment benefit plans with whom transactions were carried out during the year:

Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust
Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund
Butterfly Gandhimathi Appliances Limited Employees Group Gratuity Trust Fund

iii) Key Management Personnel:

Crompton Greaves Consumer Electricals Limited
Mr. H. M. Nerurkar, Chairman and Independent Director
Mr. D. Sundaram, Independent Director
Mr. P. M. Murty, Independent Director
Ms. Smita Anand, Independent Director
Mr. P.R. Ramesh, Independent Director (from 21st May, 2021)
Ms. Hiroo Mirchandani, Independent Director (from 28th January, 2022)
Ms. Shweta Jalan, Non-Executive Director (upto 23rd July, 2021)
Mr. Sahil Dalal, Non-Executive Director (upto 23rd July, 2021)
Mr. Promeet Ghosh, Non-Executive Director (upto 30th April, 2023); Managing Director and Chief Executive Officer (from 1st May, 2023)
Mr. Shantanu Khosla, Managing Director (upto 30th April, 2023); Vice Chairman and Executive Director (from 1st May, 2023)
Mr. Mathew Job, Executive Director and Chief Executive Officer (upto 30th April, 2023)
Mr. Sandeep Batra, Chief Financial Officer (upto 30th May, 2022)
Mr. Kaleeswaran Arunachalam, Chief Financial Officer (from 5th September, 2022)
Ms. Pragya Kaul, Company Secretary & Compliance Officer (upto 15th September, 2022)
Ms. Rashmi Khandelwal, Company Secretary & Compliance Officer (from 28th November, 2022)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

35 Related Party Disclosures (Contd..)

Butterfly Gandhimathi Appliances Limited

Mr. M. Padmanabhan, Independent Director
Mr. A. Balasubramanian, Independent Director
Mr. G.S. Samuel, Independent Director
Mr. T.R. Srinivasan, Independent Director
Mrs. Maheshwari Mohan, Independent Director
Mr. Rangarajan Sriram, Managing Director (from 30th March, 2022)
Mr. R. Nagarajan, Chief Financial Officer (upto 05th April, 2023)
Mrs. Priya Varshinee V M, Company Secretary & Compliance Officer (upto 03th February, 2023)
Mr. P.M.Murty - Chairman, Non- Executive Director (from 01st April,2022)
Mr. P.R.Ramesh, Independent Director (from 01st April,2022 to 09th November, 2022)
Mr. Shantanu Khosla - Non- Executive Director (from 30th March, 2022)
Mr. Mathew Job - Non- Executive Director (upto 30th March, 2023)
Ms. Smita Anand, Independent Director (from 01st April,2022)
Mr. Viral Sarvaiya - Company Secretary & Compliance Officer (from 25th March, 2023)
Ms. Ananda Shalini - Chief Financial Officer (from 06th April, 2023)

iv) Details of related party transactions:

₹ crore

Sr. No.	Nature of transaction	2022-23	2021-22
1	**Services received**		
	DFM Foods Ltd.	-	0.00
	Opera Gratia Pvt. Ltd	1.47	-
	Total	**1.47**	**0.00**
2	**Services rendered**		
	Swaminathan Enterprises Private Limited	0.08	-
	Total	**0.08**	**-**
3	**Contributions (Employer's) to Post Retirement Funds**		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.21	1.23
	Total	**1.21**	**1.23**
4	**Compensation to Key Management Personnel**		
	Short-term benefits*	74.34	178.84
	Share-based Payments (Refer Note b below)	9.71	19.28
	Director's sitting fees	1.01	0.70
	Commission	2.40	1.00
	Total	**87.46**	**199.82**
5	**Donations paid**		
	Crompton (CSR) Foundation	13.15	11.96
	Total	**13.15**	**11.96**

*Short-term benefits for the current year include ₹ 42.68 crores (previous year: ₹ 153.69 crores) on account of exercise of stock options.

Notes:

a) Liabilities for post retirement benefits being Gratuity, Leave encashment and Post retirement medical benefits are provided on actuarial basis for the Group as a whole. The amount pertaining to Key management personnel are not included above.

b) The Group has granted shares under various Schemes to the eligible Key Management Personnel. The amount mentioned is the fair value of the grant charged to Statement of profit and loss.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

35 Related Party Disclosures (Contd..)

v) Amount due to / from related parties

₹ crore

Sr. No.	Nature of transaction	As at 31st March, 2023	As at 31st March, 2022
1	**Other Receivable**		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	1.73	3.20
	Total	**1.73**	**3.20**
2	**Other Payable**		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.09	0.08
	Commission Payable to Key Management Personnel	2.40	1.00
	Total	**2.49**	**1.08**

Notes:

a) All the related party contracts/ arrangements have been entered on arms' length basis.

b) The amount of outstanding balances as shown above are unsecured and will be settled/ recovered in cash.

36 Earnings Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

₹ crore

Particulars		2022-23	2021-22
(a) Basic earnings per share			
Numerator for earnings per share			
Profit after tax	₹ crore	463.21	578.38
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	Nos	63,49,86,510	62,82,28,014
Earnings per share - Basic (one equity share of ₹ 2 each)	₹	7.29	9.21
(b) Diluted earnings per share			
Numerator for earnings per share			
Profit after tax	₹ crore	463.21	578.38
Denominator for earnings per share			
Weighted number of equity shares outstanding for basic EPS during the year	Nos	63,49,86,510	62,82,28,014
Add: Weighted average number of potential equity shares on account of Employee Stock Option Schemes	Nos	22,16,124	27,83,037
Weighted number of equity shares outstanding for diluted EPS during the year	Nos	63,72,02,634	63,10,11,051
Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	7.27	9.17

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

37 Impairment testing of Goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating division (not at segment level), which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Electric Consumer Durables	590.10	590.10
Lighting Products	189.31	189.31
Butterfly (Refer Note 34)	506.05	506.05
Total	**1,285.46**	**1,285.46**

The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using pre-tax budgeted EBITDA projections of the next five years which is considered by the Board as a reasonable period.

The key assumptions used in value-in-use calculations are as follows:

a) Earnings (before interest and tax) margin: The margins have been estimated based on past experience after considering incremental revenue and savings from the efficiencies and cost saving initiatives driven by the Group.

b) Discount rate: Discount rate reflects the current market assessment of the risks specific to a cash generating unit and is estimated based on the weighted average cost of capital.

c) Long-term growth rate: The growth rates used are in line with the long-term average growth rates of the Group and are consistent with the internal / external sources of information.

The assumptions used are reviewed annually as part of management's budgeting and strategic planning cycles. These estimates may differ from actual results. The values assigned to each of the key assumptions reflect the Management's past experience as their assessment of future trends, and are consistent with external / internal sources of information.

Based on the above assumptions and analysis, no impairment was identified for any of the cash generating unit as at 31st March 2023 and 31st March, 2022 as the recoverable value of the cash generating unit exceeded the carrying value.

The Group has also performed sensitivity analysis calculations on the projections used and discount rate applied. The Group has concluded that, given the significant headroom that exists, and the results of the sensitivity analysis performed, there is no significant risk that reasonable changes in any key assumptions would cause the carrying value of goodwill to exceed its value in use.

38 Share-based Payments

Employee stock options - equity settled

(a) The Members of the Group have approved by way of postal ballots grant of Employee stock options under various Schemes. The plan envisaged grant of shares to eligible employees at market price/pre-determined value as determined by the Nomination and Remuneration Committee (NRC) of the Board of Directors from time to time.

Disclosures:

₹ crore

Particulars	31st March, 2023 / 2022-23	31st March, 2022 / 2021-22
Share-based Payments to employee	27.17	37.76
Employee Stock option outstanding	140.41	138.63

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

38 Share-based Payments (Contd..)

(b) The position of the existing schemes is summarized as under -

Particulars	31st March, 2023/ 2022-23				31st March, 2022/ 2021-22			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Date of Shareholder's approval	19th January, 2020 and amended on 06th January, 2021	22nd October, 2016	22nd October, 2016	22nd October, 2016	19th January, 2020 and amended on 06th January, 2021	22nd October, 2016	22nd October, 2016	22nd October, 2016
Total number of options approved under ESOS	98,00,000	40,00,000	1,09,68,057	31,33,731	98,00,000	40,00,000	1,09,68,057	31,33,731
Vesting requirements	1-5 Years	1-5 Years	1-10 Years	1-10 Years	1-5 Years	1-5 Years	1-10 Years	1-10 Years
Exercise price or pricing formula (₹)	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	92.83	185.66	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	Exercise Price is the closing market price on the Stock Exchange, as on the day prior to the date on which the NRC approves the Grant.	92.83	185.66
Maximum term of Options granted (years)	Options granted under ESOP 2019 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant		Options granted under ESOP 2019 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under ESOP 2016 would vest not earlier than one year and not later than 5 years from the date of grant.	Options granted under PSP 1 and PSP 2 would vest not earlier than one year and not later than 10 years from the date of grant	
Source of shares (Primary, Secondary or combination)	Primary							
Variation in terms of options	There have been no variations in the terms of the options							

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

38 Share-based Payments (Contd..)

(c) Options movement during the year:

Particulars	2022-23				2021-22			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
No. of options outstanding at the beginning of the year	82,64,317	18,93,854	55,38,176	30,79,392	74,96,499	26,33,826	1,06,27,872	30,79,392
No. of options granted during the year	15,25,000	-	-	-	14,20,000	-	-	-
No. of options forfeited / lapsed during the year	11,21,867	1,78,256	-	-	6,23,182	1,44,062	-	-
No. of options vested during the year	10,30,631	1,98,669	-	-	8,90,868	2,65,938	-	-
No. of options exercised during the year	1,00,500	7,23,022	11,28,143	7,52,095	29,000	5,95,910	50,89,696	-
Money realised by exercise of options (₹)	2,59,94,325	14,56,88,852	10,47,25,515	13,96,33,958	76,40,785	12,31,83,176	47,24,76,480	-
No. of options outstanding at the end of the year	85,66,950	9,92,576	44,10,033	23,27,297	82,64,317	18,93,854	55,38,176	30,79,392
No. of options exercisable at the end of the year	17,15,881	8,40,076	44,10,033	23,27,297	8,81,117	14,33,854	55,38,176	30,79,392
Weighted Average Remaining Contractual Life (in years)	6.53	3.01	2.26	2.16	7.21	3.36	2.71	2.52

(d) Weighted average information for year:

Particulars	2022-23				2021-22			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Weighted average exercise price of options granted during the year whose								
Exercise price equals market price (₹)	330.95	-	-	-	413.59	-	-	-
Exercise price is greater than market price (₹)	-	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-
Weighted average fair value of options granted during the year whose								
Exercise price equals market price (₹)	138.21	-	-	-	168.44	-	-	-
Exercise price is greater than market price (₹)	-	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

38 Share-based Payments (Contd..)

(e) The Black-Scholes Valuation Model has been used for computing weighted average fair value considering the following inputs:-

₹ crore

Particulars	2022-23 ESOP 2019	2021-22 ESOP 2019
Price of the underlying share in market at the time of the option grant (₹)	330.95	413.59
Exercise price (₹)	330.95	413.59
Risk free interest rate (based on government securities)	7.21%	6.13%
Expected life (years)	5.81	5.81
Expected volatility	32.61%	33.08%
Dividend yield	0.76%	0.60%

(f) Number and Weighted Average Exercise Price of Options

₹ crore

Particulars	2022-23		2021-22	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	1,87,75,739	257.07	2,38,37,589	215.17
Granted during the year	15,25,000	369.12	14,20,000	413.59
Forefeited during the year	13,00,123	384.42	7,67,244	373.49
Exercised during the year	27,03,760	153.88	57,14,606	105.57
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,62,96,856	274.51	1,87,75,739	257.07
Exercisable at the end of the period	92,93,287	185.59	1,09,32,539	158.88

(g) Weighted average share price of options exercised during the year is ₹ 378.99 (Previous year ₹ 394.70).

39 Operating Segments

A. General Information

The Group has determined following reporting segments based on the information reviewed by the Group's Chief Operating Decision Maker ('CODM').

a) Electric Consumer Durables

b) Lighting Products

c) Butterfly (acquisition through business combination)

The above business segments have been identified considering:

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems.

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Committee as explained in the Director's Report section.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

39 Operating Segments (Contd..)

B. Information about reportable segments

₹ crore

2022-23	Reportable segments			
Particulars	Electric Consumer Durables	Lighting Products	Butterfly	Total
Revenue				
External Customers	4,755.66	1,058.13	1,055.82	6,869.61
Inter-segment	-	-	-	-
Total revenue	**4,755.66**	**1,058.13**	**1,055.82**	**6,869.61**
Segment profit	**789.30**	**100.52**	**83.97**	**973.79**
Segment profit includes:				
Depreciation and amortization expense	12.76	6.00	16.15	34.91
Segment assets	**1,184.03**	**425.49**	**491.40**	**2,100.92**
Segment liabilities	**933.20**	**364.03**	**205.76**	**1,502.99**
Other disclosures				
Capital expenditure	38.44	16.14	9.99	64.57

₹ crore

2021-22	Reportable segments			
Particulars	Electric Consumer Durables	Lighting Products	Butterfly	Total
Income				
External Customers	4,311.00	1,083.11	-	5,394.11
Inter-segment	-	-	-	-
Total income	**4,311.00**	**1,083.11**	**-**	**5,394.11**
Segment profit	**826.70**	**127.82**	**-**	**954.52**
Segment profit includes:				
Depreciation and amortization expense	10.39	5.77	-	16.16
Segment assets	**961.74**	**442.03**	**511.40**	**1,915.17**
Segment liabilities	**1,039.96**	**398.10**	**276.39**	**1,714.45**
Other disclosures				
Capital expenditure	34.19	11.98	18.73	64.90

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

39 Operating Segments (Contd..)

C. Reconciliations of information on reportable segments

₹ crore

Particulars	2022-23	2021-22
(a) Income		
Total income for reportable segments	6,869.61	5,394.11
Elimination of inter-segment revenue	-	-
Total income (Refer Note 20)	**6,869.61**	**5,394.11**
(b) Profit before tax		
Total profit before tax for reportable segments	973.79	954.52
Unallocated amounts:		
Expense on Employee Stock Option Scheme	(27.17)	(37.76)
Finance costs	(109.18)	(35.31)
Other unallocable expenditure net of unallocable Income	(225.29)	(116.94)
Total profit before tax from operations as reported in Statement of profit and loss	**612.15**	**764.51**

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
(c) Assets		
Total assets for reportable segments	2,100.92	1,915.17
Other unallocated amounts		
Goodwill	1,285.46	1,285.46
Other assets	2,268.05	3,247.96
Total assets as reported in Balance sheet	**5,654.43**	**6,448.59**
(d) Liabilities		
Total liabilities for reportable segments	1,502.99	1,714.45
Other unallocated amounts		
Borrowings	922.18	1,314.95
Other liabilities	121.56	183.78
Total liabilities as reported in Balance sheet	**2,546.73**	**3,213.18**

D. Reconciliation of revenue recognised in statement of profit and loss with contracted price

₹ crore

Particulars	2022-23	2021-22
Revenue as per contracted price	6,982.18	5,463.24
Less: Cash discount	(149.63)	(89.18)
Total revenue from contract with customers	**6,832.55**	**5,374.06**

E. Disaggregation of revenue based on products

Information given above concerning reportable segment-wise revenue are sufficient to meet the required disclosures under Ind AS 115, *Revenue from Contracts with Customers*, with respect to disaggregation of revenue.

F. Geographic information

The Group mainly caters to Indian Market, accordingly, secondary information/ geographical segment is not applicable.

G. Information about major customers

There are no customers having revenue exceeding 10% of total revenues.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ crore

As at 31st March, 2023	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Non-current investment	0.35	-	0.35	0.35	-	-	0.35
Trade receivables	-	15.49	15.49	-	-	-	-
Other non-current financial assets	-	18.73	18.73	-	-	-	-
Current financial assets							
Current investments	547.83	-	547.83	547.83	-	-	547.83
Trade receivables	-	670.56	670.56	-	-	-	-
Cash and cash equivalents	-	76.84	76.84	-	-	-	-
Bank balance other than cash and cash equivalents	-	32.64	32.64	-	-	-	-
Loans	-	0.66	0.66	-	-	-	-
Other current financial assets	-	18.97	18.97	-	-	-	-
	548.18	**833.89**	**1,382.07**	**548.18**	**-**	**-**	**548.18**
Financial liabilities							
Non-current financial liabilities							
Borrowings	-	597.18	597.18	-	-	-	-
Lease Liabilities	-	55.93	55.93	-	-	-	-
Trade payables	-	13.19	13.19	-	-	-	-
Current financial liabilities							
Borrowings	-	325.00	325.00	-	-	-	-
Lease Liabilities	-	27.00	27.00	-	-	-	-
Trade payables	-	1,035.38	1,035.38	-	-	-	-
Derivative liabilities	1.11	-	1.11	1.11	-	-	1.11
Other current financial liabilities	0.32	72.07	72.39	-	-	0.32	0.32
	1.43	**2,125.75**	**2,127.18**	**1.11**	**-**	**0.32**	**1.43**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

₹ crore

As at 31st March, 2022	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Non Current Investment	0.34	-	0.34	0.34	-	-	0.34
Trade receivables	-	21.83	21.83	-	-	-	-
Other non-current financial assets	-	15.39	15.39	-	-	-	-
Current financial assets							
Current investments	623.83	-	623.83	623.83	-	-	623.83
Trade receivables	-	593.60	593.60	-	-	-	-
Cash and cash equivalents	-	171.62	171.62	-	-	-	-
Bank balance other than cash and cash equivalents	-	743.57	743.57	-	-	-	-
Loans	-	1.23	1.23	-	-	-	-
Other current financial assets	-	14.16	14.16	-	-	-	-
	624.17	**1,561.40**	**2,185.57**	**624.17**	**-**	**-**	**624.17**
Financial liabilities							
Non-current financial liabilities							
Borrowings	-	4.56	4.56	-	-	-	-
Lease Liabilities	-	44.14	44.14	-	-	-	-
Trade payables	-	8.07	8.07	-	-	-	-
Current financial liabilities							
Borrowings	-	1,602.95	1,602.95	-	-	-	-
Lease Liabilities	-	34.08	34.08	-	-	-	-
Trade payables	-	1,009.71	1,009.71	-	-	-	-
Derivative liabilities	1.91	-	1.91	1.91	-	-	1.91
Other current financial liabilities	0.28	42.65	42.93	-	-	0.28	0.28
	2.19	**2,746.16**	**2,748.35**	**1.91**	**-**	**0.28**	**2.19**

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

B. Fair value heirarchy

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

C. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative instruments - forwards foreign exchange contracts	The Group has used discounted mark to market of forward contracts using current forward rates for remaining tenure of the forward contract as provided by respective banks.	Not applicable	Not applicable
Derivative instruments - options foreign exchange contracts	Fair value of foreign currency options contract is provided by bank's with whom the derivatives are entered into.	Not applicable	Not applicable
Investment in mutual funds	The fair value of the units of mutual fund scheme are based on net asset value at the reporting date.	Not applicable	Not applicable
Non current financial assets and liabilities measured at amortised cost	Discounted cash flows: The valuation model considers the present value of expected receipt/ payment discounted using appropriate discounting rates.	Not applicable	Not applicable

D. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has constituted a Risk Management Committee (RMC) for identification, evaluation and mitigation of operations, strategic and external risks. RMC has the overall responsibility for monitoring and recovering the Risk Management Plan and associated practices of the Group.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The RMC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, investment in mutual funds and cash and cash equivalents. The Group makes provision on trade receivables based on Expected Credit loss (ECL) method based on provision matrix.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group has a detailed review mechanism of overdue trade receivables at various levels in the organisation to ensure proper attention and focus on realisation.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Not past due	517.37	499.71
Past due 1–360 days	149.00	86.65
Past due 361- 720 days	38.35	39.51
more than 720 days	37.73	32.62
	742.45	**658.49**

Expected credit loss assessment

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Particulars	₹ crore
Balance as at 1st April, 2021	**21.24**
Addition due to Business Combination (net)	12.85
Impairment loss recognised	14.98
Write off of bad debts	(6.01)
Balance as at 01st April, 2022	**43.06**
Impairment loss recognised	21.83
Write off of bad debts	(8.49)
Balance as at 31st March, 2023	**56.40**

Cash and cash equivalents and bank deposits

The Group held cash and cash equivalents and bank deposits with banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an on-going basis and is considered to be good. Investment of surplus funds are made in bank deposits and other risk free securities.

Derivatives

The derivatives (forwards and options for foreign currency payments) are entered into with banks and financial institution counterparties with good credit ratings.

Investment in mutual funds

The Group limits its exposure to credit risk by investing only with counterparties that have a good credit rating. The Group does not expect any losses from non performance by these counter parties

Other than trade receivables, the Group has no other financial assets that are past due but not impaired.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

ii. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due at reasonable price. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group monitors cash flow requirements and aims at optimising its cash return on investments and to maintain the level of its cash and bank balance and other highly marketable mutual fund investments at an amount in excess of expected cash outflows on financial liabilities.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The contractual cash flows are gross and undiscounted, and include estimated interest payments.

₹ crore

As at 31st March, 2023	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities					
Long Term Borrowings	600.00	-	300.00	300.00	-
Lease liabilities (undiscounted)	63.30	-	28.38	32.32	2.60
Trade payables	13.19	4.41	3.54	5.24	-
Current financial liabilities					
Short term Borrowings (including interest)	358.68	358.68	-	-	-
Lease liabilities (undiscounted)	32.55	32.55	-	-	-
Trade payables	1,035.38	1,035.38	-	-	-
Other financial liabilities	36.19	36.19	-	-	-

₹ crore

As at 31st March, 2022	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities					
Long Term Borrowings	4.56	-	4.45	0.11	-
Lease liabilities (undiscounted)	62.58	-	24.70	35.28	2.60
Trade payables	8.07	1.86	3.03	3.15	0.03
Current financial liabilities					
Short term Borrowings (including interest)	1,612.41	1,612.41	-	-	-
Lease liabilities (undiscounted)	28.83	28.83	-	-	-
Trade payables	1,009.71	1,009.71	-	-	-
Other financial liabilities	34.12	34.12	-	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of investments. Thus, Group's exposure to market risk is a function of investing and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Market risk comprises two types of risks: currency risk and interest rate risk

a) Currency risk

The Group is exposed to currency risk on account of its receivable and payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward foreign exchange contracts and options foreign exchange contracts to hedge its currency risk, with a maturity of less than one year from the reporting date.

The Group does not use derivative financial instruments for trading or speculative purposes.

Following is the derivative financial instruments to hedge the foreign exchange rate risk:

Category	Instrument	Currency	Cross Currency	Amounts ($ in million)	Buy/Sell	Period
Hedges of recognised liabilities	Option Contract	USD	INR	4.96	Buy	As at 31st March, 2023
Hedges of recognised liabilities	Forward Contract	USD	INR	0.37	Buy	As at 31st March, 2023

Exposure to currency risk

The currency profile of financial assets and financial liabilities denominated in USD are as below:

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets		
Trade receivables	7.90	5.07
	7.90	**5.07**
Financial liabilities		
Trade payables	55.55	79.33
	55.55	**79.33**
Net foreign currency exposure	**(47.65)**	**(74.26)**

Sensitivity analysis

A reasonably possible strengthening/ (weakening) of the Indian Rupee against foreign currencies at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in ₹ crore	Movement	Profit or loss	
		Strengthening	Weakening
31st March, 2023			
USD	5%	(2.38)	2.38
		(2.38)	**2.38**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

40 Financial instruments – Disclosures (Contd..)

Effect in ₹ crore	Movement	Profit or loss	
		Strengthening	Weakening
31st March, 2022			
USD	5%	(3.71)	3.71
		(3.71)	**3.71**

b) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to Interest Rate Risk / Sensitivity

The Group's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed-rate instruments		
Financial assets		
Bank deposits	36.54	885.45
Total	**36.54**	**885.45**
Financial liabilities		
Non-current borrowings	597.18	4.56
Current borrowings	325.00	1,310.39
Variable-rate Instruments		
Financial liabilities		
Current borrowings	-	292.56
Total	**922.18**	**1,607.51**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for variable-rate instruments

The interest expenses and impact on statement of Profit on Loss on account of Increase/decrease of 100 basis points in interest rates at the balance sheet date is provided in table below:

₹ crore

Particulars	As at 31st March, 2023
Interest Expenses arising on account of variable rate of interest on short term borrowings	-
Impact on Interest Cost:	
Increase in 100 basis point (Increase in Interest Cost)	-
Decrease in 100 basis points (Decrease in Interest Cost)	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

41 Financial performance ratios:

Particulars	Numerator	Denominator	31st March, 2023	31st March, 2022	Variance	Refer Note
A. Performance Ratios						
Net Profit Margin (in %)	Profit after tax	Total Income	6.87%	10.58%	-35.08%	(a)
Net Capital Turnover ratio (in times)	Revenue from operations	Working Capital	8.12	3.29	146.62%	(b)
Return on Capital Employed (in %)	Earnings before interest and taxes	Tangible Capital Employed	204.11%	166.18%	22.82%	
Return on equity (in %)	Net Profit after Taxes	Average Shareholder's Equity	15.02%	22.39%	-32.91%	(c)
Return on Investment (in %)	Net gain on investment	Weighted average investments	5.69%	4.71%	20.72%	
Debt Service Coverage Ratio (in times)	Profit After Tax + Interest + Depreciation	Finance Cost + Repayments made during the year	2.47	1.80	37.55%	(d)
B. Leverage Ratio						
Debt-Equity Ratio (in times)	Total Debt	Equity	0.30	0.50	-40.28%	(d)
C. Liquidity Ratio						
Current ratio (in times)	Current Assets	Current liabilities excl. current Borrowings	1.60	2.17	-26.19%	(d)
D. Activity Ratios						
Inventory Turnover (in times)	Cost of goods sold	Average Inventory	6.39	5.97	7.04%	
Debtors Turnover (in times)	Revenue from operations	Avg. Trade Receivables	10.56	10.02	5.39%	
Trade Payables Turnover ratio (in times)	Cost of goods sold	Avg. Accounts payables	4.53	4.03	12.48%	

Note: Explanation for change in the ratio by more than 25%

(a) Net Profit Margin ratio declined as a result of increased finance costs (on account of subsidiary acquisition).

(b) Net Capital Turnover ratio increased due to growth in sales and reduction in working capital.

(c) Return on equity ratio declined as a result of increased average shareholder's fund.

(d) Movement in ratios is on account of repayment of borrowings during the year.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

42 Assets Pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Inventories		
Raw Material	109.94	116.46
Finished Goods	471.11	365.28
Work-in-Progress	37.70	29.61
b) Trade receivables	545.29	512.53
c) Inventories & Book debts (Butterfly)	-	173.38
Total assets pledged as security (a+b+c)	**1,164.04**	**1,197.26**

43 Details of relationship with struck-off companies

₹ crore

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31st March, 2023 (₹ crore)	Balance outstanding as at 31st March, 2022 (₹ crore)	Relationship with the struck off company, if any, to be disclosed
Air Temp Solutions Private Limited	Advance from customer	-	0.00	Customer
Alif Trading Company	Receivables	0.02	0.02	Customer
Bright Electricals & Sanitary	Advance from customer	0.00	-	Customer
H.K. Power Corporation Private Limited	Advance from customer	-	0.01	Customer
Hammer Head Technologies Private Limited	Advance from customer	-	0.00	Customer
Kapson Power Technology Private Limited	Advance from customer	0.00	0.00	Customer
Kiapco Infrastructure Private Limited	Advance from customer	-	0.01	Customer
Ncs Infocomm Private Limited	Advance from customer	-	0.01	Customer
Shakedi Shengtai Electrics Private Limited	Advance from customer	-	0.00	Customer
Shreeskanda Systems Private Limited	Advance from customer	0.00	0.01	Customer
Suzusons Care Private Limited	Advance from customer	-	0.00	Customer
Takkar Interna.Trademart Private Limited	Advance from customer	-	0.00	Customer
Techno India Wtr & Waste Wtr Private Limited	Advance from customer	-	0.00	Customer
Venus Dealmark Private Limited	Advance from customer	-	0.00	Customer
Atlantis Technologies	Advance to vendor	0.06	-	Vendor

44 Capital Management

Equity share capital and other equity are considered for the purpose of Group's capital management. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2023

44 Capital Management (Contd..)

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents and other bank balances. Total equity comprises all components of equity.

The Group's adjusted net debt-to-equity ratio at 31st March, 2023 was as follows:

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total equity	**3,107.70**	**3,235.41**
Total borrowings (including current portion of long-term debts)	922.18	1,607.51
Less: cash and cash equivalents	76.84	171.62
Less : other bank balances	32.64	743.57
Net debt	**812.70**	**692.32**
Overall financing	3,920.40	3,927.73
Gearing ratio	**0.21**	**0.18**

45 Additional Information pursuant to Schedule III to the Companies Act, 2013

For the year ended 31st March, 2023

Name of Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)
Parent Company								
Crompton Greaves Consumer Electricals Limited	90.28%	2,805.75	88.94%	423.70	55.98%	(1.31)	89.10%	422.39
Indian Subsidiaries								
Pinnacles Lighting Project Private Limited	0.26%	7.93	0.10%	0.50	0.00%	-	0.11%	0.50
Nexustar Lighting Project Private Limited	0.27%	8.38	0.11%	0.54	0.00%	-	0.11%	0.54
Butterfly Gandhimathi Appliances Limited	9.19%	285.64	10.85%	51.67	44.02%	(1.03)	10.68%	50.64

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

45 Additional Information pursuant to Schedule III to the Companies Act, 2013 (Contd..)

For the year ended 31st March, 2022

Name of Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)
Parent Company								
Crompton Greaves Consumer Electricals Limited	91.99%	2,975.93	98.32%	568.66	100.00%	2.05	98.33%	570.71
Indian Subsidiaries								
Pinnacles Lighting Project Private Limited	0.38%	12.43	0.91%	5.28	0.00%	-	0.91%	5.28
Nexustar Lighting Project Private Limited	0.37%	12.05	0.77%	4.44	0.00%	-	0.76%	4.44
Butterfly Gandhimathi Appliances Limited	7.26%	235.01	0.00%	0.00	0.00%	-	0.00%	-

46 Separate Financial Statements

The Group has following subsidiary companies:

Sr. No.	Name of the subsidiary companies	Principal place of business	Proportion of direct ownership as on 31st March, 2023	Proportion of direct ownership as on 31st March, 2022
1	Pinnacles Lighting Project Private Limited	India	100%	100%
2	Nexustar Lighting Project Private Limited	India	100%	100%
3	Butterfly Gandhimathi Appliances Limited	India	75%	55%

47 The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

48 There has been no delay in charges or satisfaction to be registered with ROC beyond the statutory period.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2023

49 Utilisation of Borrowed funds and share premium

The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

50 The Board of Directors at their meeting held on 25th March, 2023 considered and approved the Scheme of Amalgamation of the Butterfly Gandhimathi Appliances Limited, a subsidiary, with the Group, and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act, 2013 read with rules made thereunder. The Scheme is subject to the receipt of necessary statutory and regulatory approvals including approval of Stock Exchanges, the Securities and Exchange Board of India, the respective shareholders and creditors of respective companies and National Group Law Tribunal(s) (Mumbai & Chennai Benches). The Group has filed the Scheme of arrangement with BSE and NSE on 7th April, 2023. The Group is in the process of obtaining other approvals in relation to the Scheme. Pending such approval, no effect of the proposed amalgamation has been given in these financial statements.

51 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, received Presidential assent on 28th September, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13th November, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

52 No significant subsequent events have been observed which may require an adjustments to the financial statements.

53 Amount shown as ₹ 0.00 represents amount below ₹ 50,000 (Rupees Fifty Thousand).

54 Figures for the previous year have been regrouped wherever necessary.

As per our report of even date attached

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
19th May, 2023