Independent Auditor's Report

To the Members of
Crompton Greaves Consumer Electricals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Goodwill and Other Intangible Assets with Indefinite Useful Lives** (Refer Notes 2 and 34 to the Standalone Financial Statements) The goodwill balance as of 31st March, 2023 of ₹ 779.41 crores pertains to demerger of the Consumer Business from Crompton Greaves Limited (now CG Power and Industrial Solutions Limited) and Crompton Greaves Consumer Electricals Limited in 2015. Other Intangible assets with indefinite useful lives pertains to trademarks purchased on account of acquisition of subsidiary. Carrying value of goodwill and other intangible assets with indefinite useful lives is material as at 31st March, 2023 and inherent uncertainty is involved in forecasting and discounting future cash flows, determination of discount and terminal growth rates for computing the value and the assessment of its recoverability.	Our audit procedures with respect to this matter included, but were not limited to, the following: a. Obtained an understanding of the process and assessed the design, implementation and tested the operating effectiveness of internal controls over the accounting for goodwill and other intangible assets with indefinite useful lives arising out of business reconstruction transaction. b. Assessed reasonableness of the future revenue and margin projections, the historical accuracy of the estimates and its ability to produce accurate long-term forecasts. c. Involved our valuation experts ("auditor's expert") to assist in examining the reasonableness of the Company's valuation model and analysing the underlying key assumptions, including terminal growth rates and discount rates.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	The Company has carried out an impairment assessment using the value-in-use model which is based on the net present value of the forecast earnings of the cash generating units. The computation involves using certain assumptions around discount rates, growth rates and cash flow forecasts. Thus, assessment of recoverability of carrying value of goodwill and other intangible assets with indefinite useful lives is a key audit matter.	d. Evaluated the sensitivity in the valuation, resulting from changes to key assumptions applied and compared the assumptions to corroborating information including industry reports and data from competitors, historic performance, local economic developments and industry outlook. e. Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board and tested the mathematical accuracy of management's calculations. f. Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements.
2	**Estimates – Provision for Warranties** (Refer Note 13 to Standalone Financial Statements) The Company's business involves the sale of products under warranty. The Company also has back-to-back contractual arrangements with its vendors for reimbursement of cost relating to products supplied by the vendors. Warranty provisions, which are inherently judgmental in nature, are provided by the Company to record an appropriate estimate of the costs of repairing and replacing products and spares within the warranty period. The Company estimates and provides for liability for product warranties in the year in which the products are sold. Further, the timing of outflows will vary based on the actual warranty claims made during the warranty period in the future. The above estimations of warranty provision require significant judgement considering the nature and timing of the cash outflows. Also, there is estimation uncertainty as regards to the timing and the amount of the actual warranty claims that may devolve over the warranty period. Accordingly, provision for warranties has been determined by us to be a key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a. Obtained an understanding of the warranty claims process and assessed the design and implementation and tested the operating effectiveness of internal controls over the provision for warranties. b. Reviewed the historical data of warranty costs incurred in regard to the product sales, the trend of claims over the warranty period and the comparison between provisions previously recognised and actual expenses. Also reviewed the historical data of recoveries from vendors against warranty claims and defective returns. c. Reviewed reconciliations of sales data to determine completeness of transactions on which warranty obligation is determined. d. Performed enquiry procedures and reviewed relevant documents in evaluating the accuracy of historical information prepared by the management (including cost of repairs and returns). e. Reviewed the recognition and appropriateness of provisions by verifying the computation of defect rates, vendors recovery and mathematical accuracy of management calculations and obtaining management statements, evidence and supporting documents. f. Assessed the adequacy and appropriateness of the relevant disclosures made in the Standalone Financial Statements.

Sr. No.	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3	**Ongoing litigations and related accounting and disclosure of provisions and contingent liabilities, including provision for tax** (Refer Note 27 of Standalone Financial Statement) The Company has unsettled tax matters under ongoing litigations and disputes with regulatory authorities, which involves significant judgment to determine probable, possible or a reliable estimate of the outcome of the dispute. These provisions are estimated using a significant degree of management judgement in interpreting the various relevant rules, regulations and practices. Further these amounts are likely to have a significant impact on the Standalone Financial Statements. Provision for tax is also based on the presumption of significant estimates and assumptions on the allowability/ disallowability of claims at the assessment level. Accordingly, this is considered as the key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a. Obtained an understanding of the key uncertain tax provisions and also obtained information of completed tax assessments and demands / refunds received by the Company during the financial year. b. Reviewed the processes and design, implementation and operating effectiveness of controls in place over tax assessments and demands / refunds through discussions with the management's internal experts / external consultants and reviewed the communications with those charged with governance pertaining to this issue. c. Involved our internal tax experts ("auditor's expert") to discuss with the appropriate management to critically evaluate the key assumptions in estimating the tax provisions and assess the possible outcome of the assessment / demands of the disputed claims. Our tax experts considered past precedence and other rulings in evaluating Company's position on these uncertain tax positions. d. Further, considered the effect of all the information in respect of uncertain tax positions as at 31st March, 2023 and provision for tax to evaluate whether it was necessary to revise the Company's position on these uncertainties. e. Assessed the adequacy and appropriateness of the relevant disclosures made in the Standalone Financial Statements.

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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

    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

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

    e. On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

    f. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 27 to the Standalone Financial Statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

        iv. a. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material mis-statement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 10(h) to the Standalone Financial Statements)

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

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

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

Srividya Vaidison
Partner
Membership No.: 207132
UDIN: 23207132BGQRZL9330

Place: Mumbai
Date: 19th May, 2023

Annexure A To The Independent Auditor's Report on even date on the Standalone Financial Statements of Crompton Greaves Consumer Electricals Limited

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

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

Srividya Vaidison
Partner
Membership No.: 207132
UDIN: 23207132BGQRZL9330

Place: Mumbai
Date: 19th May, 2023

Annexure B to Independent Auditor's Report of even date on the Standalone Financial Statements of Crompton Greaves Consumer Electricals Limited for the year ended 31st March, 2023.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report]

i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The property, plant and equipment and right of use assets were physically verified by the management in accordance with a planned programme designed to cover over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, there are no proceedings initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the books of account.

iii. (a) According to the information explanation provided to us, the Company has made investments in subsidiary and given guarantee on the nature of loans but has not provided any security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

The details of such guarantees

Particulars	Guarantees amount (₹ in Crores)
Aggregate amount of guarantee provided during the year	249 (Gross amount)
Balance Outstanding as at balance sheet date in respect of guarantee provided	NIL

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made and guarantee listed are not prejudicial to the interest of the Company.

(c) According to the information explanation provided to us, the company has not given any loans or advances in the nature of loans. Hence, the requirements under paragraph 3(iii)(c), (d), (e) and (f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan, or provided guarantee or security to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of Section

185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of Section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. We have broadly reviewed the books of account maintained by the Company pursuant Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, cess and other statutory dues have been regularly deposited by the Company with appropriate authorities although there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, duty of customs, cess, and other statutory dues in arrears as at 31st March, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income tax, goods and service tax, customs duty, excise duty, sales tax, value added tax, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded ₹ In Crores	Amount Paid ₹ In Crores	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Tax	33.66	23.28	FY 2010-11, 11-12, 12-14, 14-15, 15-16, 16-17, 17-18, 19-20, 20-21	Commissioner (Appeals)
The Central Excise Act, 1944	Tax, Penalty	1.37	-	FY 2000-01	Dy. Commissioner, Central Excise
The Central Excise Act, 1944	Tax	5.23	-	FY 2016-17 and 17-18	Commissioner of Central GST
Goods and Service Tax	Tax, Interest and penalty	4.38	0.22	FY 2017-18 and 20-21	Commissioner Appeals
The Customs Act, 1962	Duty and Surcharge	8.59	4.02	FY 2017-18 to 22-23	Commissioner Appeals
The Central Sales Tax Act, 1956, Local Sales Tax Act and works Contract Tax and Value added tax Acts	Tax and Penalty	139.29	15.18	FY 1998-99 to 1999-00, 2001-02, 2003-04 to 2017-18	Commissionerate (Appeals)
	Tax	2.47		FY 1996-97, 2000-01, 2002-03 to 05, 2008-09, 2011-12, 2013-14	Tribunal
	Tax	0.06		FY 1999-00	High Court

viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information explanation provided to us, money raised by way of term loans (non-convertible debentures) during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information explanation given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3(x)(b) of the Order are not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.

(b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the Standalone Financial Statements for the year ended 31st March, 2023, accordingly the provisions stated in paragraph 3(xi)(b) of the Order is not applicable to the Company.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing, and extent of audit procedures.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3(xvi)(a) of the Order are not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 3(xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3(xvi)(c) of the Order are not applicable to the Company.

(d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 3(xvi)(d) of the Order are not applicable to the Company.

xvii. Based on the overall review of Standalone Financial Statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3(xvii) of the Order are not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, reporting under Clause 3(xx)(a) and Clause 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said Clause has been included in the report.

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

Srividya Vaidison
Partner
Membership No.: 207132
UDIN: 23207132BGQRZL9330

Place: Mumbai
Date: 19th May, 2023

ANNEXURE C to the Independent Auditor's Report of even date on the Standalone Financial Statements of Crompton Greaves Consumer Electricals Limited

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Crompton Greaves Consumer Electricals Limited on the Standalone Financial Statements for the year ended 31st March, 2023]

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

Opinion

We have audited the internal financial controls with reference to Standalone Financial Statements of Crompton Greaves Consumer Electricals Limited ("the Company") as of 31st March, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31st March, 2023, based on the criteria for internal control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone Financial Statements

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

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

Srividya Vaidison
Partner
Membership No.: 207132
UDIN: 23207132BGQRZL9330

Place: Mumbai
Date: 19th May, 2023

Standalone Balance Sheet

as at 31st March, 2023

₹ crore

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2 A	223.49	215.20
(b) Capital work-in-progress	2 E	2.64	7.50
(c) Right to use assets	2 B	68.85	69.35
(d) Intangible assets	2 C	779.41	779.41
(e) Other intangible assets	2 D	50.26	35.03
(f) Intangible assets under development	2 F	21.05	-
(g) Financial assets			
(i) Investments	3 A	1,928.21	1,407.17
(ii) Trade receivables	7 A	15.49	21.83
(iii) Other financial assets	4 A	12.07	12.02
(h) Deferred tax assets (net)	17	69.66	48.14
(i) Non-current tax assets (net)		8.62	13.83
(j) Other non-current assets	5 A	73.64	64.74
Total non-current assets		**3,253.39**	**2,674.22**
(2) Current assets			
(a) Inventories	6	618.75	511.35
(b) Financial assets			
(i) Investments	3 B	530.77	610.65
(ii) Trade receivables	7 B	529.80	490.70
(iii) Cash and cash equivalents	8	44.06	170.09
(iv) Bank balances other than (iii) above	9	3.74	733.69
(v) Other financial assets	4 B	21.63	14.60
(c) Current tax assets (net)		19.81	22.00
(d) Other current assets	5 B	123.73	98.80
Total current assets		**1,892.29**	**2,651.88**
TOTAL ASSETS		**5,145.68**	**5,326.10**

Standalone Balance Sheet (Contd..)

as at 31st March, 2023

₹ crore

Particulars	Notes	As at 31st March, 2023	As at 31st March, 2022
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	127.22	126.68
(b) Other equity	11	2,711.75	2,328.98
Total equity		**2,838.97**	**2,455.66**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12 A	597.18	-
(ii) Lease liabilities	30	52.20	43.54
(iii) Trade payables	14 A		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		13.19	8.07
(b) Provisions	13 A	131.23	109.55
Total non-current liabilities		**793.80**	**161.16**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12 B	325.00	1,555.25
(ii) Lease liabilities	30	25.80	33.63
(iii) Trade payables	14 B		
(a) Total outstanding dues of micro enterprises and small enterprises		217.61	109.99
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		676.64	742.29
(iv) Other financial liabilities	15	68.30	39.05
(b) Other current liabilities	16	79.78	115.35
(c) Provisions	13 B	111.85	113.72
(d) Current tax liabilities (net)		7.93	-
Total current liabilities		**1,512.91**	**2,709.28**
Total liabilities		**2,306.71**	**2,870.44**
TOTAL EQUITY AND LIABILITIES		**5,145.68**	**5,326.10**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

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

Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

₹ crore

Particulars	Notes	2022-23	2021-22
Income			
I. Revenue from operations	18	5,809.31	5,373.20
II. Other income	19	74.41	79.90
III. Total Income (I+II)		**5,883.72**	**5,453.10**
IV. Expenses			
Cost of materials consumed	20	1,308.04	1,193.91
Purchase of stock-in-trade	21	2,815.34	2,456.65
Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	(113.93)	39.45
Employee benefits expense	23	439.63	362.39
Finance costs	24	102.69	35.31
Depreciation and amortisation expense	2	54.23	42.29
Other expenses	25	688.95	559.95
Total Expenses (IV)		**5,294.95**	**4,689.95**
V. Profit before exceptional items and tax (III-IV)		**588.77**	**763.15**
Exceptional items	26	(5.54)	-
VI. Profit before tax		**594.31**	**763.15**
VII. Tax expenses:			
Current tax		156.54	156.27
Adjustment of tax relating to earlier periods		(16.71)	3.97
Deferred tax (credit)/ charge	17	(21.08)	9.43
Total Tax expenses (VII)		**118.75**	**169.67**
VIII. Profit for the year (VI-VII)		**475.56**	**593.48**
IX. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) on defined benefit plans		(1.75)	2.74
(ii) Income tax related to items that will not be reclassified to profit or loss		0.44	(0.69)
Other comprehensive income for the year (net of tax) (IX)		**(1.31)**	**2.05**
X. Total comprehensive income for the year (VIII + IX)		**474.25**	**595.53**
XI. Earnings per equity share (in ₹) of face value of ₹ 2 each	33		
1. Basic		7.49	9.45
2. Diluted		7.46	9.41

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

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Managing Director and
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D. Sundaram
Director
DIN: 00016304

Kaleeswaran Arunachalam
Chief Financial Officer

Rashmi Khandelwal
Company Secretary
M. No. A28839

Mumbai
19th May, 2023

Standalone Statement of Changes in Equity

for the year ended 31st March, 2023

(A) EQUITY SHARE CAPITAL

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

(B) OTHER EQUITY

₹ crore

Particulars	Reserves and Surplus					Other comprehensive income	Total Other Equity
	Capital Reserve	Securities premium	Employee stock options outstanding account	Debenture redemption reserve	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	
Balance as at 1st April, 2021	**0.05**	**24.01**	**162.53**	**75.00**	**1,530.68**	**1.18**	**1,793.45**
Profit for the year	-	-	-	-	593.48	-	593.48
Dividends paid	-	-	-	-	(156.96)	-	(156.96)
Securities premium received	-	59.20	-	-	-	-	59.20
Amount transferred to / (from) Securities premium	-	61.66	(61.66)	-	-	-	-
Amount transferred to / (from) Retained earnings	-	-	-	-	-	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	2.05	2.05
Employee compensation expense for the year (Refer Note 23)	-	-	37.76	-	-	-	37.76
Balance as at 31st March, 2022	**0.05**	**144.87**	**138.63**	**75.00**	**1,967.20**	**3.23**	**2,328.98**
Profit for the year	-	-	-	-	475.56	-	475.56
Dividends paid	-	-	-	-	(158.41)	-	(158.41)
Securities premium received	-	41.06	-	-	-	-	41.06
Amount transferred to / (from) Securities premium	-	23.58	(23.58)	-	-	-	-
Amount transferred to / (from) Retained earnings	-	-	(1.81)	(75.00)	76.81	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	(1.31)	(1.31)
Employee compensation expense for the year (Refer Note 23)	-	-	25.88	-	-	-	25.88
Balance as at 31st March, 2023	**0.05**	**209.51**	**139.12**	**-**	**2,361.15**	**1.92**	**2,711.75**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

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

Standalone 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	**594.31**	**763.15**
Adjustments for:		
Depreciation and amortisation expense	54.23	42.29
Finance cost	102.69	35.31
(Gain) / loss on sale of property, plant and equipment	(3.66)	0.14
Share-based Payments to employees	25.88	37.76
Net loss / (gain) on sale or fair valuation of investments	(15.26)	(36.37)
Interest income	(42.53)	(28.12)
Dividend received from subsidiaries	(9.21)	(11.86)
Unrealised exchange (gain) / loss (net)	(0.63)	1.12
Exceptional items	(5.54)	-
	105.97	**40.27**
Cash generated from operations before working capital changes	**700.28**	**803.42**
Adjustments for		
(Increase) / Decrease in trade receivables	(32.76)	(60.16)
(Increase) / Decrease in inventories	(107.40)	6.42
(Increase) / Decrease in other financial and non financial assets	(41.23)	(8.66)
Increase / (Decrease) in trade payables	42.83	67.53
(Decrease) / Increase in other financial and non financial liabilities	(33.36)	69.05
Increase / (Decrease) in provisions	18.06	16.73
	(153.86)	**90.91**
Cash generated from operations	**546.42**	**894.33**
Income Tax paid (net of refunds)	(121.62)	(164.14)
Net cash generated from operating activities[A]	**424.80**	**730.19**
[B] CASH FLOWS FROM INVESTING ACTIVITIES		
Add: Inflows from investing activities		
Interest received	40.67	36.63
Dividend received from subsidiaries	9.21	11.86
Proceeds from current investments (net)	95.14	186.80
Proceeds from sale of property, plant and equipment	4.60	0.56
Proceeds from sale of investment in subsidiary (net)	161.08	-
	310.70	**235.85**
Less: Outflows from investing activities		
Investment in subsidiaries	672.96	1,392.97
(Increase) / Decrease in other bank balances and term deposits	(730.58)	392.16
Purchase of property, plant and equipment and intangible assets (including assets under development & capital advances)	69.17	171.15
	11.55	**1,956.28**
Net cash generated from / (used in) investing activities [B]	**299.15**	**(1,720.43)**

Standalone Statement of Cash Flows (Contd..)

for the year ended 31st March, 2023

₹ crore

Particulars	2022-23	2021-22
[C] CASH FLOWS FROM FINANCING ACTIVITIES		
Add: Inflows from financing activities		
Proceeds from issue of equity shares	41.60	60.33
Proceeds from issue of debentures	925.00	-
Proceeds from short-term borrowings	-	1,406.90
	966.60	**1,467.23**
Less: Outflows from financing activities		
Payment of dividend including dividend distribution tax	157.78	156.35
Repayment of debentures	150.00	330.00
Repayment of lease liability	31.49	23.01
Repayment of short-term borrowings	1,406.89	-
Interest paid	70.42	50.53
	1,816.58	**559.89**
Net cash generated from / (used in) financing activities [C]	**(849.98)**	**907.34**
Net decrease in cash and cash equivalents (A+B+C)	**(126.03)**	**(82.90)**
(a) Cash and cash equivalents at beginning of the year	170.09	252.99
(b) Cash and cash equivalents at end of the year	44.06	170.09
(c) Net increase / (decrease) in cash and cash equivalents (c = b-a)	**(126.03)**	**(82.90)**

Standalone Statement of Cash Flows (Contd..)

for the year ended 31st March, 2023

Notes:

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

(ii) Changes in liabilities arising from financing activities :

₹ crore

Particulars	As at 01st April, 2022	Cash flow changes		Non-cash flow changes		As at 31st March, 2023
		Receipts	Payments	Unamortized expenses	Others	
Non-current borrowings (Refer Note 12A)	-	925.00	-	(2.82)	(325.00)	597.18
Current borrowings (Refer Note 12B)	1,555.25	-	(1,556.89)	1.64	325.00	325.00
Total	**1,555.25**	**925.00**	**(1,556.89)**	**(1.18)**	**-**	**922.18**

₹ crore

Particulars	As at 01st April, 2021	Cash flow changes		Non-cash flow changes		As at 31st March, 2022
		Receipts	Payments	Unamortized expenses	Others	
Non-current borrowings (Refer Note 12A)	298.79	-	(150.00)	1.08	(149.87)	-
Current borrowings (Refer Note 12B)	180.00	1,406.90	(180.00)	(1.52)	149.87	1,555.25
Total	**478.79**	**1,406.90**	**(330.00)**	**(0.44)**	**-**	**1,555.25**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

D. Sundaram
Director
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Kaleeswaran Arunachalam
Chief Financial Officer

Mumbai
19th May, 2023

Promeet Ghosh
Managing Director and
Chief Executive Officer
DIN: 05307658

Rashmi Khandelwal
Company Secretary
M. No. A28839

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

CORPORATE INFORMATION

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

1. Significant Accounting policies

1) Statement of compliances and basis of preparation and presentation

A. Statement of compliance

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

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

B. Basis of presentation

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

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

C. Basis of measurement

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

1. Financial instruments measured at fair value through profit or loss;
2. Defined benefit plans – plan assets measured at fair value; and
3. Share based payment transactions

D. Rounding of amounts

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

2) Key estimates and assumptions

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

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

A. Goodwill impairment

For testing of impairment of goodwill, if events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the Cash Generating Units ('CGUs') (including allocated goodwill) is compared with its recoverable amount by the company. The recoverable amount is the higher of fair value less costs to sell and value in use, both of which are calculated by the company using a discounted cash

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

flow analysis. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimation and judgments involve, but are not limited to, industry trends including pricing, estimating long-term revenues, revenue growth and operating expenses. An impairment loss recognised for goodwill is not reversed in subsequent periods.

B. Provision for warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years. (Refer Note 13)

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

C. Estimates related to Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. (Refer Note 35)

D. Taxes

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 17)

E. Measurement of Defined Benefit Obligations, key actuarial assumptions

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

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. (Refer Note 31)

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

F. Contingent Liabilities

It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the pending resolution of the respective proceedings as it is determinable only on receipt of judgements/ decisions pending with various forums/authorities.

The Company does not expect any reimbursements in respect of the contingent liabilities. The Company's pending litigations comprise of proceedings pending with various direct tax, indirect tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where

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

applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

3) Foreign currency translation

A. Functional and presentation currency

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

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

B. Transactions and balances

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

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

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

4) Financial instruments

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

A. Financial assets

Classification

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

i) those measured at amortised cost, and

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

Initial recognition and measurement

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

Subsequent measurement

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

Equity instruments

Investment in equity instruments issued by subsidiary companies are measured at cost less impairment.

Debt instruments

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

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

Subsequent measurement

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

- **Amortised cost**

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

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

De-recognition

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

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

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

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

- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

- On derecognition of financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

- If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized and the proceeds received are recognised as a collateralized borrowing.

Impairment of financial assets

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

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

- Financial assets that are debt instruments, and are measured at amortised cost

- Trade receivables using the simplified approach. This does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

B. Financial liabilities

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

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

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

Derecognition

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

Other financial liabilities

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

Offsetting of financial instruments

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

Derivative financial instruments

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

Financial guarantee contracts

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

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

5) **Fair Value Measurement**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

A. Recognition and measurement

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

The cost of an item of PPE comprises:

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

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

PPE which are not ready for intended use as on the date of Balance sheet are disclosed as Capital work-in-progress.

Where cost of a part of an asset (asset component) is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately, and such asset component is depreciated over its separate useful life.

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

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

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

B. Subsequent expenditure

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

C. Depreciation

Depreciable amount for assets is the cost of an asset or other amount substituted for cost less its estimated residual value.

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

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

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

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

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

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

7) Intangible assets

A. Recognition and measurement

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

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

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

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

B. Subsequent expenditure

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

C. Amortisation

Other intangible assets	Useful life (in years)
Product Development	Up to 5
Computer Software	5
Trademarks	Indefinite
Technical knowhow	Indefinite

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

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

D. Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. (Refer Note 34 for a description of impairment testing procedures.)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

E. Research and development cost

i) Research cost

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

ii) Development cost

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

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

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

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

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

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

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

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

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

8) Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is higher of the fair value of asset less costs of disposal and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at their lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognised or relates to a change in the estimate of the recoverable amount in the previous periods. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

9) Inventories

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

Raw materials, packaging materials and stores and spare parts:

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

Work in progress, manufactured finished goods and traded goods:

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

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

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

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

10) Cash and cash equivalents

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

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

11) Business Combination

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

Directly attributable transaction costs are included in the initial measurement of investments in subsidiaries accounted for at cost. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on acquisition-date. Intangible Assets acquired in a Business Combination and recognised separately from Goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible Assets acquired in a Business Combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Goodwill is measured as the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Such goodwill is tested annually for impairment.

12) Borrowings and loans

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

13) Leases

The Company as a lessee:

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

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

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

The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be

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for the year ended 31st March, 2023

exercised. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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

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

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

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

14) Employee benefit plans

A. Short-term employee benefits:

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

B. Post-employment benefits:

Defined contribution plans:

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

Defined benefit plans:

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

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

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

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

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

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C. Long-term employee benefits:

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

D. Termination benefits:

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

E. Share-based Payments:

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

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

15) Provisions, contingent liabilities, contingent assets and commitments

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

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

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

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

16) Income taxes

Income tax expense comprises current and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. (Refer Note 17)

a) Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only if:

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

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

b) Deferred tax

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

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

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

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

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

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

17) Revenue from contract with customers

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

Sale of Goods

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

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

Rendering of services

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

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

Interest income

Interest income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income

Dividend income on investments is recognised when the right to receive dividend is established.

Other income

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

18) Government grants and incentives

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

The Government incentives are recognised in profit or loss on a systematic basis over the period in which the

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Company recognizes as expenses. The related costs for which the incentives are intended to compensate or immediately if the costs have already been incurred.

19) Borrowing costs

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

20) Earnings per share ('EPS')

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

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

21) Exceptional items

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

22) Segment accounting

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

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

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

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

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

23) Statement of cash flows

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

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

24) Recent accounting pronouncements

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

2 Property, plant and equipment and Intangible assets

₹ crore

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2022	Additions	Deductions	As at 31st March, 2023	As at 31st March, 2022	For the year*	Deductions	As at 31st March 2023	As at 31st March, 2023	As at 31st March 2022
A. Property, plant and equipment										
Freehold land (Refer Note ii)	99.52	-	-	99.52	-	-	-	-	99.52	99.52
Leasehold land	2.69	-	-	2.69	0.81	0.01	-	0.82	1.87	1.88
Buildings (Refer Note ii)	50.04	2.56	0.52	52.08	9.83	2.53	0.11	12.25	39.83	40.21
Leasehold Improvements	5.79	0.16	-	5.95	0.55	1.34	-	1.89	4.06	5.24
Plant and equipment	97.94	24.95	3.92	118.97	44.77	18.94	2.91	60.80	58.17	53.17
Furniture and fixtures	6.22	0.57	0.04	6.75	3.06	0.75	0.01	3.80	2.95	3.16
Office equipment	18.62	6.40	0.78	24.24	11.15	4.51	1.13	14.53	9.71	7.47
Vehicles	6.94	4.92	1.31	10.55	2.39	1.67	0.89	3.17	7.38	4.55
Sub-total A	**287.76**	**39.56**	**6.57**	**320.75**	**72.56**	**29.75**	**5.05**	**97.26**	**223.49**	**215.20**
B. Right-of-Use assets (Refer Note 30)	101.66	30.99	11.29	121.36	32.31	27.02	6.82	52.51	68.85	69.35
Sub-total B	**101.66**	**30.99**	**11.29**	**121.36**	**32.31**	**27.02**	**6.82**	**52.51**	**68.85**	**69.35**
C. Intangible assets										
Goodwill (Refer Note 34)	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Sub-total C	**779.41**	**-**	**-**	**779.41**	**-**	**-**	**-**	**-**	**779.41**	**779.41**
D. Other intangibles assets										
Computer software	10.57	1.75	-	12.32	8.50	0.74	-	9.24	3.08	2.07
Technical knowhow	1.90	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Research and development	0.68	-	-	0.68	0.64	-	-	0.64	0.04	0.04
Trademark and Patents	32.91	-	-	32.91	-	-	-	-	32.91	32.91
Product Development	-	15.77	-	15.77	-	1.55	-	1.55	14.22	-
Sub-total D	**46.06**	**17.52**	**-**	**63.58**	**11.03**	**2.29**	**-**	**13.32**	**50.26**	**35.03**
Total A + B + C + D	**1,214.89**	**88.07**	**17.86**	**1,285.10**	**115.90**	**59.06**	**11.87**	**163.09**	**1,122.01**	**1,098.99**

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

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

₹ crore

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2021	Additions	Deductions	As at 31st March 2022	As at 31st March 2021	For the year	Deductions	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
A. Property, plant and equipment										
Freehold land (Refer Note ii)	4.41	95.11	-	99.52	-	-	-	-	99.52	4.41
Leasehold land	2.69	-	-	2.69	0.78	0.03	-	0.81	1.88	1.91
Buildings (Refer Note ii)	45.92	4.52	0.40	50.04	8.06	2.15	0.38	9.83	40.21	37.86
Leasehold Improvements	-	5.79	-	5.79	-	0.55	-	0.55	5.24	-
Plant and equipment	82.28	22.69	7.03	97.94	38.80	12.34	6.37	44.77	53.17	43.48
Furniture and fixtures	4.74	1.94	0.46	6.22	2.66	0.61	0.21	3.06	3.16	2.08
Office equipment	14.64	5.02	1.04	18.62	8.95	3.14	0.94	11.15	7.47	5.69
Vehicles	4.23	3.76	1.05	6.94	2.23	0.97	0.81	2.39	4.55	2.00
Sub-total A	**158.91**	**138.83**	**9.98**	**287.76**	**61.48**	**19.79**	**8.71**	**72.56**	**215.20**	**97.43**
B. Right-of-Use assets (Refer Note 30)	54.89	59.87	13.10	101.66	19.56	21.00	8.25	32.31	69.35	35.33
Sub-total B	**54.89**	**59.87**	**13.10**	**101.66**	**19.56**	**21.00**	**8.25**	**32.31**	**69.35**	**35.33**
C. Intangible assets										
Goodwill (Refer Note 34)	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Sub-total C	**779.41**	**-**	**-**	**779.41**	**-**	**-**	**-**	**-**	**779.41**	**779.41**
D. Other intangibles assets										
Computer software	9.77	0.80	-	10.57	7.00	1.50	-	8.50	2.07	2.77
Technical know how	1.90	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Research and development	0.68	-	-	0.68	0.64	-	-	0.64	0.04	0.04
Trademark and Patents	-	32.91	-	32.91	-	-	-	-	32.91	-
Product Development	-	-	-	-	-	-	-	-	-	-
Sub-total D	**12.35**	**33.71**	**-**	**46.06**	**9.53**	**1.50**	**-**	**11.03**	**35.03**	**2.82**
Total A + B + C + D	**1,005.56**	**232.41**	**23.08**	**1,214.89**	**90.57**	**42.29**	**16.96**	**115.90**	**1,098.99**	**914.99**

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

(i) CWIP movement

₹ crore

Particulars	2022-23	2021-22
As at 1st April	**7.50**	**10.86**
Add: Additions during the year	15.68	18.20
Less: Capitalized during the year	20.54	21.56
As at 31st March	**2.64**	**7.50**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

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

(ii) CWIP Ageing schedule

₹ crore

As at 31st March, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.39	0.06	0.07	0.12	2.64
Projects temporarily suspended	-	-	-	-	-

₹ crore

As at 31st March, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5.38	2.00	0.12	-	7.50
Projects temporarily suspended	-	-	-	-	-

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

F. Intangible assets under development ('IAUD')

(i) IAUD movement

₹ crore

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

(ii) IAUD Ageing schedule

₹ crore

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

₹ crore

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

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

Notes:

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

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

Description of item of property	Gross carrying value (₹ crore)		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
	31st March, 2023	31st March, 2022				
Building	-	0.67	Crompton Greaves Ltd.	No	01-01-2016	Title deeds of Office premise was not transferred at the time of "Scheme of Arrangement" in year 2015, in the name of the Company. However, the same was in possession of the company. Subsequently in current year, these assets have been transferred to Crompton Greaves Ltd.

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

3 Investments

A Non-current investments

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Investments in equity instruments (fully paid-up)		
In Subsidiary companies		
At Cost		
Quoted equity shares		
Butterfly Gandhimati Appliances Ltd.*	1,914.01	1,392.97
(1,34,09,663 (31st March, 2022 : 98,33,754) ordinary shares of ₹ 10 each)		
	1,914.01	**1,392.97**
Unquoted equity shares		
Pinnacles Lighting Project Private Limited	6.70	6.70
(67,00,000 (31st March, 2022 : 67,00,000) ordinary shares of ₹ 10 each)		
Nexustar Lighting Project Private Limited	7.50	7.50
(75,00,000 (31st March, 2022 : 75,00,000) ordinary shares of ₹ 10 each)		
	14.20	**14.20**
	1,928.21	**1,407.17**
Details of investments:		
Aggregate book value of:		
Quoted investments	1,914.01	1,392.97
Unquoted investments	14.20	14.20
	1,928.21	**1,407.17**
Aggregate market value of:		
Quoted investments	1,624.38	1,366.01
Unquoted investments	-	-
	1,624.38	**1,366.01**

Notes:

1. The investments is in compliance with Section 186(4) of the Companies Act, 2013.
2. The Company has complied with the number of layers prescribed under the Companies Act, 2013.

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

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

3 Investments (Contd..)

B Current investments

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at Fair value through Profit and Loss		
Investment in Bonds (Quoted)	265.20	32.08
Investment in Mutual funds (Unquoted)	265.57	578.57
	530.77	**610.65**
Details of investments:		
Aggregate book value of:		
Quoted investments	265.20	32.08
Unquoted investments (accounted based on NAV)	265.57	578.57
	530.77	**610.65**
Aggregate market value of:		
Quoted investments	265.20	32.08
Unquoted investments	-	-
	265.20	**32.08**

₹ crore

Particulars	Face Value per Bond/ Unit	Number of Bonds/ Units as at 31st March, 2023	Number of Bonds/Units as at 31st March, 2022	As at 31st March, 2023 ₹ crore	As at 31st March, 2022 ₹ crore
Investment in Bonds (Quoted)					
Series 02-2021 ISIN INE535H07BJ8 of Market Linked Debentures of Fullerton India Credit Company Limited	10,00,000	100	100	10.99	10.61
ISIN INE062A08173 of Perpetual Bonds of State Bank of India	10,00,000	100	100	10.09	10.47
HDB Financial Services	10,00,000	400	-	39.15	-
HDB Financial Services	10,00,000	300	-	29.36	-
HDFC Limited	10,00,000	250	-	24.78	-
HDFC Limited	10,00,000	400	-	40.27	-
Kotak Mahindra Prime	10,00,000	250	-	24.57	-
L&T Finance Limited	10,00,000	250	-	24.93	-
LIC ZCB	10,00,000	400	-	41.45	-
ZCB HDB Financial Services Apr 2024	10,00,000	180	-	19.61	-
ISIN INE020B08CY9 of Market Linked Debentures of Rural Electrification Limited	10,00,000	-	100	-	11.00
Sub-total A				**265.20**	**32.08**
Investment in Mutual funds (Unquoted)					
Unquoted					
Aditya Birla SL Overnight Fund	100	41,445	87,008	5.02	10.00
Aditya Birla SL Liquid Fund - Direct - Growth	100	6,90,114	-	25.06	-
Aditya Birla SL Money Manager Fund - Direct - Growth	100	3,79,774	-	12.01	-
Aditya Birla SL Floating Rate Fund - Direct - Growth	100	-	18,89,691	-	53.58
Axis Banking & PSU Debt Fund Direct - Growth	1,000	53,976	78,533	12.35	17.18
Axis Overnight Fund	1,000	84,361	88,985	10.00	10.00
Axis Liquid Fund	1,000	20,004	-	5.00	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

3 Investments (Contd..)

₹ crore

Particulars	Face Value per Bond/ Unit	Number of Bonds/ Units as at 31st March, 2023	Number of Bonds/Units as at 31st March, 2022	As at 31st March, 2023 ₹ crore	As at 31st March, 2022 ₹ crore
Axis Corporate Debt Fund - Dir - Gr	10	-	3,88,03,524	-	55.33
Axis Money Market Fund	1,000	-	86,872	-	10.01
DSP Low Duration Fund - Direct - Growth	10	-	1,15,91,428	-	19.08
DSP Overnight Fund	1,000	1,66,665	87,849	20.01	10.00
Edelweiss Bharat Bond FOF- April 2030	100	-	53,75,690	-	6.45
HDFC Money Market Fund	1,000	20,317	-	10.00	-
HSBC Overnight Fund	1,000	1,70,640	-	20.02	-
ICICI Prudential Corporate Bond Fund - Direct - Growth	10	-	47,08,147	-	11.58
ICICI Prudential Money Market - Direct - Growth	100	-	3,26,045	-	10.01
ICICI Pru Liquid Fund- Direct- Growth	100	1,98,288	-	6.61	-
IDFC Banking & PSU Debt Fund - Direct - Growth	10	-	85,30,063	-	17.40
IDFC Overnight Fund	1,000	-	2,17,869	-	24.70
IDFC Low Duration Fund - Direct - Growth	10	-	73,14,113	-	23.30
IDFC Cash Fund- Growth-Direct Plan	1,000	14,732	-	4.01	-
Invesco India Liquid Fund - Direct - Growth	1,000	3,240	-	1.00	-
Invesco India Corporate Bond Fund - Direct - Growth	1,000	-	1,56,917	-	42.92
Invesco India Money Market Fund - Direct - Growth	1,000	601	74,293	0.16	18.88
Invesco India Treasury Advantage Fund - Direct - Growth	1,000	74,414	1,92,379	24.80	61.04
Kotak Corporate Bond Fund - Direct - Growth	1,000	98,825	1,75,469	32.38	54.97
Kotak Overnight Fund	1,000	83,686	88,227	10.01	10.00
Kotak Liquid Fund Direct - Growth	1,000	-	11,735	-	5.05
L&T Banking & PSU Debt fund - Direct - Growth	10	-	77,62,351	-	16.31
Nippon India Liquid Fund- Direct- Growth	1,000	9,085	-	5.00	-
Nippon India Dynamic Bond Fund - Dir - Gr	10	-	32,74,723	-	10.39
Nippon India Floating Rate fund - Direct - Growth	10	-	1,06,41,417	-	40.17
Nippon India Overnight Fund - Direct - Growth	100	-	8,76,452	-	10.00
Nippon India Money Market - Direct - Growth	1,000	28,396	29,863	10.07	10.01
SBI Overnight Fund - Growth	1,000	-	26,702	-	9.24
Sundaram Liquid Fund	1,000	1,00,778	-	20.03	-
Sundaram Corporate Bond Fund - Direct - Growth	10	-	32,76,326	-	10.97
Tata Liquid Fund	1,000	28,169	-	10.00	-
Tata Money Market	1,000	46,991	-	19.03	-
UTI Overnight Fund	1,000	9,783	-	3.00	-
Sub-total B				**265.57**	**578.57**
Total (A+B)				**530.77**	**610.65**

(Refer Note 37 A for information about fair value measurement and Note 37 D (i) for credit risk of investments.)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

4 Other financial assets

A Other financial assets - Non-current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits (unsecured, considered good)	12.07	12.02
	12.07	**12.02**

B Other financial assets - current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits (unsecured, considered good)	18.67	13.91
Fair value of derivative assets	0.23	0.69
Other receivables - from related parties	2.73	-
	21.63	**14.60**

5 Other assets

A Other assets - Non-current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital advances (net)	7.97	7.27
Expected recoverable from vendors against warranty	43.39	34.80
Amount paid under protest	22.28	22.67
	73.64	**64.74**

B Other assets - Current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance to suppliers	27.03	30.84
Balances with Indirect tax authorities	4.43	4.73
Expected recoverable from vendors against warranty	27.03	29.28
Prepaid expenses	20.89	7.81
Others	44.35	26.14
	123.73	**98.80**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

6 Inventories

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
(At lower of cost and net realisable value)		
Raw materials	102.42	107.62
Add: Goods-in-transit	1.25	4.21
	103.67	**111.83**
Work-in-progress	37.70	29.61
Finished goods	135.38	122.42
Add: Goods-in-transit	39.62	12.31
	175.00	**134.73**
Stock-in-trade	232.39	199.23
Add: Goods-in-transit	63.72	31.31
	296.11	**230.54**
Stores, spares and packing materials	6.27	4.64
	618.75	**511.35**

Note:

Inventories are hypothecated with the bankers against working capital facilities (Refer Note 12)

7 Trade receivables

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

₹ crore

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

B Trade receivables - Current (valued at amortised cost)

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
Considered good	529.80	490.70
Considered doubtful	44.90	30.21
	574.70	**520.91**
Less: Allowance for doubtful trade receivables	(44.90)	(30.21)
	529.80	**490.70**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

7 Trade receivables (Contd..)

Trade Receivables Ageing (Non-current and Current)

₹ crore

As at 31st March, 2023	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables-considered good	436.22	63.34	29.57	-	-	-	529.13
(ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	33.39	-	-	33.39
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	18.89	7.62	26.51
(iv) Disputed Trade receivables-considered good	0.02	0.30	0.01	-	-	-	0.33
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	0.70	-	-	0.70
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	0.13	-	0.13
Allowance for doubtful trade receivables							(44.90)
Total	**436.24**	**63.64**	**29.58**	**34.09**	**19.02**	**7.62**	**545.29**

₹ crore

As at 31st March, 2022	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months -1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables-considered good	443.84	8.27	31.97	-	-	-	484.08
(ii) Undisputed Trade receivables-which have significant increase in credit risk	-	-	-	29.77	-	-	29.77
(iii) Undisputed Trade receivables-credit impaired	-	-	-	-	7.55	15.22	22.77
(iv) Disputed Trade receivables-considered good	0.01	0.63	1.17	-	-	-	1.81
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	4.30	-	-	4.30
(vi) Disputed Trade receivables-credit impaired	-	-	-	-	0.01	-	0.01
Allowance for doubtful trade receivables							(30.21)
Total	**443.85**	**8.90**	**33.14**	**34.07**	**7.56**	**15.22**	**512.53**

Notes:

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

b) Book debts are hypothecated with the bankers against Working capital demand loan. (Refer Note 12)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

8 Cash and cash equivalents

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance with banks :		
In current accounts	36.04	26.08
In deposit accounts (with less than 3 months maturity)	8.00	143.99
Cash on hand (including cash in transit)	0.02	0.02
	44.06	**170.09**

9 Bank balances other than Cash and cash equivalents

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deposits with maturity more than 3 months but less than 12 months	-	64.00
Earmarked balances with banks		
Unclaimed dividend account	3.74	3.11
Others (Escrow account)	-	666.58
	3.74	**733.69**

10 Share capital

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

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

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

b. Rights, preferences and restrictions on shares

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

10 Share capital (Contd..)

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

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

d. Shares reserved for issuance under Stock Option Plans of the Company at face value of ₹ 2 (Also Refer Note 35)

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

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

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

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

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

i. Promoter Shareholding

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

10 Share capital (Contd..)

Notes:

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

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

11 Other equity

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital reserve	0.05	0.05
Securities premium	209.51	144.87
Employee stock option outstanding account	139.12	138.63
Retained earnings	2,361.15	1,967.20
Other comprehensive income	1.92	3.23
Debenture redemption reserve	-	75.00
	2,711.75	**2,328.98**

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

Nature and purpose of reserves

Capital reserve

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

Securities premium

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

Employee stock option outstanding

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

Retained earnings

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

Debenture redemption reserve

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

12 Borrowings

A Borrowings - Non-current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at amortized cost		
Secured		
7.25% Series B Redeemable Non-Convertible Debentures	-	149.87
7.40% Redeemable Non Convertible Debentures Tranche 1	325.00	-
7.40% Series A Redeemable Non-Convertible Debentures Tranche 2	300.00	-
7.65% Series B Redeemable Non-Convertible Debentures Tranche 2	300.00	-
Unamortized Non-Convertible Debentures Issue Expenses	(2.82)	
	922.18	**149.87**
Less: Current maturities of long-term borrowings	(325.00)	(149.87)
	597.18	**-**

B Borrowings - current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Measured at amortized cost		
Secured		
Working capital demand loan from bank	-	249.66
Current maturities of non-convertible debentures (Refer Note 12 A)	325.00	149.87
Unsecured		
Commercial Paper	-	1,155.72
	325.00	**1,555.25**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

12 Borrowings (Contd..)

Notes:

(a) Non-Convertible Debentures

(i) Terms of Debentures:

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

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

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

(b) Working capital loan facility is secured by way of charge on the Company's inventories and trade receivables.

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

13 Provisions

A Provisions - Non-current

₹ crore

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

B Provisions - current

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for post medical retirement benefits	0.31	0.32
Provision for compensated absences	2.04	2.15
Provision for warranty	96.77	98.52
Provision for Statutory dues	12.67	12.67
Provision for Other litigation Claims	0.06	0.06
	111.85	**113.72**

Notes:

₹ crore

(1) Movement in other provisions	Warranty	Statutory Dues	Other litigation claims
Carrying amount as at 1st April, 2022	**183.08**	**16.29**	**0.06**
Provision made during the year (net)	129.21	0.07	-
Amounts used during the year	(114.67)	(0.48)	-
Unused amounts reversed during the year	4.58	-	-
Carrying amount as at 31st March, 2023	**202.20**	**15.88**	**0.06**
Current	96.77	12.67	0.06
Non-Current	105.43	3.21	-

(2) Nature of provisions:

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

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

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

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

14 Trade payables

A Trade payables - Non current

₹ 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	245.50
Total outstanding dues of micro enterprises and small enterprises (Refer Note below)	217.61	109.99
Total outstanding dues of creditors other than micro enterprises and small enterprises	610.47	496.79
	894.25	**852.28**

Notes:

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

₹ 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	217.61	109.99
Interest	0.00	0.01
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	3.28	4.55
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.08	0.09
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	0.00	0.01

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

14 Trade payables (Contd..)

Trade Payables Ageing (Non-current and Current)

₹ crore

As at 31st March, 2023	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	167.70	49.91	-	-	-	217.61
(ii) Others	544.47	119.90	6.90	5.03	13.53	689.83
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**712.17**	**169.81**	**6.90**	**5.03**	**13.53**	**907.44**

₹ crore

As at 31st March, 2022	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	109.58	-	0.41	-	-	109.99
(ii) Others	562.81	157.33	8.74	2.58	18.90	750.36
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**672.39**	**157.33**	**9.15**	**2.58**	**18.90**	**860.35**

15 Current Financial liabilities - Others

₹ 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	31.80	29.26
Financial guarantee liability	-	0.33
	68.30	**39.05**

Note: Financial guarantee liability in previous year was with respect to guarantee given by the company to Butterfly, as per share purchase agreement

16 Other current liabilities

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advances from customers	2.66	4.44
Statutory dues payables	30.62	88.14
Unclaimed dividend	3.74	3.11
Employee benefit payables	42.10	19.01
Others	0.66	0.65
	79.78	**115.35**

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

17 Income taxes

₹ crore

(a) Tax expense recognised in Statement of profit and loss comprises :	2022-23	2021-22
Current tax	156.54	156.27
Adjustment of tax relating to earlier periods	(16.71)	3.97
Deferred tax (credit)/ charge	(21.08)	9.43
Tax expense for the year	**118.75**	**169.67**

₹ crore

(b) Amounts recognised in Other comprehensive income	2022-23			2021-22		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements gains / (losses) on post employment defined benefit plans and tax thereon	(1.75)	0.44	(1.31)	2.74	(0.69)	2.05
	(1.75)	**0.44**	**(1.31)**	**2.74**	**(0.69)**	**2.05**

₹ crore

(c) Reconciliation of effective tax rate	2022-23	2021-22
Profit before tax	**594.31**	763.15
Applicable tax rate	**25.17%**	25.17%
Computed tax expense	**149.58**	**192.07**
Adjustment of tax relating to earlier periods (Refer Note below)	(16.71)	3.97
Corporate social responsibility disallowance	3.40	3.10
Allowance of dividend received from subsidiaries	(2.32)	(2.98)
Impact of Share based payment expense	(9.39)	(26.06)
Others	(5.81)	(0.43)
Income tax expense for the current year	**118.75**	**169.67**
Effective tax rate	**19.98%**	**22.23%**

Notes:

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

17 Income taxes (Contd..)

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

₹ crore

Sr. No.	Particulars	Balance sheet		Statement of profit and loss	
		As at 31st March, 2023	As at 31st March, 2022	2022-23	2021-22
(a)	Employee stock option outstanding	32.81	32.23	0.58	(6.02)
(b)	Provision allowed under tax on payment basis	12.08	11.63	0.45	0.77
(c)	Provision for doubtful debts and advances	10.62	7.32	3.30	1.98
(d)	Difference between Written down value of Property, Plant and Equipment and Intangible assets as per books of accounts and Income Tax	(0.55)	(0.93)	0.38	(0.22)
(e)	Fair valuation of Investments	(2.26)	(10.95)	8.69	(3.10)
(f)	Impact of Revenue Recognition, Right to use Asset, and Lease Liabilities	15.19	8.18	7.01	(0.41)
(g)	Other temporary differences	1.77	0.66	0.67	(2.43)
	Deferred tax income /(expense)			**21.08**	**(9.43)**
	Net deferred tax assets / (liabilities)	**69.66**	**48.14**		

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

₹ crore

Sr. No.	Particulars	2022-23	2021-22
(a)	Opening balance as at 1st April	48.14	58.26
(b)	Tax (income)/expense during the period recognised in:		
	(i) Statement of profit and loss in profit or loss	21.08	(9.43)
	(ii) Statement of profit and loss under OCI	0.44	(0.69)
	Closing balance as at 31st March	**69.66**	**48.14**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

18 Revenue from Operations

₹ crore

Particulars	2022-23	2021-22
A. Sales of products and services		
Revenue from contract with customers		
Sale of products (excluding Goods and Service tax)		
(i) Electric consumer durables	4,734.11	4,291.75
(ii) Lighting products	1,048.82	1,054.78
	5,782.93	**5,346.53**
Sale of services		
(i) Electric consumer durables	0.99	1.12
(ii) Lighting products	2.44	5.49
	3.43	**6.61**
	5,786.36	**5,353.14**
B. Other operating revenue		
Export benefits and other incentives	1.52	2.95
Scrap sales	20.90	17.11
Royalty Income	0.53	-
	22.95	**20.06**
	5,809.31	**5,373.20**

19 Other income

₹ crore

Particulars	2022-23	2021-22
Interest income	42.53	28.12
Dividend income from subsidiaries	9.21	11.86
Income from subsidiary companies	0.51	0.43
Net Gain/(Loss) on sale and fair valuation of investments	15.26	36.37
Others	6.90	3.12
	74.41	**79.90**

20 Cost of materials consumed

₹ crore

Particulars	2022-23	2021-22
Opening stock	111.83	79.00
Add: Purchases	1,257.58	1,179.84
Less: Closing stock	(103.67)	(111.83)
Cost of raw materials consumed	1,265.74	1,147.01
Add: Sub-contracting charges	42.30	46.90
	1,308.04	**1,193.91**

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

21 Purchases of stock-in-trade

₹ crore

Particulars	2022-23	2021-22
Electric consumer durables	2,311.05	1,908.44
Lighting products	504.29	548.21
	2,815.34	**2,456.65**

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

₹ crore

Particulars	2022-23	2021-22
Opening Stock :		
Finished goods	134.73	132.75
Stock-in-trade	230.54	278.40
Work-in-progress	29.61	23.18
	394.88	**434.33**
Less:		
Closing Stock:		
Finished goods	175.00	134.73
Stock-in-trade	296.11	230.54
Work-in-progress	37.70	29.61
	508.81	**394.88**
Changes in inventories:		
Finished goods	(40.27)	(1.98)
Stock-in-trade	(65.57)	47.86
Work-in-progress	(8.09)	(6.43)
	(113.93)	**39.45**

23 Employee benefits expense

₹ crore

Particulars	2022-23	2021-22
Salaries, wages, bonus and other benefits	371.38	286.56
Contribution to provident and other funds (Refer Note 31)	12.01	10.85
Gratuity (Refer Note 31)	2.72	2.68
Privilege Leave (Refer Note 31)	3.30	2.52
Staff welfare expenses	24.34	22.02
Share-based Payments to employees (Refer Note 35)	25.88	37.76
	439.63	**362.39**

(For remuneration paid to key management personnel refer note 32)

24 Finance costs

₹ crore

Particulars	2022-23	2021-22
Interest on borrowing	96.14	28.79
Interest on lease liability (Refer Note 30)	6.41	6.40
Interest others	0.14	0.12
	102.69	**35.31**

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

25 Other expenses*

₹ crore

Particulars	2022-23	2021-22
Consumption of stores and spares	13.97	15.80
Power and fuel	9.80	5.73
Rent	10.65	11.61
Repair to property, plant and equipment	3.54	2.89
Insurance	4.87	3.40
Rates and taxes	3.78	2.22
Freight and forwarding outward	164.66	144.43
Packing materials	76.97	69.07
After sales service	67.33	57.57
Sales promotion	48.94	29.24
Corporate social responsibility expenses (Refer Note 29)	13.56	12.33
Advertising	96.86	60.21
Legal and professional charges	84.32	84.31
Payment to the auditors (Refer Note below)	1.25	0.98
Bad Debts written off	6.54	6.01
Allowance for doubtful debt	14.69	8.97
Miscellaneous expenses	67.22	45.18
	688.95	**559.95**

*includes expenditure on research and costs not eligible for capitalisation (Refer Note 28)

Payment to the auditors

₹ crore

Particulars	2022-23	2021-22
Auditors' remuneration (excluding Goods and Service tax)		
Statutory audit fees	0.56	0.51
Tax audit fees	0.09	0.09
Other services		
(i) Certification work	0.13	0.06
(ii) Others	0.41	0.28
Reimbursement of expenses	0.06	0.04
	1.25	**0.98**

26 Exceptional Items

₹ crore

Particulars	2022-23	2021-22
Gain on Sale of Investment in subsidiary (net of expenses) (Refer Note i below)	(8.89)	-
Expenditure related to proposed merger(Refer note ii below)	3.35	-
	(5.54)	**-**

Notes:

(i) Income of ₹ 8.89 crores represents Gain on sale of stake in Butterfly for divestment of 10,72,775 Equity Shares i.e. 6.00% of the total equity share capital of Butterfly Gandhimathi Appliances Limited on 20th September, 2022 & 21st September, 2022 through Offer for Sale ("OFS") mechanism in order to achieve compliance with the minimum public shareholding ("MPS") requirements mandated under Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended, read with Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ii) Expenses of ₹ 3.35 crore represents one time cost pertaining to professional expenses such as consultancy, legal advisory, share valuation etc incurred for the proposed merger of the subsidiary Butterfly into the Company as referred in Note 46.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

27 Contingent liabilities and commitments

₹ 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 Company not acknowledged as debts	24.23	23.46
	(b) Income tax liability that may arise in respect of matters in appeal	33.66	29.01
	(c) Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	9.80	8.19
	(d) GST/ Entry Tax/ Sales tax / VAT liability that may arise in respect of matters in appeal	117.78	117.60
	(e) Corporate and bank guarantees for debt given on behalf of subsidiary company	249.00	-
B	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	12.43	5.03

Notes:

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

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

28 Expenditure on research and development

₹ crore

Sr. No.	Particulars	2022-23	2021-22
(a)	**Capital expenditure***	48.52	13.35
	Sub-total (a)	**48.52**	**13.35**
(b)	**Revenue expenditure**		
	Raw materials consumed	0.26	0.09
	Employee benefits	14.77	18.12
	Depreciation and amortisation	6.20	7.65
	Other expenses		
	Consumption of stores and spares	1.70	1.78
	Repairs and maintenance	0.01	0.03
	Miscellaneous expenses	6.26	11.45
	Sub-total (b)	**29.20**	**39.12**
	Total (a) + (b)	**77.72**	**52.47**

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

29 Expenditure on Corporate Social Responsibility (CSR)

₹ crore

Particulars	2022-23	2021-22
Gross amount required to be spent by the Company during the year	**13.56**	**12.33**
Amount of expenditure incurred by the Company during the year		
(i) Construction / acquision of any asset		
(ii) On purposes other than (i) above:		
Nature of CSR activities		
Community Development	2.05	1.52
Monitoring & Evaluation	0.40	0.15
Promotion of Health and Response to Covid 19 Pendamic	-	2.40
Skill Development	3.79	0.34
Water Conservation	5.46	7.44
Transferred to Unspent account	1.45	-
Administration	0.43	0.46
Other provisions (Refer Note below)	-	0.02
Total CSR expenditure	**13.58**	**12.33**
Details of related party transactions- contribution to a trust controlled by the company in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (contributed to Crompton (CSR) Foundation)	13.15	11.96

Note:

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

30 Leases

Company as lessee

A Right-of-Use assets

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Cost		
Opening Balance	101.66	54.89
Additions	30.99	59.87
Disposal / derecognized during the year	(11.29)	(13.10)
Closing Balance	**121.36**	**101.66**
Accumulated depreciation		
Opening Balance	32.31	19.56
Depreciation expense	27.02	21.00
Disposal / derecognized during the year	(6.82)	(8.25)
Closing Balance	**52.51**	**32.31**
Closing Balance	**68.85**	**69.35**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

30 Leases (Contd..)

B Lease liabilities

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	77.17	39.32
Addition	30.99	59.87
Accredition of interest	6.41	6.40
Payments	(31.49)	(23.00)
Adjustments for disposals	(5.08)	(5.42)
Closing Balance	**78.00**	**77.17**
Current maturities of lease liabilities	**25.80**	**33.63**
Non-current lease liabilities	**52.20**	**43.54**

C Amounts recognised in Statement of profit and loss

₹ crore

Particulars	2022-23	2021-22
Depreciation expense of Right-of-Use assets	27.02	21.00
Interest expense on lease liabilities	6.41	6.40
Short term and low value leases	10.65	11.61
Total	**44.08**	**39.01**

D Maturity analysis of lease liabilities (undiscounted)

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Less than one year	30.81	28.38
One to five years	56.11	59.38
More than five years	2.60	2.60
Total	**89.52**	**90.36**

E Amounts recognised in statement of Cash Flows

₹ crore

Particulars	2022-23	2021-22
Total Cash outflow for leases	31.49	23.01

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

31 Employee Benefits

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

Amount of ₹ 18.68 crore (Previous year ₹ 16.66 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 23)

₹ crore

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

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

₹ crore

Particulars	Gratuity		Post Retirement Medical Benefits	
	2022-23 (Funded)	2021-22 (Funded)	2022-23 (Non funded)	2021-22 (Non funded)
I Change in present value of defined benefit obligation during the year				
Present value of defined benefit obligation at the beginning of the year	26.82	25.50	7.11	6.93
Amount recognised in statement of profit and loss				
Interest cost	1.87	1.64	0.53	0.48
Current service cost	3.04	2.91	0.48	0.46
Past service cost	-	-	-	-
Amount recognised in other comprehensive income				
Actuarial (gains) / losses	0.82	(1.32)	(0.21)	(0.44)
Benefits paid	(3.31)	(1.91)	(0.36)	(0.32)
Present Value of defined benefit obligation at the end of the year	**29.24**	**26.82**	**7.55**	**7.11**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

31 Employee Benefits (Contd..)

₹ crore

Particulars		Gratuity		Post Retirement Medical Benefits	
		2022-23 (Funded)	2021-22 (Funded)	2022-23 (Non funded)	2021-22 (Non funded)
II	**Change in fair value of plan assets during the year**				
	Fair value of plan assets at the beginning of the year	30.02	29.08	-	-
	Expected return on plan assets	2.09	1.87	-	-
	Contributions	-	-	-	-
	Benefits paid from the fund	-	(1.91)	-	-
	Amount recognised in other comprehensive income	-	-	-	-
	Actuarial gain / (loss)	(1.14)	0.98	-	-
	Fair value of plan assets at the end of the year	**30.97**	**30.02**	**-**	**-**
III	**Actual return on plan assets**				
	Expected return on plan assets	2.09	1.87	-	-
	Actuarial gain / (loss)	(1.14)	0.98	-	-
	Actual return on plan assets	**0.95**	**2.85**	**-**	**-**
IV	**Net asset / (liability) recognised in the balance sheet**				
	Present Value of defined benefit obligation at the end of the year	(29.24)	(26.82)	(7.55)	(7.11)
	Fair value of plan assets at the end of the year	30.97	30.02	-	-
	Asset / (Liability) recognised in the balance sheet	**1.73**	**3.20**	**(7.55)**	**(7.11)**
V	**Expenses recognised in the statement of profit and loss**				
	Current service cost	3.04	2.91	0.48	0.46
	Interest cost	(0.22)	(0.23)	0.53	0.48
	Past Service cost	-	-	-	-
		2.82	**2.68**	**1.01**	**0.94**
VI	**Expenses recognised in the Other comprehensive income**				
	Actuarial (Gains)/Losses on Obligation for the Period	0.82	(1.32)	(0.21)	(0.44)
	Return on Plan Assets, Excluding Interest Income	1.14	(0.98)	-	-
	Change in Asset Ceiling	-	-	-	-
	Net (Income)/Expense For the Period Recognized in OCI	**1.96**	**(2.30)**	**(0.21)**	**(0.44)**
VII	**The major categories of plan assets as a percentage of total plan**				
	Insurer managed funds	100%	100%	NA	NA
VIII	**Sensitivity analysis for significant assumptions:**				
	Increase/(Decrease) on present value of defined benefits obligation at the end of the year				
	1% increase in discount rate	(1.58)	(1.53)	0.02	(0.91)
	1% decrease in discount rate	1.76	1.71	2.98	1.17
	1% increase in salary escalation rate	1.77	1.71	-	-
	1% decrease in salary escalation rate	(1.62)	(1.55)	-	-
	1% increase in employee turnover rate	0.05	0.02	-	-
	1% decrease in employee turnover rate	(0.06)	(0.03)	-	-
	1% increase in Medical inflation rate	-	-	1.31	1.18
	1% decrease in Medical inflation rate	-	-	(1.03)	(0.93)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

31 Employee Benefits (Contd..)

₹ crore

Particulars	Gratuity		Post Retirement Medical Benefits	
	2022-23 (Funded)	2021-22 (Funded)	2022-23 (Non funded)	2021-22 (Non funded)
IX Maturity profile of defined benefit obligations				
Within the next 12 months	3.56	3.30		
Between 1 and 5 years	11.30	10.50		
Between 5 and 10 years	14.38	13.02		
X Actuarial assumptions				
Discount rate (p.a.)	6.98%	6.98%	7.40%	7.40%
Expected Return on Plan Assets (p.a.)	6.98%	6.98%	N.A	N.A
Employee turnover rate	6.00%	6.00%	6.00%	6.00%
Salary escalation rate	6.00%	6.00%	N.A	N.A
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Medical premium inflation rate	N.A	N.A	2%	2%

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

32 Related Party Disclosures

i) **List of related parties over which control exist:**

<u>Name of the subsidiary companies:</u>

Pinnacles Lighting Project Private Limited
Nexustar Lighting Project Private Limited
Butterfly Gandhimathi Appliances Limited (from 30th March, 2022)

ii) **<u>Other Related Parties:</u>**

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

iii) **<u>Name of Post employment benefit plans with whom transactions were carried out during the year:</u>**

Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust
Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund

iv) **<u>Key Management Personnel:</u>**

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

32 Related Party Disclosures (Contd..)

v) **Details of related party transactions:**

₹ crore

Sr. no.	Nature of transaction	2022-23	2021-22
1	**Services received**		
	DFM Foods Ltd.	-	0.00
	Butterfly Ganthimathi Appliances Limited	0.20	-
	Opera Gratia Pvt. Ltd	1.47	-
	Total	**1.67**	**0.00**
2	**Services rendered**		
	Pinnacles Lighting Project Private Limited	0.22	0.22
	Nexustar Lighting Project Private Limited	0.22	0.22
	Butterfly Ganthimathi Appliances Limited	6.61	-
	Swaminathan Enterprises Private Limited	0.08	
	Total	**7.13**	**-**
3	**Sale of products**		
	Pinnacles Lighting Project Private Limited	-	0.06
	Nexustar Lighting Project Private Limited	-	0.05
	Total	**-**	**0.11**
4	**Dividend received**		
	Pinnacles Lighting Project Private Limited	5.00	6.35
	Nexustar Lighting Project Private Limited	4.21	5.51
	Total	**9.21**	**11.86**
5	**Contributions (Employer's) to Post Retirement Funds**		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.21	1.23
	Total	**1.21**	**1.23**
6	**Compensation to Key Management Personnel**		
	Short-term benefits*	71.54	178.84
	Share-based Payments (Refer Note b below)	9.71	19.28
	Director's sitting fees	0.48	0.70
	Commission	1.60	1.00
	Total	**83.33**	**199.82**
7	**Donations paid**		
	Crompton (CSR) Foundation	13.15	11.96
	Total	**13.15**	**11.96**

*Short-term benefits for the current year include ₹ 48.62 crores (previous year: ₹ 153.69 crores) on account of exercise of stock options

Notes:

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

32 Related Party Disclosures (Contd..)

vi) Amount due to / from related parties

₹ crore

Sr. No.	Nature of transaction	As at 31st March, 2023	As at 31st March 2022
1	**Other Receivable**		
	Butterfly Ganthimathi Appliances Limited	2.73	-
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	1.73	3.20
	Total	**4.46**	**3.20**
2	**Other Payable**		
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.09	0.08
	Commission Payable to Key Management Personnel	1.60	1.00
	Total	**1.69**	**1.08**

Notes:

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

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

33 Earnings Per Share (EPS)

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

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

₹ crore

Particulars		2022-23	2021-22
(a) Basic earnings per share			
Numerator for earnings per share			
Profit after tax	₹ crore	475.56	593.48
Denominator for earnings per share			
Weighted number of equity shares outstanding during the year	Nos	63,49,86,510	62,82,28,014
Earnings per share - Basic (one equity share of ₹ 2 each)	₹	7.49	9.45
(b) Diluted earnings per share			
Numerator for earnings per share			
Profit after tax	₹ crore	475.56	593.48
Denominator for earnings per share			
Weighted number of equity shares outstanding for basic EPS during the year	Nos	63,49,86,510	62,82,28,014
Add: Weighted average number of potential equity shares on account of Employee Stock Option Schemes	Nos	22,16,124	27,83,037
Weighted number of equity shares outstanding for diluted EPS during the year	Nos	63,72,02,634	63,10,11,051
Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	7.46	9.41

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

34 Impairment testing of Goodwill

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

₹ 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
Total	**779.41**	**779.41**

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

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

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

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

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

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

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

35 Share-based Payments

Employee stock options - equity settled

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

Disclosures:

₹ crore

Particulars	31st March, 2023 / 2022-23	31st March, 2022 / 2021-22
Share-based Payments to employee	25.88	37.76
Employee Stock option outstanding	139.12	138.63

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

35 Share-based Payments (Contd..)

(c) Options movement during the year:

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

(d) Weighted average information for year:

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

35 Share-based Payments (Contd..)

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

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

(f) Number and Weighted Average Exercise Price of Options

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

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

36 Operating Segments

A. General Information

The Company has determined following reporting segments based on the information reviewed by the Company's CODM.

a) Electric Consumer Durables

b) Lighting Products

The above business segments have been identified considering:

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems.

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

36 Operating Segments (Contd..)

B. Information about reportable segments

₹ crore

2022-23	Reportable segments		
Particulars	Electric Consumer Durables	Lighting Products	Total
Revenue			
External Customers	4,755.66	1,053.65	5,809.31
Inter-segment	-	-	-
Total revenue	**4,755.66**	**1,053.65**	**5,809.31**
Segment profit	**789.30**	**100.14**	**889.44**
Segment profit includes:			
Depreciation and amortization expense	12.76	6.00	18.76
Segment assets	**1,184.03**	**382.97**	**1,567.00**
Segment liabilities	**933.20**	**337.81**	**1,271.01**
Other disclosures			
Capital expenditure	38.44	16.14	54.58

₹ crore

2021-22	Reportable segments		
Particulars	Electric Consumer Durables	Lighting Products	Total
Income			
External Customers	4,311.00	1,062.20	5,373.20
Inter-segment	-	-	-
Total income	**4,311.00**	**1,062.20**	**5,373.20**
Segment profit	**826.70**	**116.06**	**942.76**
Segment profit includes:			
Depreciation and amortization expense	10.39	5.77	16.16
Segment assets	**961.74**	**405.59**	**1,367.33**
Segment liabilities	**1,039.96**	**371.94**	**1,411.90**
Other disclosures			
Capital expenditure	34.19	11.98	46.17

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

36 Operating Segments (Contd..)

C. Reconciliations of information on reportable segments

₹ crore

Particulars	2022-23	2021-22
(a) Income		
Total income for reportable segments	5,809.31	5,373.20
Elimination of inter-segment revenue	-	-
Total income (Refer Note 18)	**5,809.31**	**5,373.20**
(b) Profit before tax		
Total profit before tax for reportable segments	889.44	942.76
Unallocated amounts:		
Expense on Employee Stock Option Scheme	(25.88)	(37.76)
Finance costs	(102.69)	(35.31)
Other unallocable expenditure net of unallocable Income	(172.10)	(106.54)
Total profit before tax from operations as reported in Statement of profit and loss	**588.77**	**763.15**

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
(c) Assets		
Total assets for reportable segments	1,567.00	1,367.33
Other unallocated amounts		
Goodwill	779.41	779.41
Other assets	2,729.61	3,131.22
Deferred tax assets (net)	69.66	48.14
Total assets as reported in Balance sheet	**5,145.68**	**5,326.10**
(d) Liabilities		
Total liabilities for reportable segments	1,271.01	1,411.90
Other unallocated amounts		
Borrowings	922.18	1,305.59
Other liabilities	113.52	152.95
Total liabilities as reported in Balance sheet	**2,306.71**	**2,870.44**

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

₹ crore

Particulars	2022-23	2021-22
Revenue as per contracted price	5,876.70	5,442.33
Less: Cash discount	(90.34)	(89.19)
Total revenue from contract with customers	**5,786.36**	**5,353.14**

E. Disaggregation of revenue based on products

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

F. Geographic information

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

G. Information about major customers

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures

A. Accounting classification and fair values

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

₹ crore

As at 31st March, 2023	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Trade receivables	-	15.49	15.49	-	-	-	-
Other non-current financial assets	-	12.07	12.07	-	-	-	-
Current financial assets							
Current investments	530.77	-	530.77	530.77	-	-	530.77
Trade receivables	-	529.80	529.80	-	-	-	-
Cash and cash equivalents	-	44.06	44.06	-	-	-	-
Bank balance other than cash and cash equivalents	-	3.74	3.74	-	-	-	-
Derivative Assets	0.23	-	0.23	0.23	-	-	0.23
Other current financial assets	-	21.40	21.40	-	-	-	-
	531.00	**626.56**	**1,157.56**	**531.00**	**-**	**-**	**531.00**
Financial liabilities							
Non-current financial liabilities							
Borrowings	-	597.18	597.18	-	-	-	-
Lease Liabilities	-	52.20	52.20	-	-	-	-
Trade payables	-	13.19	13.19	-	-	-	-
Current financial liabilities							
Borrowings	-	325.00	325.00	-	-	-	-
Lease Liabilities	-	25.80	25.80	-	-	-	-
Trade payables	-	894.25	894.25	-	-	-	-
Other current financial liabilities	-	68.30	68.30	-	-	-	-
	-	**1,975.92**	**1,975.92**	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

₹ crore

As at 31st March, 2022	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Trade receivables	-	21.83	21.83	-	-	-	-
Other non-current financial assets	-	12.02	12.02	-	-	-	-
Current financial assets							
Current investments	610.65	-	610.65	610.65	-	-	610.65
Trade receivables	-	490.70	490.70	-	-	-	-
Cash and cash equivalents	-	170.09	170.09	-	-	-	-
Bank balance other than cash and cash equivalents	-	733.69	733.69	-	-	-	-
Derivative Assets	0.69	-	0.69	0.69	-	-	0.69
Other current financial assets	-	13.91	13.91	-	-	-	-
	611.34	**1,442.24**	**2,053.58**	**611.34**	**-**	**-**	**611.34**
Financial liabilities							
Non-current financial liabilities							
Borrowings	-	-	-	-	-	-	-
Lease Liabilities	-	43.54	43.54	-	-	-	-
Trade payables	-	8.07	8.07	-	-	-	-
Current financial liabilities							
Borrowings	-	1,555.25	1,555.25	-	-	-	-
Lease Liabilities	-	33.63	33.63	-	-	-	-
Trade payables	-	852.28	852.28	-	-	-	-
Other current financial liabilities	-	39.05	39.05	-	-	-	-
	-	**2,531.82**	**2,531.82**	**-**	**-**	**-**	**-**

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

B. Fair value heirarchy

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

The categories used are as follows:

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

C. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

D. Financial risk management

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

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

Risk management framework

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

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

i. Credit risk

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

Trade receivables

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

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

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Not past due	436.24	443.85
Past due 1–360 days	93.22	42.04
Past due 361- 720 days	34.09	34.07
more than 720 days	26.64	22.78
	590.19	**542.74**

Expected credit loss assessment

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

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

Particulars	₹ crore
Balance as at 1st April, 2021	**21.24**
Impairment loss recognised	14.98
Write off of bad debts	(6.01)
Balance as at 1st April, 2022	**30.21**
Impairment loss recognised	21.23
Write off of bad debts	(6.54)
Balance as at 31st March, 2023	**44.90**

Cash and cash equivalents and bank deposits

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

Derivatives

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

Investment in mutual funds

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

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

ii. Liquidity risk

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

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

Exposure to liquidity risk

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

₹ crore

As at 31st March, 2023	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities					
Long Term Borrowings	597.18	-	597.18	-	-
Lease liabilities (undiscounted)	58.71	-	26.38	29.73	2.60
Trade payables	13.19	4.41	3.54	5.24	-
Current financial liabilities					
Short term Borrowings (including interest)	361.50	361.50	-	-	-
Lease liabilities (undiscounted)	30.81	30.81	-	-	-
Trade payables	894.25	894.25	-	-	-
Other financial liabilities	31.80	31.80	-	-	-

₹ crore

As at 31st March, 2022	Contractual cash flows				
	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities					
Long Term Borrowings	-	-	-	-	-
Lease liabilities (undiscounted)	61.98	-	24.10	35.28	2.60
Trade payables	8.07	1.86	3.03	3.15	0.03
Current financial liabilities					
Short term Borrowings (including interest)	1,564.71	1,564.71	-	-	-
Lease liabilities (undiscounted)	28.38	28.38	-	-	-
Trade payables	852.28	852.28	-	-	-
Other financial liabilities	29.59	29.59	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

iii. Market risk

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

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

a) Currency risk

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

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

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

₹ crore

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

Exposure to currency risk

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

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets		
Trade receivables	7.89	5.04
	7.89	**5.04**
Financial liabilities		
Trade payables	55.53	79.30
	55.53	**79.30**
Net foreign currency exposure	**(47.64)**	**(74.26)**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

Sensitivity analysis

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

₹ crore

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

₹ crore

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

b) Interest rate risk

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

Exposure to Interest Rate Risk / Sensitivity

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

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Fixed-rate instruments		
Financial assets		
Bank deposits	8.00	874.57
Total	**8.00**	**874.57**
Financial liabilities		
Non-current borrowings	597.18	-
Current borrowings	325.00	1,305.59
Variable-rate Instruments		
Financial liabilities		
Current borrowings	-	249.66
Total	**922.18**	**1,555.25**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

37 Financial instruments – Disclosures (Contd..)

Fair value sensitivity analysis for fixed-rate instruments

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

Fair value sensitivity analysis for variable-rate instruments

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

38 Financial performance ratios

Particulars	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	Variance	Refer Note
A. Performance Ratios						
Net Profit Margin (in %)	Profit after tax	Total Income	8.08%	10.88%	-25.73%	(a)
Net Capital Turnover ratio (in times)	Revenue from operations	Working Capital	8.25	3.59	129.91%	(b)
Return on Capital Employed (in %)	Earnings before interest and taxes	Tangible Capital Employed	31.03%	43.78%	-29.12%	(c)
Return on equity (in %)	Net Profit after Taxes	Average Shareholder's Equity	17.96%	27.13%	-33.79%	(d)
Return on Investment (in %)	Net gain on investment	Weighted average investments	5.69%	4.71%	20.81%	
Debt Service Coverage Ratio (in times)	Profit After Tax + Interest + Depreciation	Finance Cost + Repayments made during the year	2.5 0	1.84	35.87%	(e)
B. Leverage Ratio						
Debt-Equity Ratio (in times)	Total Debt	Equity	0.32	0.63	-48.71%	(e)
C. Liquidity Ratio						
Current ratio (in times)	Current Assets	Current liabilities excl. current Borrowings	1.59	2.30	-30.68%	(e)
D. Activity Ratios						
Inventory Turnover (in times)	Cost of goods sold	Average Inventory	7.10	7.17	-0.98%	
Debtors Turnover (in times)	Revenue from operations	Avg. Trade Receivables	10.98	11.14	-1.44%	
Trade Payables Turnover ratio (in times)	Cost of goods sold	Avg. Accounts payables	4.38	4.47	-2.03%	

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

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

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

(c) Return on Capital Employed ratio declined as a result of increased finance costs (on account of subsidiary acquisition) and repayment of borrowings during the year.

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

39 Assets Pledged as Security

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

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
a) Inventories		
Raw Material	109.94	116.46
Finished Goods	471.11	365.27
Work-in-Progress	37.70	29.61
b) Trade receivables	545.29	512.53
Total assets pledged as security (a+b)	**1,164.04**	**1,023.87**

40 Details of relationship with struck-off companies

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

41 Capital Management

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

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

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

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

₹ crore

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total equity	**2,838.97**	**2,455.66**
Total borrowings (including current portion of long-term debts)	922.18	1,555.25
Less: cash and cash equivalents	44.06	170.09
Less : other bank balances	3.74	733.69
Net debt	**874.38**	**651.47**
Overall financing	3,713.35	3,107.13
Gearing ratio	**0.24**	**0.21**

42 Separate Financial Statements

Investments in following subsidiary companies are accounted at cost

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

43 The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2023

45 Utilisation of Borrowed funds and share premium

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

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

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

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

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

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

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

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

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

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

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

As per our report of even date attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai
19th May, 2023

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

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