CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

ANNUAL REPORT 2021-22

Crompton

Being Agile.
Staying Resilient.

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Being Agile.
Staying Resilient.

During the year, Crompton demonstrated extraordinary resilience and quickly reinvented itself in response to the unprecedented challenges presented by the COVID-19 pandemic, commodity inflation, unpredictable demand and the supply chain disruption led by geopolitical tensions.

In response to disruption caused by COVID-19 pandemic, we stepped up our business strategy to ensure significant market presence and experienced value-led growth. Operational agility and resilience helped us to ramp-up supply availability, digitise processes and explore alternate channels for enhanced business performance.

The steep rise in commodity prices disrupted the normal pulse of business, challenging us to find innovative solutions to secure our market share. We countered this by driving cost efficiencies, product premiumisation, portfolio expansion, and finding fresh opportunities to enter into new adjacencies.

Strategic resilience came to play and despite the disruptions we continued to invest in parameters considered as crucial by us over the mid and long-term. This enabled us to improve our reach and spontaneous recall while establishing strong communication with our salesforce and channel partners.

Chairman's Message

Hemant Nerurkar
Chairman

Despite the impact of COVID-19 crisis and various other challenges, we registered robust double-digit growth and were amongst the most profitable companies in the industry.

Dear Shareholders

I am pleased to present, on behalf of our Board of Directors, the Annual Report of your Company for the financial year ended 31st March, 2022.

The year presented us with huge uncertainties induced by the COVID-19 pandemic during the first and last quarter of the year in combination with supply chain disruption and unexpected inflation in the commodity prices. Nonetheless, agile measures such as warehouse modernisation, maintaining supply availability and ramping up new product development helped us to mitigate these challenges. Further, cost optimisation, product mix improvement and suitable pricing actions countered the commodity led input cost and helped us to deliver excellent business performance.

Inauguration of a state-of-the-art research and development facility in Vikhroli, Mumbai sprawling 50,000 square feet was a significant development this year. Butterfly acquisition was yet another important milestone which will add immense value to our product portfolio, driving cost synergies and enhancing our manufacturing footprint.

We continued to invest in strategic investments which we believe would reap positive outcomes over the mid and long term. We continued to increase our spends considerably in brand building activities leading to expanded market reach and enhanced brand recall. Channel development reach expansion and people development remained major focus areas.

Looking back, we feel proud to have shown extraordinary resilience and quickly adopted to the changing business landscape, thereby maintaining business continuity as well as recording healthy margins and enhanced profitability.

Macro-Economic Overview

The Indian economy grappled with many challenges during the previous year which include the re-emergence of COVID-19 pandemic, supply-chain disruptions, and, more recently, rising inflation which led to a consistent price hike in major commodities. Geopolitical tensions and heightened challenges in various global economies further augmented the crisis and posed as downside risks to the economic outlook.

Despite this, the Indian economy surpassed performance expectations, reporting highest Gross Domestic Product (GDP) growth amongst the leading countries. India's GDP grew at 8.9% in FY 2021-22 and is expected to grow at 8.2% in FY 2022-23 on the back of various government reforms. While most of the challenges still remain at play, we expect the Indian economy to ride on the current growth drivers and its inherent strengths to demonstrate resilient performance during the next fiscal.

Industry Growth Drivers

The rising consumer preference for smart, intelligent and connected products is driving demand for technologically advanced electrical consumer durables industry in India. This is further augmented by the government policies and initiatives to promote better and more sustainable products. Rapid urbanisation and resultant growth in housing are also major growth drivers in the segment.

A growing working population, higher disposable incomes, easier access to credit, and improving standard of living are also driving demand in home appliances. Improved electrification of rural areas is again serving as one of the key enablers driving this segment in rural India.

At Crompton, we are consistently working towards improving cost and energy efficiency in our lighting portfolio. Innovation is also leading to development of low-cost IoT-enabled lighting with lesser impact on the environment, therefore attracting a larger market share.

As an organisation, we are committed to notice emerging market trends and stay ahead of them by leveraging our technological expertise and making considerable investments in R&D. These will help us to exceed customer expectations and grow as a company-enabling a win-win situation for all.

Business Performance

Despite unprecedented increase in key commodities and continued investment in strategic investments, we achieved strong profitability. Supported by a resilient growth strategy, we reported a strong cash performance and robust balance sheet at the end of the year. Our total income stood at ₹ 5,453.10 crore while Profit After Tax was ₹ 593.48 crore, as against ₹ 604.74 crore reported in the previous fiscal.

Our business results were driven by exceptional performance in the fan segment where we continued to strengthen our market leadership across all products and geographies, leading to 19% growth this year as compared to the previous year. This was driven by product premiumisation, launch of decorative fan portfolio and a range of energy efficient products along with aggressive branding campaigns to expand our market reach.

Lighting was bit of a mixed bag in terms of overall growth. Subdued demand in B2B lighting due to adversely hit commercial segment and decrease in government orders led to a marginal growth in the segment over the previous year. However, we reported a healthy double-digit growth in the B2C segment, primarily led by ceiling lights. The overall performance can be credited to significant investments in innovation, product differentiation and improving our brand recall.

Well-distributed monsoons affected our pumps segment largely which reported a flat top-line growth in the year under review. Nevertheless, product innovations and improved technology helped us to register good growth in the pressure pumps and specialty pumps which grew by more than 40% and 62% respectively. Going forward, we expect to see green shoots in this segment causing the demand to soar significantly over the next fiscal.

In the appliances segment, high-impact campaigns across various mediums drove better market reach. Improved efficiencies combined with reduced energy footprint in the mixer-grinder, water heaters and cooler segment also rewarded us well.

Innovation, new product development, technology upgrade, advertising campaigns, robust supply chain management and higher engagement with channel partners ensured that we experience minimal disruption and report strong performance despite the

Chairman's Message

challenges encountered during the year. Aggressive cost savings to the tune of ₹ 203 crore steered by Project Unnati also contributed significantly to operational excellence and enabled us to achieve strong growth led by agility and resilience.

Five-dimensional Growth Strategy

Similar to last year, we adopted a five-dimensional growth strategy, placing enough significance on each excellence pillar, and enabling extraordinary growth through strategic investments, state-of-the-art innovations and suitable actions.

BRAND EXCELLENCE

Aggressive brand campaigns across key business segments helped us to strengthen our brand and receive tremendous response from consumers across all geographies. Superior brand recall was garnered with record investment in brand spends across different channels of communication. Featuring in key properties like IPL and popular television shows further drove saliency. We leveraged the digital to improve discoverability and continued to optimise brand presence on leading e-commerce platforms.

PORTFOLIO EXCELLENCE

Portfolio excellence was successfully achieved through constant customer-centric innovation and integration of advanced technology into our products and services which drove efficiencies and improved customer satisfaction. Premiumisation of products and exploring new adjacencies also remained in focus to reach out to an increasing number of consumers and win a bigger market share. Acquisition of Butterfly towards the end of the year was another significant step to expand our portfolio and excel in kitchen appliances category. The new state-of-the-art R&D facility in Vikhroli is also expected to enhance our capabilities in enabling world-class innovation and further optimise product efficiencies.

GO-TO-MARKET EXCELLENCE

Our go-to-market strategy this year involved initiatives that ensured improved availability of our products through various emerging channels across various platforms to enhance customer reach while data analytics and sales automation helped us to boost productivity. A clear strategy basis population strata was adopted to improve our share in rural and semi-urban segments. E-Commerce was leveraged to improve product presence across e-commerce platforms. We expanded our channel partners and supported them significantly with easy credit to maintain sufficient inventories during the difficult COVID-19 phase.

OPERATIONAL EXCELLENCE

Underlying a strong business performance is a strong business operation. Alongside taking several initiatives to grow our business, we at Crompton, took utmost care in boosting our operational efficiencies. A long-term supply chain strategy was developed to ensure high availability of raw materials and products despite adversities. We also undertook continuous efforts to improve the quality and efficiency of our products and services. Using advanced technology to ace several processes further boosted individual and organisational productivity while the initiatives under Project Unnati delivered excellent cost savings.

ORGANISATIONAL EXCELLENCE

Not forgetting that our people and their unflinching dedication make us who we are, safety and development of our stakeholders is paramount at Crompton. Organisational excellence was achieved by onboarding industry's best talent and facilitating them with 360 degree development through tailor-made training programs. Enabling our people to weather the COVID-19 crisis, we also drove a vaccination drive which covered 97% employees till 31st March, 2022. Hospitalisation support was extended to the families impacted and insurance coverage was also enhanced as a healthcare measure. As a responsible corporate citizen, we furthered our journey towards sustainability and empowered our communities to live a better life with the formation of an ESG committee.

Closing Remarks

I would like to extend my deep gratitude to each of our consumers, channel partners, suppliers, investors and employees who have contributed to our growth and helped us to weather all challenges with great resilience.

Moving forward, we are well-placed to take the next leap and surpass your expectations, supported by our innovations, strong footprints and growth strategies woven around the five excellences.

Sincerely,

Hemant Nerurkar
Chairman

Our 5-Dimensional Growth Strategy

Crompton has evolved to be a leading and trusted brand, well-recognised for its innovative, efficient and aesthetic offerings driving significant brand awareness and consideration.

Strengthened by innovation and new-age technology, Crompton's portfolio comprises path-breaking and award-winning products to meet the diverse needs of its consumers.

Our clear go-to-market strategy of exploring and leveraging multiple channels, both traditional and digital, enables us to enhance our footprints and expand our market share.

Finding innovative means to mitigate challenges and seize new opportunities while ensuring continual improvement in process, product and people efficiencies drives operational excellence at Crompton.

Crompton thrives on its people. Organisational excellence is thus achieved by empowering them, keeping them safe and providing them with tools and opportunities for personal and professional development.

Brand Excellence

Over the years, our differentiated and innovative products have gained significant traction, making inroads to the consumers' mind and homes. Credit goes to our strong brand positioning and advertising campaigns that have successfully anaged to attract and build a lasting connect with our consumers, enabling Top of Mind recall and making Crompton a brand to reckon with.

With an innovative portfolio comprising both affordable and premium range of products, Crompton caters to a diverse range of consumers. Connecting with them effectively requires the organisation to communicate through multiple touchpoints - both new-age and traditional. We have been able to do this efficiently and drive significant brand awareness and consideration.

Our branding campaigns position Crompton as a reliable and aesthetically appealing brand, primarily focussing on key product advantages to drive spontaneous recall. Specific campaigns were also designed to leverage consumer aspirations and project our products as the perfect go-to solution to meet them.

During the year, efforts were stepped up in the media space to attract more eyeballs. Our flagship products in lighting, fans and water heaters were advertised in key properties like Indian Premier League (IPL) and popular television shows, driving trust and consideration for our brand.

Digital and social media platforms also served as important touchpoints, given the pandemic-induced situation and changing means in which people consume information. Keeping this in view, tremendous focus was placed on digital. The efforts reaped positive outcomes and helped us to enjoy excellent engagement and growth in organic traffic.

Staying connected with our stakeholders helps us to assess the market pulse and plan ahead of it. E-commerce, which has emerged as a big way to shop, therefore was another thrust area. Continued work on the website enhanced consumer experience and translated into higher visibility and optimised brand presence for the organisation.

The ‘perfect hot water’ campaign in the water heater segment continued to perform exceptionally well. Similarly, the ‘Star Lord 3-in-1’ lighting campaign with a magical genie reimagining and transforming spaces gained immense recognition. Our branding campaigns also drove saliency in the fans category and enabled an all-time highest spontaneous recall.

Further, redefining the brand architecture was initiated to position Crompton as a modern and contemporary brand, in line with its innovation capabilities and the aspirational value of its products. We are also working towards uplifting our physical stores to enhance in-store experience and drive excellence through every consumer touchpoints.

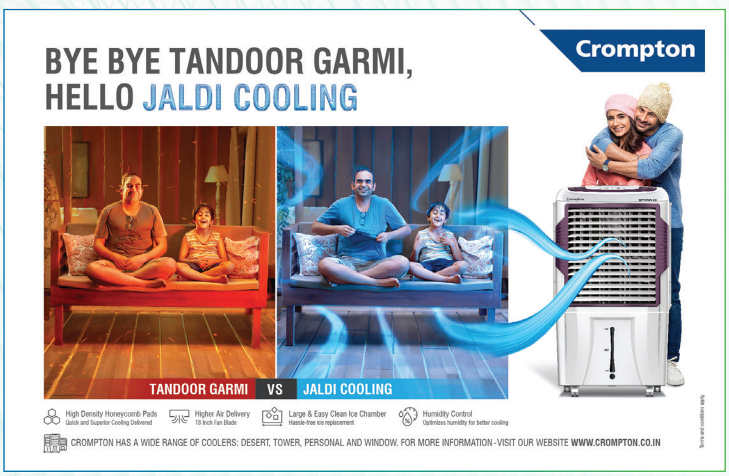
TV Commercial

Star Lord

Energion fans

Water heaters

Print Ad



Air Coolers

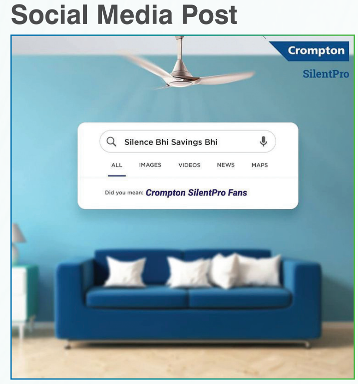
Social Media Post

Pumps

E-commerce Banner

Immensa lights

Social Media Post



SilentPro Enso

Portfolio Excellence

Enhancing our portfolio by improving our existing offerings and developing new customer-centric and technologically-enabled products is an everyday effort that we make at Crompton. This ensures a differentiated range of innovative, modern, durable and efficient products in both affordable and premium categories, suited to the varying needs of domestic and commercial consumers.

Supported by consistent investments in research and development, our product development is centred around four key themes:

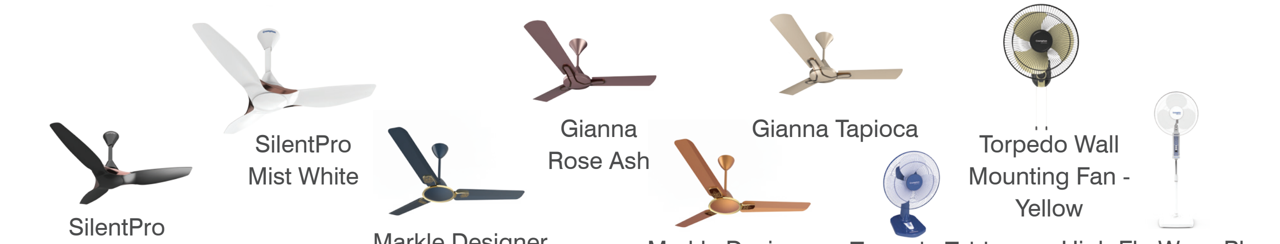
- **Energy efficiency:** With today's consumers being more mindful about using energy-efficient products combined with enhanced focus from the government on energy regulation, Crompton considers energy-efficiency as a key parameter while developing new products and improvising existing ones.
- **Healthy living:** This encompasses product features that improve health and hygiene amongst consumers and their surroundings, a pre-requisite to battle the current health crisis and promote overall well-being.
- **IoT and smart connectivity**: Our focus remains on developing IoT enabled and connected products at a competitive cost to drive consumers to switch to better, more efficient solutions and elevate their lifestyle.
- **Customer-centric design:** With a keen eye on the changing consumer preferences and market trends, we continually reinvent our portfolio to spruce up product features and design aesthetics. We also take conscious steps towards developing premium products to meet the rising consumer aspirations.

A milestone achievement this year has been the opening of a new Research and Development (R&D) facility in Vikhroli with latest state-of-the-art equipment for smarter technologies which will further accelerate the company's efforts in driving innovation across its flagship product lines in Fans, Appliances, Pumps and Lighting.

During the year, we revamped our lighting portfolio with specific focus on ceiling lights. Beginning with 'Star Cosmos' which was launched to drive higher penetration, our Star series improved efficiency, enhanced aesthetic appeal and created different lighting ambience to suit consumers' mood. New products were also launched in the batten category under regular and smart series. While the demand in B2B lighting segment remained sluggish due to slow movement in the commercial and office spaces, the B2C segment registered strong growth in 2022.

Driven by smart features, energy efficiency, and a range of premium designer products; Crompton fans continued to secure its leadership position in the market. Our innovation efforts in this segment were further validated by the Red Dot Design Award 2022 won by the 'SilentPro Blossom Fans', our flagship product that is 2x more silent than the ordinary fans. Power savings was ensured through 5 star ratings and use of BLDC technology.

Fans



SilentPro Grey + rose gold

SilentPro Mist White

Markle Designer Navy Blue

Gianna Rose Ash

Markle Designer Orange Rust

Gianna Tapioca

Torpedo Table Fan - Blue

Torpedo Wall Mounting Fan - Yellow

High Flo Wave Plus - Pedestal

Pumps

Mini Champ Plus

Mini Everest

MINH-52

Mini Pacific I

Mini Neo

V4 Ultima Magna

Appliances

Optimus Neo 35i

Ameo Neo

DuroElite

Fabrismart 1600W Steam Iron

Rapid Jet Plus

Crompton Insta Delight

Insta Comfy Lite

Lighting

B2B

Neptune Neo II

Raptor Neo 1 & 2

Raptor Pro 1 & 2

Wanderer 20 25 30w

B2C

Immensa

Star Lord 3 in 1

Star Cosmos

Star Miranda

Deco Candle

Deco Socket

Laser Ray Neo

Go-To-Market Excellence

Our Go-To-Market strategy during the year featured a healthy mix of traditional and digital means which helped us to strengthen our presence and reach out to an increasing number of customers. The focus remained on improving sales through multiple channels and improving customer satisfaction through fresh initiatives.

We designed a clear Go-to-Market strategy basis population strata and channels last year along with key norms to improve product availability and market share. Our right strategy, coupled with strong execution in FY2022, improved Fans ND / WD by 3.4%/4.8% respectively, thereby improving the market share 2%+. A similar impact was also observed in key product categories of Appliances and Lighting.

Alternate channels other than this outgrew in terms of overall growth. The E-Commerce business, which is a key strategic route to market for us, grew by ~39% during the year on back of improved execution and data analytics. Initiatives to reach low population rural strata (<1 lakh population centres) helped rural sales expand by ~182%. We continue to see tremendous potential in these areas and plan to drive them further.

Utilising technology to automate and empower channels and the sales force was paramount in improving our presence and driving revenues. Dealer Portal, one of our key initiatives to engage with our direct channels and enable ease of doing business with them, was further extended to 800 channel partners. The portal can also be accessed through a mobile application now. We continued to leverage technology to track and monitor primary and secondary sales in a cost-efficient manner. Konnect App further helped us to communicate with the retailers and run loyalty programs to engage with them. Integrated sales & service data in OTFA (One Truth for All) serves as a key strength, enabling us to improve our sales review mechanism along with identification of right building blocks and execution monitoring.

This year, an innovative go-to-market approach was adopted in the pump segment with the launch of **'SAATHI'** a pilot programme. Through this, we aim to educate the plumber community on Crompton's pumps portfolio, enabling them to appreciate and patronise it, further serving as our influencers in select geographies. The initiative has received an overwhelming response from the influencer community and our channel partners, inspiring us to launch it on a larger scale.

Being a customer-centric organisation, we undertook various service initiatives to enable our customers to reach out to us at all stages of their journey. This included first-of-its-kind WhatsApp chatbot to keep us connected, 360-degree complaint registration enablement, new call centres with better CRM features and 600+ associates helping us to improve our customer satisfaction (Happy Code) to over 90%.

Operational Excellence

Modernisation of processes and facilities, advanced technological interventions and accelerated cost savings helped us to demonstrate resilience and step up our operational excellence. During the year, we were better prepared to sail through the challenges and seize opportunities, therefore delivering outstanding business performance.

COVID-19 pandemic led restrictions during the first and third quarter of this year dampened the consumer spirit and slowed down the economy. Despite this, we experienced minimum disruptions in operations. This was backed by our past learnings, stronger systems, and smarter strategies to mitigate risks and ramp-up product availability.

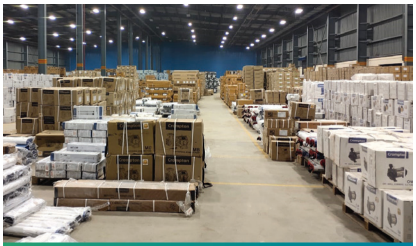
During the year, commodity inflation presented itself as a significant challenge. The price rise was offset considerably by adopting a procurement strategy through which large-scale commodities negotiation and procurement were directly handled and executed by a dedicated commodity team centrally placed for all the product lines of the company. Entering into long-term contracts with the commodity suppliers helped us further. A five-year supply-chain strategy was also devised for manufacturing footprint and sourcing excellence.

Improving cost efficiency served as another significant measure to counter the impact of inflation. Project Unnati was accelerated to identify new opportunities for cost savings. It delivered excellent results helping us to reduce cost to the tune of ₹ 203 crore. The acquisition of Butterfly is expected to improve this further by driving cost synergies in the areas of in-house manufacturing, research and development, and procurement backed by scale and a strong logistic footprint.

We initiated the consolidation and modernisation of our warehouses to optimise product inventories. New warehouses with state-of-the-art facilities and extensive fire-fighting systems were added. Significant capital was allocated to build up inventory in the first half of the year. This enabled us to intensify our product supplies and respond quickly as the pandemic-induced situation eased.

Actual Pictures of Warehouse


Central Warehouse Banur


Regional Warehouse Guwahati

During the year, we continued to invest considerably in technology and digitisation of various internal processes to enhance data security and bolster operational performance. Renewed focus was placed on integrating customers with our system to gauge market pulse in real-time and gain competitive advantage. Productivity improvement was triggered through digitized monitoring of on-field sales force and secondary sales.

We also continued strong focus on our industry first RAG (Red, Orange and Green) model to segment markets as per COVID-cases and take suitable action. Health and safety of our people remained our first priority and was ensured by vaccinating 97% of our employees, extending hospitalisation support and enhancing insurance coverage.

Organisational Excellence

> **In an extraordinary year that has gone by, being agile and staying resilient has been the success mantra for Crompton. Be it in responding quickly to the safety needs of our people, developing new models for their learning and development, or leveraging technology to elevate career opportunities and build a future-ready workforce.**

Our people are the driving force at Crompton. Their dedication and unflinching commitment despite the challenges presented by the re-emergence of the COVID-19 pandemic helped us to work full-throttle, ensuring business continuity and seizing growth opportunities to deliver commendable performance.

Like always, safety of our people was paramount during the year. A vaccination drive was conducted to ensure this and safeguard our employees, channel partners and suppliers from the impact of the pandemic. Stringent COVID-19 protocols were implemented throughout the organisation in line with the government directives and employees were educated on health and self-discipline. The Company also provided extensive hospitalisation support to all its employees and stood by them in their difficult times while lightening their financial burden in case of a possible infection. Insurance coverage was also increased to cover maximum cost of hospitalisation. Several other initiatives like installation of oxygen generators within our premises, fumigation of plants and incoming materials and more ensured that we did not lose even single day's production across all the seven factories. We were also one of the few companies which provided job security to the employees and ensured that they receive their full salaries within the stipulated time.

Our learning from the first wave of COVID-19 outbreak helped us to enable a smooth transition from office to 'Work from Home' culture during FY2021. Considerable enhancement in our technological capabilities and data security enabled employees to safely access critical data and information from their home. Digitisation of COVID-19 health trackers ensured that they were easily available to the employees, adding more to their safety and satisfaction. Connecting through digital platforms remained an effective source of staying connected and engaging with our people during this period.

A pipeline of skilled and talented workforce has always helped the organisation to keep pace with the industry and emerge stronger every year. This year has been no different as we continued to invest our time and efforts to improve the quality of recruitment. Efficient tools such as data analytics were deployed to shortlist right talent and build a productive workforce. Digitisation of learning initiatives further helped our employees in their personal and professional development. Easy incentive programs and continuous rewards and recognitions served as some of the crucial steps taken by the Company to reward top performers and keep our employees motivated.

During the year, dedicated need-based learning programs were conducted to strengthen our talent pipeline, boost employee capabilities and build better opportunities for their career progression. A 'Managerial Development Program' was launched to improve the team management skills of our managers and help them to build cohesive teams leading to improved business performance. Career development workshops were also initiated to sensitise our employees on the importance of continuous learning and encourage them to refine their skills. On the leadership front, virtual 'Leadership Programs' challenged our leadership team to push their boundaries and contribute to

Criket Tournament


Picnic with CGCEL Employees

organisational excellence. The virtual learning and development model helped us to maximise our coverage in MDP programs at a minimum cost. A first-ever special online training course ‘Know your responsibilities as Union leaders’ was organised for the new Union committee members of Baroda Factory and was widely appreciated by the participants.

Our ability to deepen our market share depends on the efficiency of our sales team. Keeping this in view, ‘Guru-cool’, a separate learning & development framework was launched to upgrade the skills and behaviour of our sales team in multiple areas. Innovation at Crompton was reinforced through a ‘Breakthrough Innovation’ program comprising capability building and ideation sprints to identify new ideas for prototyping. Several other training programs were devised at all levels and helped our company to empower our people and enhance their productivity.

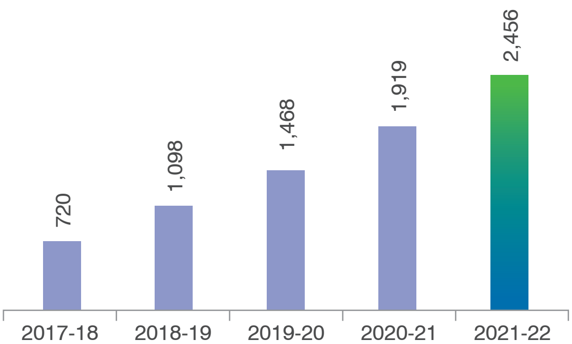
Another part of our growth strategy was to strengthen the employer-employee bond. Employee engagement initiatives were therefore stepped up and senior employees were actively assigned as team leaders to establish solid communication with the employees. Initiatives like ‘Ask your CEO’, "DIL SAY" free-wheeling sessions, virtual meetings and town halls created further opportunities for open and direct two-way communication. Monthly ‘Thumbs Up’ sessions were also organised to reinforce positivity and motivation within the teams. The effectiveness of our engagement campaigns was regularly measured through surveys and feedback mechanisms. We also deployed Artificial intelligence driven tools like Amber and Hyphen to gauge the concerns of our employees and address them regularly.

A Diversity and Inclusion (DNI) policy was rolled out by Crompton with key focus on nurturing a diverse workforce which can bring their own unique strengths, capabilities, experiences, culture, and learning to the table. Women Day celebrations and various other inclusion initiatives to inculcate a feeling of belongingness within the family members of our employees were also initiated.

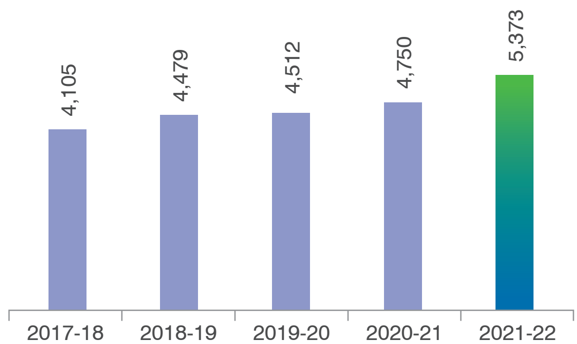
Implementing strong corporate governance and functioning in best interest of the society, environment and the planet is imperative for any responsible corporate citizen. Keeping this in view, an Environmental, Social and Governance (ESG) committee was formed and is being actively driven by the Board.

Standalone Financial Highlights

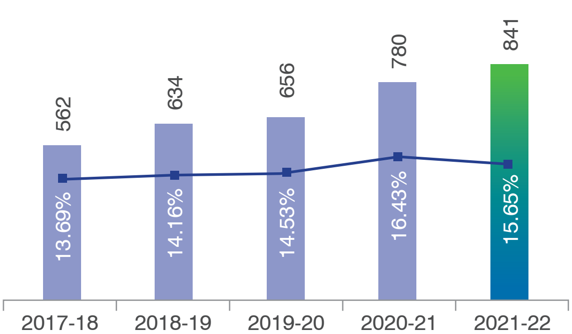
NET WORTH
(₹ in Crore)



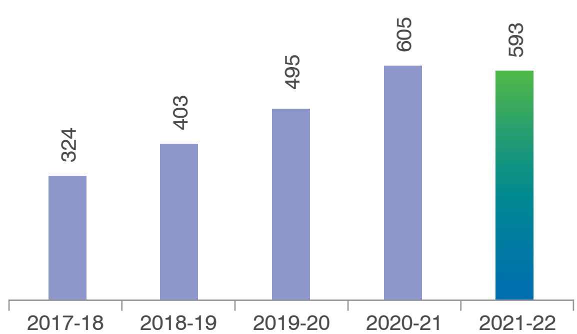
REVENUE FROM OPERATIONS
(₹ in Crore)



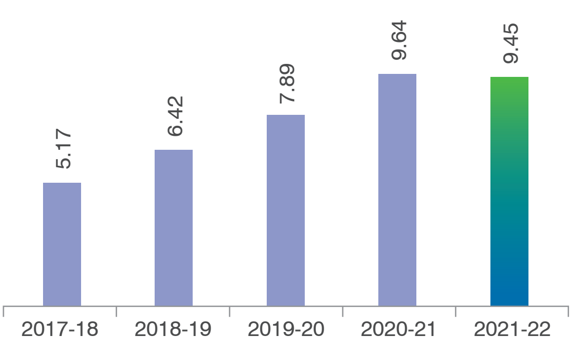
EBIDTA (₹ in Crore) / EBIDTA MARGIN (%)



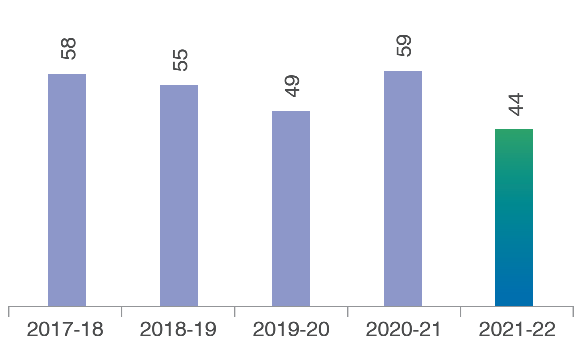
PROFIT AFTER TAX
(₹ in Crore)



BASIC EPS
(₹)

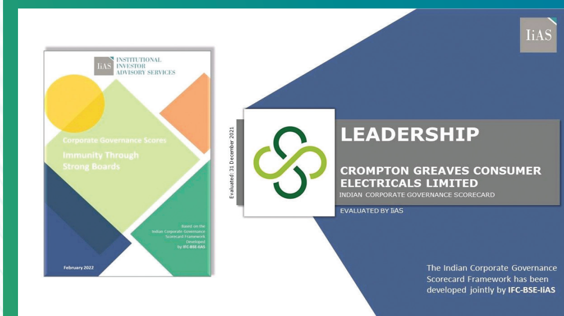


ROCE
(%)



Awards & Accolades

Crompton was honoured with the “Brand of the Decade” Award by BARC Asia and ERTC Media for transforming the Indian economy by embracing state-of-the-art products and services



Crompton Featured under LEADERSHIP category of S&P BSE 100 (BSE 100)

Companies evaluated on Indian Corporate Governance Scorecard by IiAS

Received Safety Award from Green triangle society with the 1st prize under “Gomant Sarvochcha Suraksha Puraskar”

Crompton’s SilentPro campaign won the #ETBrandDisruption Gold Award under ‘Technology-Driven Campaign’ category

Crompton’s Blossom Smart Fan was declared the Red Dot Winner 2022 for Product Design

Being More Responsible

'UJJVAL DEEP', our Corporate Social Responsibility (CSR) programme, aligns with Crompton's long-term commitment to build positive and shared value for our stakeholders. Aimed at igniting a positive social change, our CSR initiatives have evolved over the years to focus on five key areas: skill development, promotion of health and response to COVID-19 pandemic, water conservation, community development and employee engagement.

SKILL DEVELOPMENT

At Crompton, we firmly believe in 'growing together'. Empowering our surrounding communities by providing them with equal opportunities therefore forms an important part of our growth philosophy. Aligned with this, our skill development program entails trainings designed to create sustainable livelihood opportunities for the youth and to instil knowledge and confidence amongst them. This is enabled by supporting the beneficiaries in developing employable and entrepreneurship skills through vocational and hands-on trainings.

Providing mechanical, electrical, plumbing training to youth through skill centres spread across Maharashtra, Goa, Haryana, Himachal Pradesh, Odisha, and Tamil Nadu

6

Skill centres trained over 100 students

70%

Beneficiaries employed

PROMOTION OF HEALTH AND RESPONSE TO COVID-19 PANDEMIC

Strong communities cannot be built on a poor healthcare system. Cognizant of this, our healthcare interventions constantly aim towards providing improved access and quality of healthcare for the marginalised communities. A blood bank was constructed with support of local administration at Baddi, Himachal Pradesh to support patients during emergencies. We also supported treatment of patients from underserved communities suffering from blood cancer, ushering a new ray of hope amongst them and their families.

Support was also extended to 24 NICUs to increase patient capacity and reduce waiting periods, thus reducing child mortality.

Continuing our efforts to curb the spread of COVID-19, our interventions involved distribution of personal charitable hospitals. Also helped the primary health care centres to increase patient capacity by contributing to hospital beds and equipments.

Over 5 lakhs

To benefit from blood banks

NICU and PICU, Vadodara and Mumbai

10,000

Children to benefit from NICU's and PICU's

53,000

Medical and relief kits distributed to COVID impacted communities

WATER CONSERVATION

Water conservation initiatives at Crompton are focussed at empowering the drought-hit villages and easing the lives of the villagers. This year, we continued our efforts to improve water security and sustaining farmers' livelihood through integrated watershed management and conservation of natural resources.

Bapurao Gawande will be able to grow vegetables after a gap of 2 years due to improved ground water levels

Cement Nalla Bund, Ahmednagar

500

Water conservation structures built and handed over to 12 villages

100

Wells recharged for drinking water

15%

Average increase in availability of water

9,000

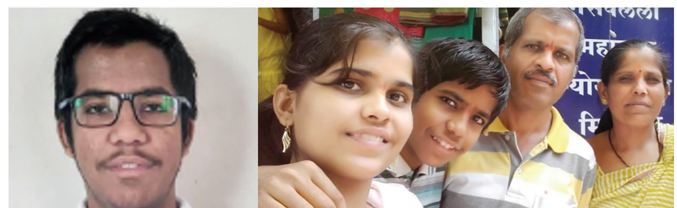
Farmers impacted

₹ 20,000

Increase in annual income of farmers

COMMUNITY DEVELOPMENT

The COVID-19 pandemic led school closures disrupted the lives of students, especially from the marginalised communities, pushing them into isolation and limiting their learning. Crompton stood up to the cause and helped them stay on course by organising online sessions on diverse topics. Ujjwal Deep scholarship was launched to support students from low income group pursuing medical and engineering courses from government college. Further, a public health facility was started to address the sanitation, safety and health concerns for over 200 households.



Sponsored Ayush Munot, Ahmednagar, son of a small general store owner, to pursue his academic goal his dream by sponsoring his academic fee for IIT, Kharagpur

Sponsored Saurabh Sanghle's academic fee for Dr R N Cooper Municipal General Hospital and Medical College, Mumbai for the current academic year, helping him to provide a better life.

4,000

Students empowered through learning and engagement initiatives

8,000

boxes of food essentials and stationery items for children

244

Students benefited under the Ujjwal Deep Scholarship Programme

EMPLOYEE ENGAGEMENT

A range of initiatives were conducted to foster employee engagement and deepen Crompton's ties to the communities we serve.

Financial grant was raised for critically-ill children through 'Be my Santa' campaign, an employee volunteering activity. Our #BreakTheBias programme, launched on Women's Day also helped us to reach out to 3,000 underserved women, creating awareness about menstrual hygiene and providing them with basic hygiene kits.

300

Hours volunteered by employees for CSR activities

Landmark Installations

BELGAUM–KHANAPUR ROAD PROJECT (NHAI)

Total road length
23 kms

Total no. of luminaires
3,000

Lighting requirement
Met as per National Highways Authority of India (NHAI) requirement

Corporate Information

BOARD OF DIRECTORS

Mr. H. M. Nerurkar (DIN: 00265887)
Chairman and Independent Director

Mr. Shantanu Khosla (DIN: 00059877)
Managing Director

Mr. Mathew Job (DIN: 02922413)
Executive Director & Chief Executive Officer

Mr. D. Sundaram (DIN: 00016304)
Independent Director

Mr. P. M. Murty (DIN: 00011179)
Independent Director

Ms. Smita Anand (DIN: 00059228)
Independent Director

Mr. P. R. Ramesh (DIN: 01915274)
Independent Director
(With effect from 21st May, 2021)

Ms. Hiroo Mirchandani (DIN: 06992518)
Independent Director
(With effect from 28th January, 2022)

Mr. Promeet Ghosh (DIN: 05307658)
Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr. Sandeep Batra

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Pragya Kaul

STATUTORY AUDITORS

Ms. MSKA & Associates, Chartered Accountants

SECRETARIAL AUDITORS

M/s. Parikh & Associates, Company Secretaries

INTERNAL AUDITORS

M/s. Grant Thornton India, LLP

REGISTERED AND CORPORATE OFFICE

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Equinox Business Park,
LBS Marg, Kurla (West),
Mumbai - 400 070. T: +91 22 6167 8499
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BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)
Selenium Tower B, Plot No. 31 & 32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad - 500 032

DEBENTURE TRUSTEE

IDBI Trusteeship Services Ltd.
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai - 400 001

Management Discussion & Analysis

INDIAN ECONOMY OVERVIEW

Following the second wave of the COVID-19 pandemic, India's economy was well on its way to recovery, with both the manufacturing and service sectors exhibiting consistent growth. However, the emergence of new COVID-19 variants, supply-chain disruptions arising out of the Russia-Ukraine crisis, and, more recently, rising inflation have been posing fresh challenges to economic development. Further, volatility in financial markets induced by geopolitical tensions, renewed infections in some major countries with augmented supply-side disruptions and protracted shortages of critical inputs, such as semi-conductors and chips pose downside risks to the economic outlook.

Despite these adversities, India's Gross Domestic Product (GDP) grew by 8.7% in F.Y. 2021-22, which is the highest among the leading economies, and growth is expected at 7.5% in F.Y. 2022-23. The Indian economy is poised to grow at the fastest rate, supported by various dynamic reforms undertaken by the government, such as significant increase in capital expenditure on infrastructure, thrust on domestic manufacturing and technology-enabled development, energy transition, and climate action, among others.

The Indian economy is expected to remain resilient despite the ongoing geopolitical conflicts, mainly due to the economy's inherent strengths, strong fundamentals, and growth promising sectors. Going forward, growth in the economy will be supported by continued reforms for businesses, particularly for the MSMEs and agriculture sectors. Investment activity will gain traction with improving business confidence, pick up in bank credit, support from government capex, and congenial financial conditions.

(Source: IMF, World Bank Global Outlook, June 2022)

INDUSTRY OVERVIEW

Electrical Consumer Durables Industry in India

While the year gone by was impacted by the pandemic, it also opened doors for opportunities and innovations in the electrical consumer durables industry. Though the first half of the year witnessed challenges, demand was seen improving in the latter half with the easing of restrictions, pent-up demand, and improving economic conditions. Rural electrification, more stable disposable incomes, work from home policies and government's production-linked incentives to push domestic manufacturing are likely to be the growth drivers of the industry. Besides, a shift in consumer behaviour from price consciousness towards technologically advanced products with quality, value proposition, and safety aspects have been leading to a rise in demand for premium consumer durable products.

FANS

The fans industry in India has seen significant growth over the years. Demand for premium fans with better aesthetics has been on the rise with consumer preferences shifting towards enhanced and appealing interiors. The energy labelling programmes, increasing adoption of energy-efficient fans, development of real estate, hospitality and retail sectors and changing climatic conditions will bolster the market growth.

(Source: IBEF)

Key Growth Drivers:

1. **Government initiatives**

   Government continues to drive the aim of providing affordable houses through Pradhan Mantri Awas Yojana scheme (PMAY). Out of sanctioned 123 lakh houses under (PMAY Urban), ~50% work is completed which provides an opportunity to cater to demand at competitive prices. Adoption of sustainable and energy-efficient technologies, and successful execution of Bureau of Energy Efficiency (BEE) Star Labelling requirements will spur demand for energy-efficient products. Organised players are increasing their market share with continuous innovations and introducing energy-efficient and superior fans which result in less power consumption, noiseless operation, improved efficiency and reliability, and a longer lifespan.

2. **Premiumisation and innovation in product aesthetics**

   The market is witnessing increased demand for premium and connected products as consumers prefer smart, easy-to-use, and technologically advanced products. Products like smart, Internet of Things (IoT)-enabled ceiling fans are no longer a necessity but are also seen as an important part of home décor.

PUMPS

India's pumps market is expected to grow at a steady pace due to the increased application of pumps in end-user industries and expanded investments in water and wastewater treatment activities. Factors such as greater focus on energy-efficient products in the wastewater industry, rapid urbanisation, and growth in housing and infrastructure projects will influence the growth of industrial pumps.

Key Growth Drivers:

1. **Increasing piped water supply**

   With unflinching endeavour to provide clean drinking water to every household through 'Har Ghar Nal Yojna' scheme, the government plans to provide piped water supply to ~3.8 crore households in F.Y. 2022-23 which shall continue to drive the growth for household pumps.

2. **Government policies**

   Government regulations and policies coupled with rising energy crisis are prompting pump manufacturers to develop energy-efficient products. Moreover, the government has introduced several policies to promote agricultural growth in the country, which has inspired farmers to install independent irrigation facilities to ensure consistent availability of water. Consequently, this will push the demand for water pumps in India.

3. **Emergence of newer technologies**

   The pumps market in India will witness the emergence of intelligent pump systems and micro disc pump technology in the next few years. Intelligent pump systems can control and regulate the fluid's flow or pressure, adjust to process changes, and have a fault-tolerant design.

   (Source: https://www.prnewswire.com/news-releases/india-pump-market-outlook-and-forecast-2021-2026---demand-for-energy-efficient-pumps--demand-for-solar-pump--increasing-export-of-centrifugal-pumps-301325040.html)

APPLIANCES

The home appliances and consumer electronics industry are amongst the fastest growing in the Indian market. Improving comfort and décor at home has become the highest priority among the households and the industry is adapting to the changes in consumer behaviour. Long-term prospects for the industry remain positive, supported by a growing working population, higher disposable incomes, easier access to credit, and improving standard of living. Increasing electrification of rural areas, along with the rising influence of social media and popularity of online sales is also likely to drive the demand.

A. Water Heaters:

Growing consumer demand for water heaters is underpinned by rising demand for replacement of conventional water heaters with advanced systems, strong growth in urban population and rising hospitality sector. Water heater market has been witnessing an upward growth trajectory mainly due to evolving consumer demands for modern and efficient appliances. Further, increase in housing projects in the country is also contributing to the growth of the market.

B. Air Coolers:

The air cooler market has been witnessing significant growth over the past few years on the back of rising temperatures, increasing urbanisation, growing middle-class population, burgeoning rural electrification programmes, and growing work from home culture. Technologically advanced and modern-day products with improved aesthetics are also boosting the growth of air coolers.

C. Small Domestic Appliances:

Growing population density in metro cities has been driving the small domestic appliances market growth. People are majorly migrating from rural areas to metro cities in search of job opportunities and staying there for a longer period. This migration creates huge opportunities for real estate, hotels and restaurants, hospitals and clinics, where various small domestic appliances are required. Further, lifestyles of the younger populace have changed steadily with a tremendous increase in the number of working women. This has led to an increase in the household income and improvement in living standards which has necessitated the use of various small kitchen appliances. With evolving consumer demands for modern and efficient appliances, the small domestic appliances such as mixer grinders and juicers are witnessing an uptick in demand. Also, the adoption of heathier and more convenient lifestyle has paved growth opportunities for mixers and juicers across the population, driving growth in this category.

Lighting Industry in India

The Indian LED Lighting industry has been gaining significant traction with growing investments in infrastructure and demand for LED lighting in the residential and commercial sectors. Further, favourable government initiatives including increased spend on tourist and city beautification projects, demand for smart and IoT-enabled lighting, LED installation projects for streetlights and smart cities are the key growth drivers for the LED lighting market. In addition, increasing customer perception on cost-effectiveness, improved performance and the inherent eco-friendly value of LED lighting will continue to drive sales of LED lighting products.

COMPANY OVERVIEW

About the Company

Your Company is amongst India's leading consumer electrical companies present in the Electrical Consumer Durables ("ECD") and Lighting segments. It manufactures and distributes a diverse range of consumer products ranging from Fans, Pumps and Appliances (Water Heaters, Air Coolers, Mixer Grinders, Iron, Other Small Domestic Appliances) in the ECD segment and a complete range of Lighting products.

Your Company is a market leader in fans, domestic pumps, and street lighting segments.

Manufacturing Locations:

- Goa
- Vadodara
- Ahmednagar
- Baddi

Product Portfolio

Fans	Pumps	Appliances	Lighting
Ceiling Fans	Residential Pumps	Water Heaters	LED Lamps
Table Fans	Agricultural Pumps	Air Coolers	LED Battens
Pedestal Fans	Solar Pumps	Mixer Grinders	LED Panels
Wall-mounted Fans	Specialty Pumps	Irons	LED Streetlights and Floodlights
Ventilating Fans		Small Domestic Appliances	High Mast/ Streetlighting Poles
Heavy-Duty Exhaust Fans			Interior and Architectural Lighting
Air Circulators			High Intensity Discharge Lamps
Industrial Fans			Incandescent Lamps
			Compact Fluorescent Lamps
			Fluorescent Tubular Lights

Business Segments

Electrical Consumer Durables (ECD) Business

Despite commodity inflation and other headwinds, Electric Consumer Durables (ECD) business has shown robust growth across all product categories, aided by product development and innovation, brand building and marketing initiatives and strong growth in rural and e-commerce channels.

1. Fans

Your Company delivered a strong performance in fans division, particularly in the premium and decorative segments, leading to an all-time high market share. This was primarily attributable to the launch of newer products, increased spends on advertising, and widespread availability of its products across India.

New Launches

With innovation and premiumisation at the core, your Company has launched a range of decorative fans and ceiling fans with 5-star ratings along with energy-efficient fans with BLDC technology - SilentPro Blossom Smart Fan, Energion series, and Jura Designer Wooden finish Fans. New offerings in the non-ceiling fan range include Brasso Cabin Fan, Cito Personal Fan, Supremus Pedestal Fan, among others.

Future Plans

Your Company will focus on cost-effective BEE implementation, building competency in electronics and produce energy-efficient and premium products by leveraging modern technologies. Your Company will further strengthen its brand architecture and drive higher recall through digital and media presence, architects' engagement programmes, etc. Channel expansion into modern trade and e-commerce and enhancing market share in exports are other important focus areas of your Company.

2. Pumps

The pumps division was impacted by the prolonged monsoon and industry-wide slowdown throughout the year. Your Company, however, gained market share in both agricultural and specialty pumps. Focus is on developing differentiated products with new technologies and applications to retain its market share.

New Launches

Your Company has launched a hybrid winding pump, Mini Champ Plus, in the mini segment series. These pumps are developed to address the key consumer pain points with breakthrough patented technology of hybrid winding which helps in having lower pump jams and trouble during operations. Several variants of residential pumps with enhanced features and superior performance were launched in Ultima and Magna series.

Future Plans

Your Company will continue to introduce differentiated products in both domestic and agriculture pumps by deploying modern technologies and processes. Your Company will work on increasing consumer awareness with increased BTL activities and influencers' programmes.

3. Consumer Appliances

Your Company's appliances business continued to maintain its growth trajectory in terms of both value and volume, reflecting continued investments in new product development and marketing and advertising. Growth was primarily driven by water heaters and small appliances. Your Company is focussed on strengthening its reach, driving premiumisation, expanding its range of products and foraying into newer segments of consumer appliances.

New Launches

A. Water Heaters

During the year, your Company launched new products such as Classic 6L, Arno Supremus, Versa, Rapid Jet Plus, Solarium Qube, Evo, Qube Plus, Gracee under this category.

B. Air Coolers

Your Company continued to launch coolers with advanced technology and improved features. It launched newer variants of Cool Breeze, Jedi Personal, and Zelus Desert coolers.

C. Mixer Grinders

New launches in mixer grinders include Diva with Motor Vent-X technology for enhanced air circulation with Powertron Motor and Gleamer with MaxiGrind technology for finer grinding results with overload protector.

D. Other Appliances

New launches in small appliances include Smart Plug - Alexa and Google enabled plug converting appliances into smart devices with energy consumption monitoring. Frutsy - Rotary Knob with pulp collector is the new launch in the mixer grinder and Insta Comfort and Insta Fervor are the new launches in the room heater category.

Future Plans

Your Company will continue to expand its portfolio across categories and offer competitive products across price points with more features, focussing on the core proposition of cooling and comfort. Your Company shall leverage the leading South India-based kitchen appliances player Butterfly's state-of-the-art manufacturing capability, robust distribution network, strong presence in e-commerce channel, and dedicated R&D setup to strengthen foothold across geographies with a diversified portfolio of small domestic appliances.

Lighting Business

The B2B and B2G lighting business was significantly affected by the economic slowdown and subdued execution of government orders. However, your Company reported strong growth in the B2C segment with double-digit growth in LED lighting, driven by panels/downlighters and traction in Smart City and industrial projects. Your Company continues to enhance its market share in ceiling lights, innovate across the product portfolio and drive reach via aggressive advertising and marketing spends.

New Launches

Your Company launched Star Lord 3-in-1, Star Miranda, Star Stylus, and Star Cosmos in ceiling lights segment. Laser Ray Neo, Light Linea Pro, Immensa Smart Batten are the launches in the batten category. The new LED light launches include Backup Lamps, Deco Auto Color, Deco Socket, Decoray, Colormatic, etc.

Future Plans

Your Company aims to clock strong growth in the B2C lighting segment by launching more innovative and differentiated products around emerging or connected segments such as ceiling lights and battens and IoT products. Further, it continues to aggressively spend on marketing and advertising to enhance its brand recall and consumer awareness.

Acquisition of Butterfly

In March 2022, your Company acquired 55% stake in the leading South India-based kitchen appliances Company Butterfly Gandhimathi Appliances Limited for a total consideration of ₹ 1,380 crore. Butterfly is amongst the top three kitchen and small domestic appliances players in India. Butterfly's product portfolio includes a complete suite of kitchen appliances including mixer grinders, wet grinders, pressure cookers, stainless steel vacuum flasks, LPG stoves, and non-stick cookware. In South India, Butterfly leads the market in wet grinders and LPG stoves and occupies second place in the mixer grinders category. Your Company has commenced the open offer process which may take its total holding to 81%.

Your Company will significantly benefit from this acquisition by leveraging Butterfly's manufacturing facilities, R&D capabilities and distribution strengths in the dealer network as well as across e-commerce platforms. Butterfly's wide portfolio will help your Company expand its range of small domestic appliances. It also gives your Company a strong foothold in South Indian markets where it can expand its other segments through Butterfly's strong dealer and distributor networks. At the same time, your Company's pan India presence will help Butterfly's products scale faster in the rest of India.

Five-Dimensional Growth Strategy: Your Company has defined five-dimensional excellence pillars through which it aims to achieve its long-term strategic goals. These excellence pillars are Branding, Portfolio, Go-to-Market, Operational and Organisational Excellence.

1. **Brand Excellence**

   Over the past few years, your Company has consistently grown its reach and connect through aggressive branding and marketing activities. This has enabled it to gain market share across all product categories. Your Company's brand communication strategies encompass all digital and social media channels to deepen engagement and strengthen brand recall. Aligned with this, your Company executed the Brand Equity study for all its product categories. The Brand Equity study helped understand the key consumer needs across all product categories.

During the year, your Company stepped up its brand awareness initiatives across media platforms to increase consumer recall of its products. More than seven brand awareness campaigns were executed in F.Y. 2021-22 in lighting and water heater segments across ATL and BTL platforms. The campaigns have resonated well with consumers and driven a favourable response.

With increasing number of consumers moving online, your Company is intensively leveraging the digital platforms to reach out to them. The digital marketing strategy is structured to enhance traffic and discoverability of products on the e-commerce platform. Your Company also enjoys one of the highest consumer engagement rates in the industry.

Your Company has built salience in the fans category with advertising and campaigns of premium fans, namely SilentPro and Energion. Resultantly, your Company achieved the highest brand awareness scores in the fans category. The SilentPro Blossom fan is the winner of the Red Dot Design Award 2022.

Ceiling Lights being the growth driver in the lighting category, your Company executed a strong campaign on ceiling lights, positioning on the "3 in 1 Lighting Modes". Your Company achieved the highest brand awareness scores in Lighting and the highest SOV% across all brands.

Further, your Company has worked on increasing consumer awareness of the appliances segment, with large-scale advertising on water heaters, positioning the benefit as 'The Perfect Hot Water'. In air coolers, your Company advertised for the first time positioning the benefit as "Jaldi Cooling".

Your Company won two prestigious awards during the year:

- A Gold award in the ET Brand Equity Awards for advertising in the fans category under the Technology-Driven campaign; and

- A Gold award in the Amazon Ads Case League'21 for increasing consideration in the fans category.

Your Company has built upon its brand architecture across fans, lighting, and pumps categories to create a well-framed structure, uplift brand image, and position Crompton as a modern and contemporary brand.

Your Company also strives to work towards enhancing the in-store visibility and shopping experience of consumers. It has launched three stores named Crompton Plaza, which showcases the product and its features through product displays, in store elements, etc. Along with this, customization, installation support, usage guidance, and after-sales support are some of the aspects which your Company is looking at in terms of the offerings for Crompton Plaza.

Your Company has also launched a plumber loyalty program named Saathi, which is built on a technology platform. Plumber is a very important influencer for the pumps business. This initiative will help increase market share in the pumps business.

Your Company will continue to fulfill evolving consumer demands with its innovative products and position the campaigns to augment its brand positioning and reach.

2. **Portfolio Excellence**

Continued investments in portfolio excellence enabled your Company to offer differentiated products with enhanced performance and durability, superior aesthetics, and improved energy efficiency. R&D is the enabler for innovative product launches across all categories. During the year, your Company has set up a state-of-the-art Innovation & Experience Centre in Mumbai which will house the R&D and innovation team and promote fungibility, creativity in design studio, and experimentation within labs with ultra-modern infrastructure.

Your Company has introduced newer, energy-efficient technologies in all categories. It is also integrating Internet of Things (IoT) cooling technologies to design products with enhanced functionality. Your Company has retained its leadership in the fans segment commanding a greater share of the market. This is primarily attributable to the premium range of fans and wider availability of its products.

With innovation and premiumisation at the core, your Company has launched a range of decorative fans and ceiling fans with 5-star ratings along with energy-efficient fans with BLDC technology. Inspired by the natural fauna, SilentPro Blossom Smart fan makes a style statement. They are more silent compared to ordinary fans and come with the latest active BLDC technology which gives it a 5-star rating. A range of wooden finish fans, industry-leading performance fans in terms of air delivery, and new TPW fans have also been launched during the year.

Your Company has launched a hybrid winding pump, Mini Champ Plus, in the mini segment series. These pumps are developed with modern patented technology of hybrid winding which helps in having lower pump jams and trouble during operations. Your Company launched new variants of Ultima and Magna series pumps with enhanced features and superior performance.

Appliances segment provides a strong thrust to your Company's business and market position. Your Company launched several new models in water heaters with 5-star ratings, mixer grinders, air coolers and other appliances by leveraging modern, power-saving technologies.

New launches in the lighting division include Star Lord 3-in-1, Star Miranda, Star Stylus, and Star Cosmos in the ceiling lights segment. Laser Ray Neo, Light Linea Pro, Immensa Smart Batten are the launches in the batten category. The new LED light launches include Backup Lamps, Deco Auto Color, Deco Socket, Decoray, Colormatic, etc. Your Company's strategy is to drive greater awareness and sales of these products.

3. **Go-to-Market Excellence**

Your Company has a comprehensive Go-to-Market (GTM) strategy in place with an objective to improve product availability and market share. This year, the go-to-market strategy featured a healthy mix of traditional and digital means to increase market presence and enhance customer reach. Your Company formulated a clear strategy basis population strata and channels along with key norms to improve product availability and market share. During the year, the Fans ND and WD increased by 3.4% and 4.8%, respectively, thereby improving the market share by more than 2%. Your Company also saw a robust growth of 39% in E-commerce business on the back of improved execution and data analytics. The key initiatives undertaken to reach low population strata (<1 lakh population centres) helped rural sales expand by 182%.

Your Company continues to leverage data analytics and technology. Dealer Portal is one of its key initiatives which enables ease of doing business. During the year, this facility was extended to 800 channel partners and can also be accessed through mobile apps now. The Distributor Management System (DMS) monitors secondary sales data and has a Konnect app to engage retailers through loyalty programmes. Integrated sales and service data in OTFA (One Truth for All) enables your Company to improve sales review mechanism along with identification of right building blocks and execution monitoring. Its newer service initiatives like WhatsApp chatbot to enable 360-degree complaints registration, new call centres with better features, and 600+ Authorised Service Centres (ASCs) have significantly improved customer service and satisfaction.

Your Company implemented a unique go-to-market approach in the pumps segment during the year with the launch of 'SAP', a pilot programme. The aim is to educate the plumber community on Crompton's pumps portfolio to enable them to serve as influencers in select geographies. This intervention received an impressive response from the influencer community and channel partners enabling your Company to launch it on a larger scale.

4. **Operational Excellence**

Your Company constantly works towards streamlining its operations and adopting best-in-class technologies and processes to accelerate digitisation, drive greater efficiencies, and business performance.

Supply Chain

Your Company is committed to responsible and sustainable procurement and supply chain practices. It has a comprehensive SOP and checklist in place for vendor on-boarding and a scorecard for strategic vendors (nomenclature for FG) and suppliers (nomenclature for raw materials and bought out parts), transporters, and CFAs to monitor KPIs. It also monitors the vendor performance index (VPI) and supplier performance index (SPI). It also strengthens relationships between suppliers and vendors and fosters their performance through annual rewards and recognitions and supplier/vendor meets.

Your Company has also implemented the price approval system for vendors and is reducing dependence on imports. A central commodity team has been created to procure raw materials and work components to be used across the products for the purpose of scale and synergy. An expert team of cost analysts has been put in place in order to achieve best-in-class costs through market cost benchmarking and the commodity teams' inputs. Further, your Company continues to focus on warehouse modernisation, digitisation of logistics, increased automation in procurement, physical distribution, and integrated business planning leading to best-in-class inventory management.

Your Company has also implemented On-Time in Full (OTIF) approach for distribution for its customers. Your Company is leveraging partnerships and improving OTIF percentage and has zero business disruptions in warehousing. Technology has been leveraged across the supply chain operations to bring visibility, agility, efficiency, and optimise costs.

Quality

Your Company's endeavour to improve operational excellence is reflected in its key initiatives comprising 5S, Quality Circles, Daily Work Management, Glass Wall, and Structured Problem-Solving.

A Japanese concept of workplace management, the 5S (Sort, Set in order, Shine, Standardise, Sustain) methodology focusses on putting everything where it belongs and keeping the workplace clean and organised. This programme has helped ease movement of people and material, thereby boosting employee morale and productivity. It is also helping towards better visualisation of plants.

The Quality Circles initiative has been formulated to resolve issues arising at the shop floor. Majority of the problems are amicably solved by the frontline employees, as they are the ones most familiar with the task and process.

The Daily Work Management focusses on the day-to-day activities that are required to undergo quality maintenance. Process stability and process capability form the core of this concept for always delivering quality products. This initiative has been rolled out for quality function and manufacturing operations with the aim to adopt world-class practices in 31 audit areas.

Under the initiative of Glass Wall, the key performance indicators are diligently displayed on dashboards in all the plants and functional departments. These metrics are regularly reviewed, and corrective action is taken to address performance gaps.

The Structured Problem-Solving initiative is aimed at solving complex problems through the cross-functional collaboration of the teams. Seven basic tools of quality management are included in this initiative for continuous improvement. Six Sigma Methodology has been rolled out and 11 projects for warranty reduction are about to be completed across the organisation.

Your Company continuously invests in people development and training to achieve success in its operational excellence initiatives. In order to enhance their skills and capabilities, your Company imparted close to 5,104 manhours of training during the year for both employees and vendors.

Information Technology

Information Technology (IT) continues to be the mainstay and an enabler to the business. Your Company has embarked on the next leg of digital transformation to bring a cutting edge in the industry. Your Company's digital transformation journey traversed a good distance on the themes chalked out under its programme Urja. Your Company is proactively strengthening its information safety and security layer, acknowledging the growing cyber threats. It is foccusing on market penetration through its digital footprint and gathering various useful data points.

Your Company continues to leverage data for active decision-making. It is also digitally engaging with its customer base to improve customer engagement. In view of building process efficiency and employee engagement, your Company has actively identified and addressed the process simplification areas. There is also an equal thrust to ensure a parallel learning management effort to cross and upskill the workforce in order to compliment the business enabling projects.

5. **Organisational Excellence**

The foundation of your Company's leadership, innovation, and customer engagement is its people. Your Company nurtures its employees by empowering them, providing an environment of highest safety, training for enhancing skills, and through rewards and recognition programme. Your Company's focus has always been on strengthening the talent pipeline by way of improving employee engagement, career development, and providing greater learning and development opportunities.

Your Company accords great importance to the safety and health of its employees. Your Company initiated flexible working policy for its employees. Your Company ensured employees were educated on health and self-discipline and adhered to all the safety guidelines issued by the government.

In line with your Company's long-term business strategy, robust employee development programmes through structured interventions and on-the-job and experiential learning through career movements, special assignments, and projects were undertaken during the year. The aim is to build best-in-class capability in the areas of Go-to-Market, Operational and Quality, Brand and Portfolio Management, and Innovation.

Managerial Development Programme – Enhancing the capability of managers to build an inclusive and engaged team has always been the priority of your Company. Your Company piloted the programme aimed at improving the team management skills of managers at Crompton. The managers were trained on Connect, Develop, and Inspire model of Great Manager Institute. This programme helped managers build cohesiveness in their teams leading to improved business performance. During the year, this programme saw 31 participants. Seeing the success of this initiative, your Company is now all set to deepen this intervention further.

Breakthrough Innovation – Your Company embarked on this journey last year mainly for its innovation team. This initiative has been executed well and consisted of capability building sprints as well as ideation sprints to address the KPI of new ideas to be identified for prototyping. 27 Central and PL innovation teams were part of the breakthrough innovation initiative during the year.

Taking Ownership for One's Development – Career development workshops for employees to sensitise them on the importance of life-long learning and development were conducted. The employees also realised that they continuously need to up-skill and re-skill themselves to stay relevant in the job market. Employees were nudged to refine their skills through self-learning on Degreed and through the training programs organised by your Company.

Crompton Leadership Programme – The leadership program was delivered through virtual sessions where participants were challenged to break their limiting beliefs. A total of 37 finance leaders and managers took part in the Crompton Leadership Programme in F.Y. 2021-22. Employees identified areas of development for themselves and committed to delivering on the action plans. This programme helped incorporate coaching as an essential component of training design. With people spread over multiple locations, virtual coaching is far more practical to implement.

Guru-cool for Sales – Guru-cool is a comprehensive learning and development framework to help upgrade sales capability and propel career growth and market leadership. The basic training programmes are designed to upgrade skills and behaviour in the areas of functional, technical, and behavioural leadership. Leadership programmes like authentic leadership programme and positive language were also conducted for Branch Managers and Regional Sales Managers.

Environment, Health & Safety (EHS)

Your Company is mindful of its responsibilities towards Health, Safety, and Environment Management. A robust policy on Occupational Health, Safety and Environment is already in place.

A comprehensive EHS manual titled KAVACH 3.0 comprising the policies, procedures, and work instructions has been implemented across the organisation. To ensure focussed delivery on EHS activities, each plant conducts Aspect Impact and HIRADC i.e. Hazard identification and risk assessment & determining controls. Review for various activities and identifies areas that require action in each operation.

During the year, your Company complied and excelled with EMS 14001 & ISO 45001 implementation which is an important milestone in the safety journey of the organisation. A single IMS (Integrated Management System) is also in place which is the foundation of the overall Health, Safety and Environment framework of your Company.

In October 2021, a third-party safety audit was conducted at the Vadodara unit as per the Gujarat factory Rule-68 J (9) and BIS: 14489-2018. Closure of the safety audit observations was ensured, and corrective and preventive actions were taken thereafter. The observations were shared amongst units for cross-learning and improvement. Learnings from other organisation incidents and taking preventive actions were also initiated as a proactive approach in ensuring safety performance.

A comprehensive EHS scorecard is followed across the units and is monitored every month for performance and corrective action. Along with this, meetings are conducted to promote cross-learning between manufacturing units with an agenda to conserve natural resources through reduction of water and electricity consumption, proper disposal of hazardous wastes, etc. Various promotional activities taken towards EHS awareness are also shared between the units to continuously improve and standardise best practices.

ESG

Sustainability is the natural extension of your Company's business and refers to the social, environmental, and economic responsibility of its operations. Your Company undertakes various initiatives to minimise carbon footprint and emissions, achieve energy efficiency and conserve natural resources. This serves the purpose of meeting responsibilities as a corporate citizen and mitigating environmental risks. Further, your Company strives to create a positive and meaningful impact in and around its communities. Equal opportunity employment, talent grooming and development, women employee welfare programmes, etc. are among its notable interventions.

ESG Committee

The Environment, Social and Governance (ESG) Committee of your Company is formed with the objective of supporting its commitment to environment, health and safety, social responsibility, governance, and sustainability matters. The Committee assists the senior leadership team in:

- setting general strategy relating to ESG matters,
- developing, implementing, and monitoring initiatives and policies based on that strategy,
- overseeing communications with employees, investors, and stakeholders with respect to ESG matters,
- monitoring and assessing developments relating to and improving the Company's understanding of ESG matters, and
- efficient and timely disclosure of ESG matters to internal and external stakeholders.

It is the responsibility of the Committee to periodically review and assess the ESG charter and submit the recommended changes to the Board for its consideration.

Financial Performance

Standalone		
Ratios	**2021-22**	**2020-21**
Debtors Turnover Ratio	11.14	10.09
Inventory Turnover Ratio (On Cost of Goods Sold)	7.17	6.58
Interest Coverage Ratio	23.81	18.19
Current Ratio	2.33	2.49
Debt Equity Ratio*	0.63	0.25
Operating Profit Margin	14.16%	14.84%
Net Profit Margin	10.88%	12.53%
Return on Net Worth (RoNW)**	27.13%	35.71%

**Debt-Equity Ratio increased on account of increase in short-term borrowings during the year*

***RoNW is lower due to increase in shareholders fund over the years on account of profits accumulations.*

Consolidated Financial Performance

Key highlights of financial performance are:

Particulars	2021-22		2020-21	
	Amt (₹ crore)	% to Revenue from Operations	Amt (₹ crore)	% to Revenue from Operations
Revenue from Operations	**5,394.11**	**100.00%**	**4,803.51**	**100.00%**
Material Costs	3,701.78	68.63%	3,267.24	68.02%
Employee Benefit Expenses	362.39	6.72%	336.58	7.01%
Finance Cost	35.31	0.65%	42.91	0.89%
Depreciation & Amortisation Expenses	42.28	0.78%	29.69	0.62%
Advertisement & Sales Promotion	89.45	1.66%	82.19	1.71%
Other Expenses	471.04	8.73%	397.02	8.27%
Total Expenses	**4,702.25**	**87.17%**	**4,155.63**	**86.51%**
Other Income	72.65	1.35%	75.75	1.58%
Exceptional items	12.97	0.24%	-	-
PBT	**751.54**	**13.94%**	**723.63**	**15.07%**
Tax Expense	173.16	3.21%	106.98	2.23%
PAT	**578.38**	**10.73%**	**616.65**	**12.84%**

Debt Summary:

(₹ crore)

Particulars	2021-22	2020-21
Gross Debt	1,607.51	478.78
Net Debt	692.32	(125.17)
Total Equity	3,235.41	1,931.43
Gross Debt to Equity ratio	0.50	0.25
Net Debt to Equity ratio	0.18	(0.07)

Opportunities

1. **Infrastructure Investment:** Government's continued focus on infrastructure development such as roads, railways, ports, and housing are expected to create significant demand for electrical goods. Improving rural electrification through massive government schemes and programmes has been further boosting demand for electrical products.

2. **Favourable Demographics:** Rapid urbanisation, increase in working population, growing nuclear families and evolving demand for aesthetic and high-quality products - are all expected to spur demand for electrical goods.

3. **Increasing Digitisation:** The COVID-19 pandemic has accelerated mundane changes to the digital world and led to exponential growth in e-commerce. India is amongst the fastest growing markets of digital consumers and this number is expected to rise by 1.5x by 2030. The increasing use of technology to work, play, and stay connected has shaped new digital habits. Moreover, increase in smartphone penetration will also drive the adoption of smart and connected products.

4. **Under penetration:** Majority of consumer-facing products in India have lower penetration vis-à-vis other emerging countries. It is expected that the increase in per capita income and enhanced need for comfort and convenience will lead to a spurt in demand for consumer electrical products.

Threats

1. **Economic slowdown:** Slowdown in the Indian economy due to adverse macro-economic and global developments may negatively impact growth in the short-term. Disruptions in supply chain and demand due to the pandemic-related challenges have emerged as a significant business threat.

2. **Commodity inflation:** Sharp increase in commodity prices may lead to increase in cost of finished goods and dent the margins and profitability of the industry. Prices of industrial commodities, including copper, steel, and aluminium have been on a rise, which may deter economic growth and development. Increasing input costs and higher commodity prices remain key risks to inflation and may impact consumer sentiments.

Outlook

The electrical industry has immense growth potential, especially considering the increased penetration of electricity and home improvement drive. Post the COVID-19 pandemic, a notable shift is being seen in online buying and e-commerce. Advanced connectivity and digitisation are fast becoming the cornerstone of the industry. Brands need to step up their digital footprint and capabilities to fulfil evolving demands and improve customer experience.

Despite the short-term disruptions caused by the economic slowdown and steep increase in commodity prices, your Company's cost-saving programmes, product mix improvement, and calibrated pricing enabled it to sustain margins and profitability. The preference of end consumers is also structurally shifting towards branded and good quality products which augur well with your Company's strategy to continue investments in R&D, brand building, and new product development.

Your Company will continue to invest in R&D with a focus on producing innovative, value-added products. Your Company will continue to ramp up its distribution network and increase presence in modern trade, rural and e-commerce channels. It is also looking at deploying newer technologies and platforms such as smart IoT, energy-efficient technologies across its product segments.

Having established a leadership position in the fans and pumps division, your Company focusses on enhancing the lighting and appliances divisions. It also continues to evaluate organic opportunities, which will accelerate the growth momentum and business strategy. The acquisition of Butterfly will immensely benefit your Company and enhance its share in the kitchen appliances segment by leveraging Butterfly's manufacturing facilities, R&D capabilities, and robust distribution network.

Risk Management and Mitigation

Your Company has a well-framed and robust internal financial control system in place which governs the risk management and governance. A structured risk management system permits the management to take calibrated risks, which provides a holistic view of the business wherein risks are identified in a structured manner from a top-down to the bottom-up approach. The twin purpose of Enterprise Risk Management is to mitigate the adverse impacts and seize the market opportunities to sustain business growth and maintain a competitive edge in the industry.

Key risks of your Company include business risk, operational risk and external risk. Your Company regularly oversees and monitors the risks in line with the industry best practices. Your Company endeavours to attain cost leadership, expand distribution network, and produce premium and innovative products to fulfil evolving customer requirements.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of your Company, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Crompton Greaves Consumer Electricals Limited's Annual Report, F.Y. 2021-22.

Board Report

Dear Members,

Your Directors are pleased to present the Eighth Annual Report on the business and operations of the Company, together with the audited financial statements for the Financial Year ended 31st March, 2022.

FINANCIAL RESULTS

The table below depicts the standalone financial performance of your Company for the year ended 31st March, 2022.

(₹ crore)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Revenue from operations	5,373.20	4,749.95
Total income	5,453.10	4,825.58
Profit before Tax	763.15	707.72
Tax expense (including deferred Tax)	169.67	102.98
Profit after Tax	593.48	604.74

OPERATIONS OF COMPANY'S FINANCIAL PERFORMANCE

During the year ended 31st March, 2022, your Company registered its revenue from operations of ₹ 5,373.20 crore against ₹ 4,749.95 crore in the previous year 2020-21 delivering growth of 13% over last year.

INCREASE IN SHARE CAPITAL - EXERCISE OF STOCK OPTIONS

During the year under review, there was no change in the authorized share capital of the Company.

Paid-up Share Capital:

During the year under review, your Company has made following allotments pursuant to the exercise of options by eligible employees under various ESOP schemes:

Sr. No.	Name of the ESOP Scheme	No. of Shares
1	Crompton Employee Stock Option Scheme - 2016 (ESOP 2016)	5,95,910
2	Crompton Performance Share Plan - 1 - 2016 (PSP 1 2016)	50,89,696
3	Crompton Employee Stock Option Scheme - 2019 (ESOP 2019)	29,000
	Total	**57,14,606**

Accordingly, the total paid-up share capital of the Company as on 31st March, 2022 was ₹ 1,26,68,11,918/- (Rupees One Hundred Twenty Six crore Sixty Eight Lakh Eleven Thousand Nine Hundred Eighteen only) divided into 63,34,05,959 equity shares of ₹ 2/- each.

RECLASSIFICATION OF PROMOTERS

During the year under review, on 9th June, 2021, Amalfiaco Limited, Promoter of the Company sold their entire shareholding through stock exchange settlement process and Nirsinia Limited (member of Promoter group) sold their entire shareholding on 30th September, 2021.

Amalfiaco Limited, Nirsinia Limited, AI Cool Midco 1 Limited and AI Cool Midco 2 Limited applied for Promoter re-classification and were reclassified from the Promoter/ Promoter Group Category to the Public category by stock exchanges on 28th January, 2022.

Pursuant to the same, they ceased to be Promoters / Members of the Promoter Group of the Company.

ACQUISITION OF BUTTERFLY GANDHIMATHI APPLIANCES LIMITED

A Share Purchase Agreement ("SPA") was executed between your Company, Butterfly Gandhimathi Appliances Limited ("BGMAL") and certain members of the Promoter and Promoter Group of BGMAL on 22nd February, 2022.

Pursuant to the aforesaid SPA, your Company has acquired 98,33,754 equity shares representing 55% of the equity share capital of BGMAL through the stock exchange settlement process on 25th March, 2022. Your Company has commenced the open offer process which may take its total holding to 81%.

BGMAL has become a material subsidiary of your Company.

DIVIDEND

Your Directors are pleased to recommend a Dividend of ₹ 2.50/- per equity share of the face value of ₹ 2/- each for the year ended 31st March, 2022.

The Dividend, subject to the approval of Members at the Annual General Meeting to be held on 22nd July, 2022 will be paid on or after 25th July, 2022 but within a period of 30 days from the date of AGM to the Members whose names appear in the Register of Members, as on the Record date i.e. 8th July, 2022.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Members. Your Company shall, accordingly, make the payment of the Dividend after deduction of tax at source.

Further, pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after completion of seven years. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority.

However, since seven years have not elapsed from the date of declaration and payment of dividend since incorporation, transfer of unpaid dividend and the shares on which dividend has not been paid or claimed, to Investor Education and Protection Fund (IEPF) is not applicable to the Company.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has adopted a Dividend Distribution Policy and the same is available on the Company's website at https://www.crompton.co.in/ media/Dividend-Distribution-Policy.

NON-CONVERTIBLE DEBENTURES

During the year under review, your Company has redeemed Series C, Non-Convertible Debentures (NCDs), issued in June 2016, amounting to ₹ 180 crore on 24th June, 2021. Further, the Company has redeemed Series A, Non-Convertible Debentures (NCDs), issued in May 2020, amounting to ₹ 150 crore on 29th November, 2021 pursuant to exercise of call options.

Presently, total NCDs aggregating to ₹ 150 crore are listed on the debt segment of National Stock Exchange of India Ltd. The Company has decided to exercise the call option on this NCDs and will redeem the same on 27th May, 2022.

IDBI Trusteeship Services Limited is the Debenture Trustee for the Debenture holders. The details of the NCDs and the Debenture Trustee are provided in the Corporate Governance Section which forms a part of the Annual Report.

COMMERCIAL PAPERS

During the year under review, your Company issued rated, listed Commercial Papers (CPs) aggregating to ₹ 1,200 crore. These CPs are listed on National Stock Exchange of India Ltd. The proceeds of CPs were utilized for financing the acquisition of Butterfly Gandhimathi Appliances Limited.

CREATION OF DEBENTURE REDEMPTION RESERVE

Your Company has maintained Debenture Redemption Reserve (DRR) of ₹ 75 crore created in financial year 2018-19 pursuant to the provisions of Section 71 of the Companies Act, 2013 read with Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014.

As required under SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated 22nd October, 2020, your Company has created Recovery Expense Fund in respect of outstanding debentures.

RESERVES

Your Company does not propose to transfer any amount to the General Reserve.

CREDIT RATING

CRISIL has reaffirmed your Company's long-term rating to AA+/Stable. The short-term rating at A1+ remains the highest.

EMPLOYEE STOCK OPTION PLAN

The Company uses Employees Stock Option Scheme ("ESOP Scheme") in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('the SBEB & SE Regulations') as a measure to reward and motivate employees as also to attract and retain talent.

Presently, your Company has following ESOP Schemes:

- Crompton Employee Stock Option Scheme - 2016 (ESOP 2016)
- Crompton Performance Share Plan - 1 - 2016 (PSP 1 2016)
- Crompton Performance Share Plan - 2 - 2016 (PSP 2 2016)
- Crompton Employee Stock Option Scheme - 2019 (ESOP 2019)

The applicable disclosures as stipulated under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are provided in Annexure 1 to this Report.

INDIAN CORPORATE GOVERNANCE SCORECARD

Your Company was categorized under Leadership category on the Indian Corporate Governance Scorecard. The Company had appeared in the Leadership category in 2020 also.

Crompton was featured in the top 10 companies amongst S&P BSE 100 (BSE 100) companies evaluated on the basis of Indian Corporate Governance Scorecard twice in 2017 and 2018.

The Indian Corporate Governance Scorecard is a fair assessment of corporate governance practices at the corporate level. BSE Ltd. jointly with International Finance Corporation (IFC) and Institutional Investor Advisory Services (IiAS) with the financial support of the Government of Japan has developed this Scorecard based on the G20/OECD Principles of Corporate Governance.

The Indian Corporate Governance Scorecard Methodology is a set of 70 questions that are based on the G20/OECD Principles of Corporate Governance. In creating the scorecard, there are several steps, and feedback from market participants which are taken at every step of the way. To aid companies in improving their corporate governance practices, the scorecard methodology also carries examples that other companies could emulate.

HUMAN RESOURCES & EMPLOYEE RELATIONS

Employee Performance & Engagement

Employee engagement is tracked on a real-time basis in Crompton. Your Company had conducted an organisation-wide "Employee Engagement Survey" by partnering with Kincentric in December 2019. The results of the Survey were shared by the Executive Director & CEO in the townhall with all employees, wherein the overall engagement level as analysed by Kincentric was "63%". Over the next few months, several interventions have been identified both at the Organisation level and Business Unit/Function level to enhance the employee engagement levels in the organisation.

To assess the progress that was made in improving the engagement levels, an Employee Engagement dipstick survey for most of the Business Units was conducted through Hyphen. The questions to measure the Engagement levels were the same as administered by Kincentric which were focussed around the pillars "Say, Stay and Strive". Continuous employee feedback is also gathered with the Ai-enabled employee listening tool "Amber". The leadership continues to act on the feedback given by the employees in various forums. The strong employee engagement initiatives are continued through multi-layer communication, engagement, and recognition programmes.

Employee Welfare and Policies

Your Company has always been conscious to promote all-round employee welfare. Environment, Health and Safety (EHS) guidelines are deployed to promote workplace health and safety and create a healthy environment. Regularly, the policies are benchmarked with market standards and are upgraded as and when necessary.

Some of the practices, programmes, policies, and welfare measures that were put in place to demonstrate care and empathy towards employees are listed below:-

1. **Awareness Sessions:** Considering that there was general panic and fear among the employees, your Company made it a point to have constant dialogue and awareness sessions on COVID-19 and steps taken by the organisation. The Shop-floor employees actively participated in driving this message to all employees regularly. In factories, the supervisors organised small group interactions continuously to drive the message of safe social distancing, usage of masks and need for self-isolation in case of any COVID symptoms.

2. **Transportation facility for some factory employees:** Before COVID, organisation was running transportation point-to-point at some factories where employees used to come together to a specific location and get into the Company bus. To avoid any risk of travelling on public transport, your Company has provided bus service to those factories employees by picking them up from their place of stay. Also, to avoid close contact, the number of employees in each bus was limited to half the capacity.

3. **Capability Building & Employee Wellness related programmes:** Your Company upskilled its employees with a range of online programmes being made available to them. "Degreed" with content curated on topics ranging from functional skills to employee wellness including programmes like online yoga and meditation sessions was launched. Online programmes such as Holistic Wellbeing by Dr. Marcus Ranney, Mindfulness, special talks by the doctors under "Ask the Doctor" series, Work-life balance are continuously conducted. Your Company has also arranged an online medical facility for all the employees and their families through the Doc Online, one of the renowned companies in this field so that employees can get their health concerns addressed virtually.

4. **Employee & Family Connect:** Your Company always believes that success of employees is in major part dependent on the support system provided by the family members at home and made it a point to engage family members in events through online talent shows and singing competitions.

Building Talent

Your Company continues to be committed to developing internal leaders and a talent pipeline. The same was further strengthened through the launch of structured long-term Leadership development programmes in partnership with the Indian Institute of Management at various levels. The process of identifying internal successors for key positions and systematic development of leadership continued.

The talent assessment process of the organisation for recruitment and internal talents also continued to be strengthened through the implementation of various data-driven tools including Knack, Hogan, Korn Ferry, etc.

Employee and Leadership Development

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

During the year, following unique initiatives were launched:

1. **Managerial Development Program** – Enhancing the capability of managers to build an inclusive and engaged team has always been the priority of your Company. Your Company piloted the programme which aimed at improving the team management skills of managers at Crompton. The managers were trained on Connect, Develop and Inspire model of Great Manager Institute. This programme helped the managers build cohesiveness in their teams leading to improved business performance. Seeing the success of this initiative, your Company is now all set to deepen this intervention further.

2. **Breakthrough Innovation** – Your Company had embarked on this journey last year mainly for Innovation Team. The program on Breakthrough Innovation has been executed well. The program consisted of capability building sprints as well as ideation sprints (to address the KPI of new ideas to be identified for prototyping).

3. **Taking Ownership for One's Development** – Career development workshops for employees to sensitise them on the importance of life-long learning and how they need to take charge of their own development were conducted. The employees also realised that they continuously need to up-skill/re-skill themselves if they need to stay relevant in the job market. Employees were nudged to refine their skills through self-learning on Degreed and through the training programs organised by the Company.

4. **Crompton Leadership Program** – The finance leadership program was delivered through virtual sessions where participants were challenged to break their limiting beliefs. Employees identified areas of development for themselves and committed to deliver on the action plans that they made for themselves. This program helped to incorporate coaching as an essential component of training design. With people spread over multiple locations, virtual coaching is far more practical to implement. Also, based on the success of this initiative, your Company was able to widen coverage in MDP programmes while managing the costs.

Employee Relations & Compliance

Your Company continued to enjoy a very good relationship with the labour unions at the respective factories. The overall compliance framework was further strengthened by an in-depth assessment of all compliance-related risks and taking suitable actions.

Digitalising HR Practices

The journey to digitise all aspects of an employee's life cycle continued with further deployment of technology-enabled tools and processes.

DIRECTORATE & KEY MANAGERIAL PERSONNEL

The appointment and remuneration of Directors are governed by the Policy devised by the Nomination and Remuneration Committee of your Company. The detailed Nomination and Remuneration Policy is contained in the Corporate Governance Section of the Annual Report.

Your Company's Board comprises nine Members as on the date of this Report. The Chairman, Mr. H. M. Nerurkar is an Independent Director.

Mr. Shantanu Khosla is the Managing Director. Mr. Mathew Job is the Executive Director & Chief Executive Officer. Mr. D. Sundaram, Mr. P. M. Murty, Ms. Smita Anand, Mr. P. R. Ramesh and Ms. Hiroo Mirchandani are other Independent Directors. Mr. Promeet Ghosh is Non-Executive Non-Independent Director.

Mr. P. R. Ramesh (DIN:01915274) was appointed as an Additional Independent Director by the Board on the recommendation of Nomination and Remuneration Committee w.e.f. 21st May, 2021. The Members of the Company at the 7th Annual General Meeting held on 23rd July, 2021 approved the appointment of Mr. P. R. Ramesh as an Independent Director for a period of 5 years w.e.f. 21st May, 2021.

Ms. Hiroo Mirchandani (DIN:06992518) was appointed as an Additional Independent Director of the Company by the Board on the recommendation of Nomination and Remuneration Committee w.e.f. 28th January, 2022. The Members of the Company vide special resolution passed through postal ballot on 24th March, 2022 approved the appointment of Ms. Hiroo Mirchandani as an Independent Director for a period of five years w.e.f. 28th January, 2022. The Nomination & Remuneration Committee had evaluated the balance of skills, knowledge and experience as required for being eligible for appointment on the Board of the Company and on the basis of such evaluation had prepared a description of the role and capabilities required of an Independent Director and Ms. Hiroo Mirchandani met such capabilities as identified by the Committee.

The Company has received a declaration from each of its Independent Directors confirming that they satisfy the criteria of independence as prescribed under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. Also, all the Independent Directors are registered on the on-line database of Independent Directors created by the Indian Institute of Corporate Affairs, Manesar ("IICA"). The Independent Directors have also cleared the online proficiency self-assessment test required to be given, to whomsoever it was applicable. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company at https://www.crompton.co.in/investors/corporate-governance/.

During the year under review, Mr. Sahil Dalal (DIN: 07350808) resigned from the Board of the Company w.e.f. 23rd July, 2021. The Board expresses its appreciation for Mr. Sahil Dalal for the valuable guidance and services rendered by him during his tenure as Director of the Company.

Ms. Shweta Jalan (DIN:00291675), a Director liable to retire by rotation, who did not seek re-appointment at the 7th Annual General Meeting retired as a Director of the Company w.e.f 23rd July, 2021. The Board expresses its appreciation for Ms. Shweta Jalan for the valuable guidance and services rendered by her during her tenure as Director of the Company.

Mr. Promeet Ghosh (DIN:05307658), Non-Executive Director is liable to retire by rotation. Mr. Promeet Ghosh being eligible for re-appointment at the ensuing AGM of your Company has offered himself for re-appointment. His details as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing AGM of your Company.

Mr. Shantanu Khosla, Managing Director, Mr. Mathew Job, Executive Director & Chief Executive Officer, Mr. Sandeep Batra, Chief Financial Officer and Ms. Pragya Kaul, Company Secretary are Key Managerial Personnel of the Company in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

Mr. Sandeep Batra - Chief Financial Officer of the Company has resigned from his services and he will be relieved of his responsibilities w.e.f. 30th May, 2022.

Your Board of Directors met nineteen (19) times during the financial year 2021-22. The details of the meetings and the attendance of the Directors are mentioned in the Corporate Governance Report.

The Board has established Committees as a matter of good corporate governance practice and as per the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committees are Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship & Share Transfer Committee, Risk Management Committee, Allotment Committee for allotment of shares arising out of Stock Options, Strategic Investment Committee, Committee for Debentures, ESG Committee and Committee of Commercial Papers. The composition, terms of reference, number of meetings held and business transacted by the Committee(s) are given in the Corporate Governance Report.

BOARD EVALUATION

In terms of requirements of the Companies Act, 2013 read with the Rules issued thereunder and SEBI (Listing Obligations and Disclosure Requirements) 2015, the Board carried out the annual performance evaluation of the Board of Directors as a whole, Committee(s) of the Board and individual Directors.

During the year under review, your Company has digitalised the Board Evaluation process to maintain confidentiality & anonymity of the responses.

The Board Evaluation cycle was completed by your Company internally led by the Independent Chairman of the Company along with the Chairman of the Nomination and Remuneration Committee ("NRC").

The parameters for performance evaluation of the Board include the composition of the Board, process of appointment to the Board of Directors, common understanding of the roles and responsibilities of the Board members, timelines for circulating Board papers, content and quality of the information provided to the Board, attention to the Company's long-term strategic issues, evaluating strategic risks, overseeing and guiding acquisitions etc.

Some of the performance indicators for the Committees include understanding the terms of reference, the effectiveness of discussions at the Committee meetings, the information provided to the Committee to discharge its duties and performance of the Committee vis-à-vis its responsibilities.

Performance of individual Directors was evaluated based on parameters such as attendance at the meeting(s), contribution to Board deliberations, engagement with colleagues on the Board, ability to guide the Company in key matters, knowledge, and understanding of relevant areas, and responsibility towards stakeholders. All the Directors were subject to self-evaluation and peer evaluation.

The performance of the Independent Directors was evaluated taking into account the above factors as well as independent decision-making and non-conflict of interest.

Further, the evaluation process was based on the affirmation received from the Independent Directors that they met the independence criteria as required under the Companies Act, 2013 and Listing Regulations, 2015.

The Board Evaluation discussion was focussed on how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was apprised of relevant business issues and related opportunities and risks. The Board discussed various aspects of its functioning and that of its Committees such as structure, composition, meetings, functions and interaction with management and what needs to be done to further augment the effectiveness of the Board's functioning.

Additionally, during the evaluation discussion, the Board also focussed on the contribution being made by the Board as a whole, through its Committees and discussions on a one-on-one basis with the Chairman.

The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board. They were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the reporting period. The Board also noted that the actions identified in the past questionnaire based evaluations had been acted upon.

During 2021-22, the Company actioned the feedback from the Board evaluation process conducted in 2020-21.

The Board noted the key improvement areas emerging from this exercise in 2021-22 and action plans to address these are in progress. These include strengthening the succession planning for key positions, business strategy and annual plan etc.

FAMILIARISATION PROGRAMME

Your Company has in place a structured induction and familiarisation programme for its Directors. Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities, obligations, Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and Code of Conduct applicable to Directors and Senior Management Personnel. They are also updated on all business-related issues and new initiatives.

Regular presentations and updates on relevant statutory changes encompassing important laws are made and circulated to the Directors.

The Directors appointed as members on the Corporate Social Responsibility Committee ("CSR") are also involved and briefed about CSR initiatives of the Company. Senior Executives of the Company make presentations to the members of the Board on the performance of the Company and strategic initiatives.

Brief details of the familiarisation programme are uploaded and can be accessed on the Company's website at https://nfs.crompton.co.in/assets/wp-content/uploads/2022/04/Familiarization-Programme-for-the-FY-21-22.pdf.

SUBSIDIARY COMPANIES, ASSOCIATES & JOINT VENTURES

Your Company has four Subsidiaries, the details of which are as follows:

1. **Nexustar Lighting Project Private Limited** (CIN: U74999MH2019PTC318955), a wholly owned subsidary Company was incorporated on 2nd January, 2019 to execute, design, manufacture, test, supply, O&M of LED Street Lights & Poles and other related works for the implementation of Greenfield Street Lighting Project for 36 Urban Local Bodies (ULBs) in

Odisha. This contract received from the Government of Odisha, Housing & Urban Development Department is on Public-Private Partnership (PPP) basis.

Total Revenue for the Financial Year ended 31st March, 2022 was ₹ 15.62 crore (previous year ₹ 38.24 crore) (including ₹ 2.49 crore) (previous year ₹ 0.19 crore) as other income and Profit After Tax was ₹ 4.43 crore (previous year ₹ 5.54 crore).

2. **Pinnacles Lighting Project Private Limited** (CIN: U74999MH2018PTC318891) a wholly owned subsidary Company was incorporated on 31st December, 2018 to execute, design, manufacture, test, supply, O&M of LED Street Lights & Poles and other related works for the implementation of Greenfield Street Lighting Project for 19 Urban Local Bodies (ULBs) in Odisha. This contract received from Government of Odisha, Housing & Urban Development Department is on Public-Private Partnership (PPP) basis.

   Total Revenue booked for the Financial Year ended 31st March, 2022 was ₹ 19.45 crore (previous year ₹ 42.82 crore) including ₹ 2.54 crore (previous year ₹ 0.21 crore) as other income and Profit after Tax was ₹ 5.26 crore (previous ₹ 6.38 crore).

3. **Crompton CSR Foundation** (CIN: U85300MH2019 NPL324784) (CSR Unique Identification No: CSR00001086) a wholly owned subsidary Company was incorporated under Section 8 of the Companies Act, 2013 (being a Company limited by guarantee not having share capital) on 1st May, 2019 primarily with an objective of undertaking/channelising the CSR activities of the Company. Crompton CSR Foundation is registered under Section 80G and Section 12A of the Income Tax Act, 1961. Based on the Control assessment carried out by the Company, the same is not consolidated as per Ind AS 110.

4. **Butterfly Gandhimathi Appliances Limited** (CIN: L28931TN1986PLC012728) became a subsidiary of your Company on 30th March, 2022. It was incorporated on 24th February, 1986 to carry on the business as Importers, Exporters, Manufacturers and Dealers of household and industrial vessels and utensils from all type of metals, plastics, ebonite and in particular all household appliances.

   Total Revenue for the Financial Year ended 31st March, 2022 ended was ₹ 1,007.25 crore (including ₹ 1.94 crore as other income) and Profit After Tax was ₹ 16.13 crore.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statements of subsidiaries in Form AOC-1 is attached herewith as Annexure 2. The separate audited financial statements in respect of each of the subsidiary companies are open for inspection and are also available on the website of your Company at https://www.crompton.co.in/investors/accounts-of-subsidiary-companies/.

Pursuant to the requirements of Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the details of Loans/Advances made to and investments made in the subsidiary have been furnished in Notes forming part of the Accounts.

Further, the Company does not have any joint venture or associate companies during the year or at any time after the closure of the year and till the date of the report.

CONSOLIDATED FINANCIAL STATEMENTS

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

RELATED-PARTY TRANSACTIONS

In accordance with the requirements of the Companies Act, 2013 and Listing Regulations, 2015, your Company has a Policy on Related-Party Transactions placed on the website of the Company at https://www.crompton.co.in/media/Materiality-Policy.pdf.

All related-party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related-party transactions is placed before the Audit Committee for their noting/approval every quarter.

There were no materially significant transactions with related parties (i.e. transactions exceeding 10% of the annual consolidated turnover) during the year as per the last audited financial statements. Accordingly, the disclosure of transactions entered into with related parties pursuant to the provisions of Section 188(1) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts), Rules 2014 in Form AOC-2 is not applicable.

All related-party transactions are mentioned in the notes to the accounts. The Directors draw attention of the members to the Notes to the financial statements which sets out the disclosure for related-party transactions.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no Loans and Guarantee(s) made by the Company under Section 186 of the Companies Act, 2013. The details of investments made by the Company under Section 186 of the Companies Act, 2013 form part of this Annual Report and are given in the Notes to the standalone financial statements for the financial year ended 31st March, 2022.

ENTERPRISE RISK MANAGEMENT

Your Company has established a robust Risk Management Policy, framework and process to ensure the achievement of its strategic objectives and sustainable goals. The process enables informed decision-making, through risk assessment and management at various levels. Both Bottom-up and Top-down approaches are adopted covering the Organisation, Business units and Functions. Risk Council comprising the Senior Leadership team of your Company, reviews the major risks identified by the business and the status of mitigation actions, to systematically address the risks, on an ongoing basis.

The Board Risk Management Committee oversees your Company's Risk Management Policy, framework and process, Risk Management structure and Risk mitigation system. Audit Committee also has additional oversight on Financial Risks and Controls. Your Company's Internal Management Audit team assures the Board of Directors of the effectiveness of the process.

Your Company has a comprehensive fraud prevention mechanism, to deter and detect fraud across the Company. Effective training modules have been created and institutionalized to ensure that every Employee is aware of their Whistleblowing rights, to report any action which is non-compliant with the Company's laid down Policies and Code of Conduct. Any reporting is duly investigated and duly reported to the Board of Directors, and actioned as applicable.

Broadly, key risks identified by the management cover risks related to Product, Brand, Supply, Disruption, Cultural, Human Resources, and Information technology. Some of the key risks and mitigation actions are summarized below:

Product Risk:

Risk description	ACTION PLAN
BEE Regulatory Compliance	• Design validations complete for 25 models of Ceiling fans where new BEE norms are applicable. Readiness for production on track as per timelines. • BEE compliance notification received for Water Heaters. Norms and measurement parameters being studied for further actions to ensure readiness by early next year.
Quality Sub-standard product quality leading to brand degradation	• Project Delight program in progress for continued review by Senior leadership, of key quality parameters/scorecard including IQC, PDI, COPQ, PPR etc. Root causing top defects identified through market and projects focussed on product quality improvement. • Manufacturing excellence project with 3 Workstreams focusing to optimize Quality and reliability of Manufactured/Sourced product is in progress.
Sustainability Increase in competition and change in consumer behaviour towards Sustainable products	• Sustainability checklist prepared with defined KPIs towards COPQ reduction, energy conservation, reduction in distance of product movement. • Gap assessment completed for 9 strategic units including own and vendor facilities. • ESG Committee is formed and PWC appointed as consultant to help evaluate further sustainability goals, materiality assessment, peer benchmarking, and finalisation of disclosure parameters. • Manufacturing excellence project's 3WS, aim at driving manufacturing, and sourcing excellence to improve quality, capability and ESG leading to cost competitiveness for finished goods (FG). • 22-23 R&D plan comprises of projects leading to energy efficiency, health & hygiene. Alternate sustainable material/ process feasibility checks ongoing with every NPD.

Risk description	ACTION PLAN
Innovation Alignment of Product design/ technology to continuously evolving consumer demands	• Basis consumer feedbacks and research insights, trend setting smart technology and new products for energy efficiency, health & hygiene planned as part of strategic focus areas of 22-23. • Partnered with Start up India, inviting ideas from domestic private start ups, for incubation and development of identified opportunities through professional institutes like IIT and start ups. • Innovation challenge programs conducted to generate disruptive ideas and internal teams working on further evaluations, for finalization of at least 3 breakthrough innovations to be executed in 12-18 months.
Innovation Ability to commercialize the innovation	NPD Process ver2 deployed in April 2021, to include • Success criteria at each stage gate, on defined KPIs (Revenue, Margin, Cost, product performance) • Customer complaint and action plan • Lessons learnt • Automated workflow system in deployment to ensure process flow does not miss the necessary steps. • Project Delight reviews focus on quality feedback on new products launched. • Distribution approach to be defined basis product type.

Product/Brand Reputation risk

Risk description	ACTION PLAN
Social media feedback Inadequate/delayed response on social media complaints / feedback	• Tied up with Social media agency, to handle feedbacks/complaints (Instagram, Facebook, Twitter) through Online response mechanism (ORM), with faster response time. • Social listening tool implemented for further reviews and actions.
Quality Service Inability to attract customers due to lack of an after-sales service network to cater to remote areas	Project being evaluated to enhance the level of customer service network and relationship management.
Counterfeit Products: Inadequate process to identify counterfeit product in market for corrective steps	• Due diligence is conducted on any information of counterfeiting obtained through internal and market sources, for suitable actions. • Evaluating proactive capture of infringement/counterfeit, through market checks by 3rd party agencies and counteract.

Supply Risk:

Risk description	ACTION PLAN
Impact of Import restrictions and Geo political changes	• Current Import dependency is approx. 10%, after In housing/domestic procurement of TPW fans, panels, exhaust fans, kettles, battens. • Alternate Import options being evaluated for lighting components.
Disruption (fire, strike etc.) at own factory or third party vendor premises impacting production dependency on single source impacting product availability	• T2 and alternate vendors identified and readiness ensured, in the event of disruption in high run product supply. Current share of business evaluation includes capacity readiness at strategic vendors. • Single sourced products continue to be at risk due to design exclusivity with the vendor. Partly mitigated for products with alternate SKUs within the segment, manufactured In-house or by other vendors. • Manufacturing Excellence project's deliverables include Performance in existing and new lines at own plants and realize value driven sourcing. These cover capacity validation, supplier development, and optimize vendor capability.
Volatile commodity availability, cost and rising supply chain cost	• Central and direct procurement of commodities in progress for both In-house and Vendors, at compatible rates with protected supplies, by advance blocking.

Disruption Risk

Risk description	ACTION PLAN
Competition Entry to new adjacencies to gain market share and counter entry of large MNCs	• Market share improvement and expansion into kitchen appliances on track. • Launch of new segment Built in Kitchen appliances as per plan. • As part of strategic plan, Company has acquired major shareholding in Butterfly Gandhimathi Appliances Limited, key player in South kitchen appliances market.
Brand and Market share Increasing competitive intensity due to entry of new players and stepped-up brand investment	• All segments maintaining market share • Innovation projects both short term and long term on track to deliver customer centric new products and to lead the market • Unnati cost effectiveness program helps with competitive product pricing in the market. • Branding plans for year implemented to achieve/exceed target spontaneous recall % in Fans, Lighting, Geysers through mass and digital media. • Competitive positioning in Numeric distribution (ND) and weighted distribution (WD) in Fans is at all-time high.
Product distribution and alternate channels GTM implementation to fully leverage plans for alternate channels	• Presence in leading E-com platforms Amazon and Flipkart being extended, to maximize share among leading categories, • Rurban and Rural strategies basis population strata are set up, executed to deliver the planned results. • Omnichannel strategy execution, enhancement of digital footprint and collaboration with B2B platform are in progress.

Culture Risk

Risk description	ACTION PLAN
Safety and EHS compliances Improper safety standards (at own factory/ vendors/Job workers)	• Legal compliances ensured through continued monitoring on digital tool Beacon. • Vendor quality performance audits include EHS compliance. Non compliances are evaluated with correction glide path. • EHS organisation and surprise checks at Vendor/Job work locations being strengthened.
Diversity Inadequate diversity encouragement	• Formal Inclusion and Diversity policy rolled out in August 2021, with Gender diversity as the key priority, including equal opportunity and zero tolerance to any form of harassment/intimidations. Diversity council formed, represented by senior leadership and management team members.

Human Resources Risk

Risk description	ACTION PLAN
High attrition rate	• Building Pipeline for sales positions at risk • Team building activities by Manager as coach and mentor • Process simplification • Focus on Employee Engagement Work Life Balance, Culture and language initiatives, capability development for career growth • Reward and Recognition programs across functions/PLs
Contract labour management and related compliances at both own and 3rd party locations	• Initiatives in progress to maintain target ratio of labour across Plants in progress through Automation, Outsourcing, hiring CGCEL trainees, NEEM deployment.

Data Security Risk

Risk description	ACTION PLAN
Unauthorized access to confidential data through exploiting vulnerabilities and leakage of company sensitive data	• User access review includes risk mitigation in progress.
In absence of periodic assessment of DR, functioning of DR site cannot be ascertained	• Annual DC DR Drill conducted for SAP • Data classification and DR assessment being done for data base on critical applications. • For Cloud based Applications, DR preparedness by vendor is being assessed

INTERNAL CONTROL SYSTEMS

Your Company believes in continued reinforcement of the Financial and Operational Controls, intended to improve transparency, accountability and effectiveness of the Company's processes. Your Company's policies, procedures are aligned to the Internal control framework that ensures:

- Coverage of key processes that impact the reliability of financial reporting
- Periodic Control testing to assure operational effectiveness
- Implementation of remedial measures arising out of testing
- Regular monitoring by Senior Management on the test effectiveness
- Regular review by the Audit Committee, on the progress of the actions, twice a year

Your Company has a robust Internal Audit mechanism, conducted as per the pre-approved calendar. Basis the audit, Internal auditors periodically report on the design deficiency and operational inefficiency, if any, apart from recommending further improvement measures, to accomplish the Company objectives more efficiently. The observations and agreed action plans are presented quarterly, to the Audit Committee that reviews the adequacy of the controls implemented by the Management. In addition, two Audit Committee meetings are held, to review specific processes, on the improvements in systems and outcomes.

Continued Improvement initiatives and controls Standardization

In the ongoing COVID scenario, data security is the prime need of the hour. To ensure Data and IT system security, your Company has enabled 'Single Sign on" (SSO), which will ensure that access to Company's IT systems and applications, is available only to authorised users.

Controls concerning authorization to SAP are reviewed periodically, and are initiated towards function based User access, supported by Governance Risk and Controls module of SAP. Further actions are initiated to effectively utilize the evolving SAP solution around Process Controls and continued monitoring through automations and exception management.

E-learning modules have been developed to enable employees to keep themselves abreast of the Company's Code of Conduct, POSH compliances and Whistle blowing rights. This is to ensure Company's employees are aware to always operate in a compliant and control abided environment, while achieving the Company's Objectives.

Your Company is in constant endeavour towards IT enablement in all key processes. Major controls under Credit policy, Customer/Vendor management, Procurement, Scheme settlements, E-invoicing/waybill, etc. are embedded within SAP, assuring accuracy. Third-party validation is also initiated to ensure the system configuration is effective.

Your Company has been progressively building capability in key functions like Innovation, Design, Procurement, and Quality for standardizing processes across the Company for uniform processes and superior decision-making.

Your Company has embarked on the journey of Shared services for Accounts Payable process, for effective utilization of Company's resources, time and expertise in driving process improvement and better decision-making. Further opportunity to expand the facility to other operational areas is being explored.

The Certificate provided by Executive Director & Chief Executive Officer and Chief Financial Officer in the Certification Section of the Annual Report discusses the adequacy of the internal control systems and procedures.

RESEARCH AND DEVELOPMENT (R&D)

Your Company endeavours to be best-in-class, promoting strong foundation of Research and Development through one of its behavioural pillars of innovation. Culture of creativity is embedded in the Company's people and processes. The Company's In-House R&D team strives for best technology-based sustainable product innovations, with efficient product lifecycle, including design, development and manufacturing process.

Crompton has created state-of-the-art "Innovation & Experience Centre" in Mumbai which will house all R&D innovation team and promote fungibility, creativity in Design Studio and experimentation within labs with ultra-modern infrastructure.

Continuing the spirit of creating consumer delight, your Company has launched an array of products, across segments that are designed to prove its class, both technologically and aesthetically:

Fans:

- Inspired by the natural fauna, SilentPro Blossom Smart fan makes a style statement. They are 2X more silent compared to ordinary fan & has the latest ActivBLDC technology which gives it 5 Star rating. You can also set the mood light & enjoy the convenience of host smart features with this piece of stunning beauty.

- Wooden range of fans for consumer are becoming more discerning in terms of their décor choices.
- Industry leading performance in terms of air delivery of range Gale Plus TPW fans.

Pumps:

- Best-in-class Mini Champ plus launched with unique features like Anti Drip Adapter preventing water from entering into motor.
- Hybrid Anti Jam winding (Patent applied) to prevent pump from jamming due to rust.
- Launched V4 Ultima and Magna Range, Ultima Range with "Ultimate performance and ultimate reliability", Magna Range with "Maximum performance and maximum reliability" to address varying water level situations and usage of household submersible pumps.

Appliances:

Your Company strengthened the portfolio of appliances with various new launches: -

- Water Heaters - In this segment to strengthen the portfolio as well as to capture the market share, Crompton launched 14 products in Storage Water Heater out of this, 13 products are with 5 star rating, 2 in instant water heater and 1 gas water heater.
- Air Coolers - Better brand identity is defined in the right form factor and CMF (color, material, finish). To fill the portfolio gap as well to get a better market share your Company launched 7 Desert Cooler, 4 Personal Cooler, 1 IoT-enabled Smart Cooler, 1 Window Cooler and 1 Tower Cooler.
- Mixer Grinder & Iron Category - Revamped line-up of Mixer Grinder with launch of 6 products in various segment to strengthen portfolio. Launched 6 new models for Iron Category with industry-leading features and performance.
- Small Domestic Appliances & Room Heaters - Entered SDA segment with the launch of products in Kettle and Sandwich Maker category and 6 new models in Room heaters to enter and explore the opportunity of this new segment. State-of-the-art validation lab infrastructure developed to test our products.

Lighting:

- Introduction of Star Cosmos series in ceiling lights to cater to the bottom of the pyramid.
- Star Lord 3 in 1 range has been a winning value proposition for the consumers.
- Slim Shakti batten with a unique design and Penta Glow feature is a first in the segment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the prescribed format as Annexure 3 to this Report.

ENVIRONMENT, HEALTH & SAFETY (EHS)

A comprehensive EHS manual titled KAVACH 3.0 comprising the policies, procedures and work instructions has been implemented across the product lines (PLs).

To ensure focussed delivery on EHS activities, each plant carried out Aspect Impact and HIRA (Hazard Identification and Risk Assessment) review for various activities and identified Controllable/Uncontrollable and Normal/ Abnormal/Emergency scenarios in each operation.

Your Company is greatly conscious of its responsibilities towards Health, Safety and Environment Management. A policy on Occupational Health, Safety and Environment is already in place. During the year, your Company complied and excelled with EMS 14001 & ISO 45001 implementation across PLs, which is an important milestone in Safety journey of the organization.

Single IMS (Integrated Management System) is in place which is the foundation of the overall Health, Safety and Environment framework at your Company.

At Vadodara unit, third party safety audit conducted in October 2021 as per Gujarat factory Rules.

Closure of the safety audit observations is ensured by following Plan Do Check Act (PDCA) cycle and taking effective Corrective and Preventive Actions (CAPA) in reasonable timeframe. The observations are also shared amongst units for cross-learning and improvement. Learnings from other organization incidents and taking preventive actions are also initiated as a proactive approach in ensuring safety performance.

A comprehensive EHS scorecard is followed across units and is monitored every month for the performance and corrective, preventive action are taken as appropriate. Meetings are conducted to promote cross-learning between Manufacturing units with an agenda to conserve natural resources through water consumption reduction, electricity consumption reduction, proper disposal of hazardous wastes etc. Various promotional activities taken towards EHS awareness are also shared between the units to continuously improve and standardize best practices. Safety-related performance is analyzed in a standardized data-based approach and learnings are shared to continually improve upon from the existing scenario.

A brief on EHS programmes of your Company is as under:

Environment - a green pursuit

In addition to the focus in conserving finite resources together with reducing harmful emissions, sustainable management at all stages of the value chain and through the life cycle of the products is now an essential part of your Company's policy.

Your Company is committed to achieving its target by implementing management programmes. All units are complying with Zero liquid discharge system along with focus on reduction in air emissions.

In other environmental focus areas, your Company has complied with all environment-related legal statutory requirements laid by the Government from time to time. Your Company is highly focussed on carbon footprint reduction through the manufacture and sale of energy-efficient products.

In the current financial year 11.99 Lakh MWh of energy savings has been possible from the production of energy-efficient star rated products supported by various process improvement initiatives.

Reduction in energy consumption:

Baddi Fan Unit-II plant has reduced electricity consumption per unit from 0.13 kWh/unit to 0.11 kWh/unit, approx. saving of 92.5 MWh from last year. This was achieved by removing exhaust fans from Gold Line Fan Hangers and high Bay lights on shop floor and installation of station wise LED battens.

Bethora plant has reduced power consumption per unit from 0.33 kWh/unit to 0.264 kWh/unit, approx. saving of 297 MWh from last year. This was achieved by providing LED lights, replacing high power consuming pneumatic screw drivers with 35W electrical screw drivers, integrating 5KVA solar panel load to grid power, providing facility of Auto switch off assembly lines during breaks & Auto switch off of taping machines.

Kundaim plant has reduced power consumption per unit from 0.604 kWh/unit to 0.505 kWh/unit, approx. saving of 298 MWh over last year. This was achieved by increase in production, providing LED lights, replacing high power consuming pneumatic screw drivers with 35W electrical screw drivers, providing facility of Auto switch off streetlights.

Reduction in water consumption:

Baddi Fans Unit-II plant has reduced water consumption from 49.9 Ltr/Person/Day to 34.4 Ltr/Person/Day, approx. saving of 900.9 KL over last year. This was achieved by installing Auto shutoff valve on rooftop Tanks and re-routing of pipelines to prevent water losses.

Baddi Lighting Unit plant has reduced water consumption from 45.9 Ltr/Person/Day to 40.2 Ltr/Person/Day, approx. saving of 12.4% (1,076 KL) over last year. This was achieved by identifying and controlling all leakages from Plant.

Bethora plant has reduced water consumption from 39.1 Ltr/person/Day to 28.1 Ltr/Person/Day, approx. saving of 1,306 KL over last year. This was achieved by providing aerators & auto sensors for taps and using treated water from STP for flushing & gardening.

Vadodara plant has reduced water consumption from 105 Ltr/Person/day to 96.16 Ltr/Person/day, approx. saving of 3,180 KL over last year. This was achieved by replacing corroded pipeline, controlling leakages from water pipelines & washrooms.

Hazardous waste reduction and management:

The Company's operational units ensure that all hazardous waste are sent to the authorised disposal facility/recycler approved by the State Pollution Control Board.

Clean and Green Environment:

Plantation/distribution of 230 trees carried out at various locations as a part of the tree plantation drive and environment day celebrations.

Safety:

Safety is accorded overriding priority by your Company. The business has ensured to achieve and maintain globally approved fire-safety standards. The units are equipped with fire fighting equipment and trained teams to mitigate any such incident.

All the units are certified for Fire NOC requirements. Apart from the above, Baddi Fans, Baddi Lighting, Bethora Fans, Kundaim Fans, Ahmednagar Pumps unit are equipped with fire detection system to trigger a timely alarm in case of any fire incident.

Your Company is committed to building a safety culture by strict adherence to Work Permit System (WPS) and Daily Tool box talks.

Regular interaction is maintained through Safety Committee Meetings with all associates. Fire-safety drills, safety week celebration and continuous safety training to all employees begin with adequate induction. Internal plant safety audits are conducted too. All actions and recommendations are being recorded, evaluated and acted upon by respective EHS leaders.

Safety standards are monitored through a focus on appropriate safety control, elimination of unsafe conditions and fool-proof engineering solutions (Poka-Yoke) as appropriate.

Key Safety programmes implemented during the year include:

- Commissioning of new Powder coating & liquid painting facility at Kundaim factory by strictly following all safety protocols.
- 51st National Safety Week celebrated across all Units by organizing safety drill & various competitions.
- Integrated Management System (IMS) Recertification audit completed at Goa & Baddi units.
- Rooftop Lifeline installed at Vadodara Unit & new building at Kundaim.
- 72 First Aiders trained from St. John Ambulance in Goa & Baddi Units.
- Fire sprinkler system installed at newly setup racks for material storage at Kundaim.
- Installation of advanced addressable central fire detection system in shop floor, wireless system in office area and periphery areas at Ahmednagar.
- Installation of XY Rail Crane system on the assembly line in Ahmednagar plant which eliminates operators' ergonomic fatigue while handling the higher HP pumps at packing stations.
- Provision of auto water filling system for traction batteries of material handling equipment in Ahmednagar plant eliminates risk of acid land contamination due to overfilling of water.
- Electric Shock Rescue kit provided at substation room at Vadodara.
- KAIZEN implementation focussing on first aid injury.

Rewards and Recognitions of Safety practices from External forums: Goa unit received 2 awards from various prestigious forums this year in recognition of its excellent safety practices and results. These awards are:-

i. Gomanth Sarvoch Suraskha Puraskar Award (First Prize).

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

Health:

This year had been very significant in ensuring the health of all employees including contract workmen and all their families in wake of the COVID challenge which is new to us and the world.

Your Company has taken an excellent effort in taking care of the health of all the employees through the implementation of rigorous COVID prevention measures. A core committee has been formed overseen by Head HR to ensure effective implementation and strict adherence to COVID protocols. Some of the key measures include temperature and oxygen level checking for employees at regular frequency, partition provision between workstations, sanitisation of all touch points, social distance markings, automatic or foot-operated water dispensers, sanitisation points creation, regular trainings, tracking, tracing, isolation of employees with symptoms and support in terms of medical treatment etc.

An app named "My Shield" is followed at all manufacturing locations to track and ensure that all employees including contract workmen maintain social distancing norms. The app will trigger an alarm to control points whenever the norms are violated. This helps in contact tracing as well.

An overall untiring effort has been put from all fronts to ensure the safety and health of all in this challenging situation.

CORPORATE SOCIAL RESPONSIBILITY (CSR) FRAMEWORK & VISION

Your Company's Social Impact Progress

Your Company believes that corporates have a significant role to play in bringing about social change. Your Company has kept its social and development mandate flexible and responsive to development challenges. Your Company's Corporate Social Responsibility strategy has evolved to focus on areas it sees as key for positive change.

Your Company has chosen the grant-making route, and backs the right implementation partners, leverage their sector expertise and community connect, to positively impact the lives of the end beneficiary.

UJJVAL DEEP the CSR programme aligns with your Company's long-term commitment to building positive and shared value for its stakeholders and addressing developmental priorities as identified by the Companies Act, 2013.

Your Company's CSR programs are focussed across 5 key areas.

Skill Development	Healthcare	Water Conservation	Community Development	Employee Volunteering

SKILL DEVELOPMENT

CREATING LIVELIHOOD OPPORTUNITIES

Your Company's skill training programs are designed to provide youth with an opportunity to earn a sustainable livelihood, develop employable skills, entrepreneurship, and vocational training. It ensures that your Company's support is aligned to the vision of National Skill Development Mission

By setting up skill centres across Maharashtra, Goa, Haryana, Himachal Pradesh, Odisha, and Tamil Nadu, your Company aims to provide vocational training in mechanical, electrical and plumbing. Through hands-on intense 3-month training, youth are equipped with the technical and soft-skill training to build their knowledge and confidence.

Providing multiskilling technician training to youth through skill centres

120 youth trained across 4 locations. 70 percent of the total beneficiaries employed.

Your Company's trainings in imparting Mechanical, Electrical and Plumbing have especially shown good results helping under-skilled youth gain employable skills, increase their income, and chances for better employment opportunities.

PROMOTION OF HEALTH AND RESPONSE TO COVID-19 PANDEMIC

RESPONSE TO COVID-19 PANDEMIC

COVID-19 was not merely a health crisis in the short term, but a devastating human, health, economic and financial crisis. Your Company's COVID-19 response was aimed at alleviating the human & health crisis faced by socio-economically vulnerable sections of society.

The Foundation's response was immediate, timely and focussed on need-based interventions.

Being at high risk from COVID-19, your Company's interventions focussed on distributing personal protective gear and distributed N95 masks and sanitizer kits to over 4,000 villagers to protect and slow down the spread of COVID-19

Police and healthcare workers were at the forefront of this crisis, with limited resources. Your Company also provided them PPE kits, N95 masks and sanitizers.

Frontline warriors with COVID protection gear, Vadodara

A direct impact of the COVID-19 lockdown was the loss of livelihood and income for the daily-waged population; this vulnerable population struggled for basic amenities and necessities. The Foundation rapidly mobilized to distribute over 12,000 dry ration and 1,000 hygiene kits to these vulnerable communities. Under Rail Yatri program, 50,00,000 kits were distributed to migrants moving from Mumbai to their native places.

Ration distribution to families affected by COVID-19 Pandemic, Vadodara

Ration distribution to families affected by COVID-19 Pandemic, Baddi

The emergence of COVID-19 made dedicated isolation centres a critical factor to control the spread of COVID-19, particularly in areas that did not have the adequate infrastructure.

Responding to this immediate need, Your Company provided infra-needs to primary health center for symptomatic patients who cannot afford healthcare facilities in Ahmednagar. This increased and enhanced patient capacity of the COVID-19 care center.

PROVIDING ACCESS TO QUALITY HEALTHCARE

Ensuring healthy lives and promoting well-being at all ages is essential and the building block to a sustainable society. Healthy populations are more productive, contribute to socio-economic progress, live longer, and save more. Your Company supports high impact interventions to improve access and quality of healthcare, address socio-economic barriers and support life-saving infrastructures to improve health outcomes, especially for marginalized communities.

Blood Bank, Baddi, Solan Distt

Support was also extended to set up Neonatal Intensive Care and Paediatric Intensive Care units at B J Wadia Charitable Hospital, Mumbai to increase patient capacity and reduce waiting periods, thus reducing child mortality. Annually, the hospital is to offer Intensive Care to more than 7,000 children in need of critical care.

Improved PICU at SSG Government, Vadodara

Water conservation initiatives at your Company are focussed at empowering the drought-hit villages of Maharashtra. This year, your Company continued its efforts to improve water security and sustaining farmers' livelihood through integrated watershed management and conservation of natural resources across Maharashtra. 500 water structures were built and 100 wells were recharged to increase the water availability for drinking and agriculture purposes impacting 9,000 farmers with an annual increase in ₹ 20,000 additional income of the farmers. Promoting horticulture and plantation helped in increasing water storage capacity.

A blood bank was constructed at Baddi in collaboration with local administration to support the patients in need of blood transfusion during emergency. Your Company believes in a public-private model together with local government for such initiatives. The Blood Bank was transferred under the care of district administration to benefit over 5 lakh lives.

Cancer has been a leading cause of mortality in India. Early diagnosis and timely treatment can increase survival rate and reduce the burden of cancer care. Exacerbated by the pandemic, your Company supported treatment of 101 patients with blood cancer to bring a new ray of hope to their families.

Neonatal Intensive Care unit at B J Wadia Charitable Hospital, Mumbai

Your Company also upgraded existing COVID-19 Mucormycosis Unit with state-of-the-art medical equipment's at SSG Government Hospital, Vadodra which will help in reducing the waiting time of patients. Over 9 lakhs patient to avail improved services over a year.

WATER CONSERVATION

Before and After Water Conservation structures built

Your Company aims to inspire ownership amongst the villagers, improve environmental management systems, promote dynamic local economies, and foster social harmony.

Lakshmi Keskar and her daughter-in-law harvested 3 crops in 2 seasons due to water accessibility after the check dam (Picture below) was constructed by your Company, Maharashtra

Recharged well behind a farm for access to water for daily usage, Maharashtra

The wells form a source of water access to villagers for irrigating land, drinking water for families and domesticated animals. The wells supported Suryavanshi and his wife (below) by securing water during hottest part of the year.

Bapurao Gawande will be able to grow vegetables after a gap of 2 years due to recharge on local groundwater table (above) due to water stored in check dams.

Bapurao Gawande

Check Dam, Maharashtra

Sarpanch from Athwad village won the Adarsh Gram Puraskar, Maharashtra

Your Company's approach has been instrumental in achieving impact at scale, such that the Kauthadi Village in Maharashtra won Adarsh Gram Puraskar from the Government of Maharashtra for sustainable water conservation project supported through your Company's CSR initiatives. All water structures were handed over to villagers and training sessions were conducted for women self help groups to ensure maintenance of water structures and farm-based livelihood.

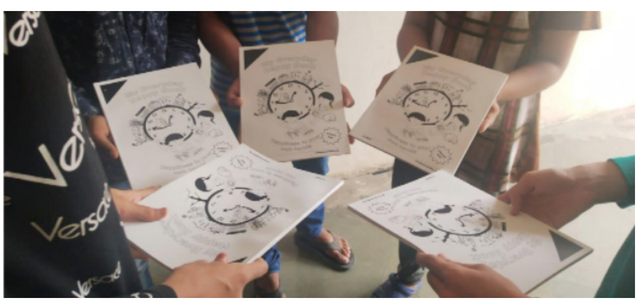
As a part of its commitment to ‘Community Development’ around us, your Company undertakes programs for the benefit of the communities in and around your Manufacturing Units to take collective action and generate solutions to common problems.

An adverse effect of the lockdown resulted in school closures and social isolation has affected all students, but particularly those living in poverty. Your Company’s support went towards helping students recover and stay on track throughout the year and minimize disruptions caused by the pandemic.

Your Company distributed over 8,000 Happiness boxes to students at Vadodara, which contained ration supplies, biscuits, spices, toiletries, notebooks, and stationery to motivate them.

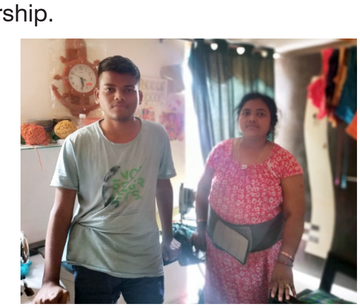
Distribution of Happiness Box, Vadodara

To ensure that learning did not stop, over 170 online sessions were conducted on Citizenship Values and Life Skills development programs. These sessions covered topics around gender equality, cultivating critical thinking, and diversity values that helped children reflect with a trained facilitator. In addition, a ‘My Everyday Happy Book’ was designed to help over 4,000 students from 16 schools to continue their learning and engage in activities that focussed on a range of topics, from self-development to family bonding to nutrition, nature and health.



With an objective to financially assist meritorious students who face difficulties in continuing their education due to financial constraints, the Ujjwal Deep Scholarship aims to support scholars who want to pursue higher education in Medical and Engineering field. Your Company has supported over 200 students through this program and helped create a bright future for themselves through education.

Your Company’s CSR Foundation instituted a merit-based scholarship for students like Shruti who can pay the college, fees with pride for a brighter future. Till reporting period 244 students availed of scholarship.



Ankit made his parents proud who had always dreamt of a professional course for their eldest son. He can now pay the fees of the current academic year with the help of your Company’s CSR initiative.

Your Company helped to address sanitation and public health concerns for over 200 households. The structure stands tall as an example of ‘Swachh Bharat’, improving access to public amenities acting as the first step to communal behavioural change. (Picture below)

Initiative to increase village sanitation, Goa

To have hygienic menstruation is basic to the dignity and well-being of women. It is highly associated with gender equality. Due to poor hygiene awareness and facilities, women and girls in India, especially in rural blocks, fails to get education and livelihood opportunities.

EMPLOYEE VOLUNTEERING

Through your Company’s employee engagement activities and volunteering initiatives, it aims to foster a sense of empathy, improve employee engagement, and deepen your Company’s ties to the communities it serves.

Your Company’s CSR Foundation launched the ‘Be My Santa’ campaign; Employees participated in raising grant money to either adopt a wish or to donate funds to children with critical illness. A matching grant was donated to the campaign equal to the fund raised by employees.

Joyous kid with donated gifts

Recognising that, if menstrual health and hygiene is well managed from the start, it has a high potential to contribute to increasing female empowerment. Crompton employees initiated a campaign to break the bias and 3,000 women were provided health and hygiene kits.

Entire campaign was conceptualised, designed and implemented by employees. It was significant to note the participation of male employees in organising sessions on menstrual hygiene and distributing hygiene kits to women. Over 300 hours were contributed by employees and this reflects their endeavour of care for community and this was acknowledged by local administration.

Kits distribution by Crompton Champions

Gynaecologist speaking with the women about hygiene and health

Gynaecologist speaking with the women about hygiene and health

Felicitation of Crompton team by Office of Sub Division Magistrate acknowledging efforts towards COVID-19 relief work

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2022, in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed to this report as Annexure 4.

MATERIAL CHANGES AND COMMITMENT

A Share Purchase Agreement ("SPA") was executed between your Company, Butterfly Gandhimathi Appliances Limited ("BGMAL") and certain members of the Promoter and Promoter group of BGMAL on 22nd February, 2022.

Pursuant to the aforesaid SPA, your Company has acquired 98,33,754 equity shares representing 55% of the equity share capital of BGMAL through the stock exchange settlement process on 25th March, 2022. Subsequent to the acquisition of 55% of equity shares of the Company, Crompton has acquired sole control over the Company and has become a Promoter of the Company.

The Open Offer is being made by your Company to the Public Shareholders of BGMAL in accordance with Regulation 3(1) and Regulation 4 of the Securities and Exchange Board of India ("SEBI") (Substantial Acquisition of Shares & Takeover) Regulations, 2011 for acquisition of up to 46,48,684 fully paid-up equity shares of face value of ₹ 10/- (Indian Rupees Ten only) each ("Equity Shares") representing 26% of the voting rights of the Company from the Public Shareholders at a price of ₹ 1,433.90 (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only). The Draft Letter of Offer has been filed with the Securities Exchange Board of India ("SEBI") on 4th March, 2022. SEBI has given final observations on the draft Letter of Offer on 10th May, 2022. The tendering period commenced on 23rd May, 2022 and shall close on 3rd June, 2022.

MATERIAL ORDERS OF REGULATORS/COURTS/ TRIBUNALS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in the future.

SHARE REGISTRAR & TRANSFER AGENT (R&T)

M/s. KFin Technologies Limited (Formerly KFin Technologies Private Limited) is the R&T Agent of the Company. Their contact details are mentioned in the Report on Corporate Governance.

PUBLIC DEPOSITS

No public deposits have been accepted or renewed by your Company during the financial year under review pursuant to the provisions of Sections 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing of details relating to deposits covered under Chapter V of the Act or the details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

AUDITORS

a. Statutory Auditors:

During the year under review, the Company had received a letter dated 14th July, 2021 from M/s. Sharp & Tannan, Chartered Accountants withdrawing their consent for re-appointment as Statutory Auditors of the Company. The Board has accepted the said withdrawal and consequently the proposed resolution item for re-appointment of Statutory Auditor was withdrawn and not transacted in the 7th Annual General Meeting held on 23rd July, 2021.

The Board of Directors, on the recommendation of the Audit Committee, recommended for the approval of the Members at the Extra Ordinary General Meeting held on 27th August, 2021, the appointment of

M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), as the Statutory Auditors of the Company to hold office from the conclusion of Extra Ordinary General Meeting until the conclusion of the 12th AGM of the Company in place of M/s Sharp & Tannan, Chartered Accountants, (Firm Registration No. 109982W) whose tenure expired at the conclusion of the 7th AGM and were continuing as the auditors of the Company pursuant to Section 139(10) of the Companies Act, 2013. M/s MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W), were appointed as the Statutory Auditors in the Extra Ordinary General Meeting held on 27th August, 2021.

The Auditors have issued an unmodified opinion on audited financial statements of the Company for the year ended 31st March, 2022. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report.

During the year under review, there were no material or serious instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made thereunder, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted and therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

b. Cost Auditors:

Your Company is required to maintain cost accounting records as specified under Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and have them audited every year and accordingly, such accounts and records are made and maintained in the prescribed manner.

The Board at its meeting held on 27th May, 2022 based on the recommendation of the Audit Committee, approved the appointment of M/s. Ashwin Solanki & Associates, Cost Accountants (Firm Registration Number: 100392) as the Cost Auditors of the Company to conduct audit of the cost records of the Company for the financial year 2022-23. A remuneration of ₹ 6.00 lakhs plus applicable taxes and out-of-pocket expenses, has been fixed for the Cost Auditors subject to the ratification of such fees by the Members at the ensuing AGM. Accordingly, the matter relating to the ratification of the remuneration payable to the Cost Auditors for the financial year 2022-23 will be placed at the ensuing AGM. Your Company has received consent and eligibility certificate from M/s Ashwin Solanki & Associates.

c. Secretarial Auditors:

M/s. Parikh & Associates Practicing Company Secretaries carried out the secretarial audit during the year.

Pursuant to the provisions of Section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on 27th May, 2022, based on the recommendation of the Audit Committee, approved the appointment of M/s. Parikh & Associates, Practicing Company Secretaries (ICSI Unique Code P1988MH009800) as the Secretarial Auditor to conduct audit of the secretarial records of the Company for the financial year 2022-23. The Secretarial Audit Report is annexed herewith as Annexure 5 to the Report.

There has been no qualification, reservation, or adverse remark given by the Secretarial Auditors in their Report.

Further, the wholly-owned subsidiaries of the Company as mentioned above are not material unlisted subsidiaries. Therefore, the provisions regarding the Secretarial Audit as mentioned in Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements), 2015 as amended, do not apply to such subsidiaries.

d. Internal Auditors:

Pursuant to the provisions of Section 138 of the Act, the Board, at its meeting held on 21st May, 2021 based on the recommendation of the Audit Committee, had approved the appointment of M/s. Grant Thornton India LLP (Identity number AAA-7677) to conduct the internal audit of your Company for the financial year 2021-22.

M/s. Grant Thornton India LLP has been appointed as the Internal Auditors of your Company for the financial year 2022-23 to review various operations of the Company.

PARTICULARS OF EMPLOYEES

There are 20 employees who were in receipt of remuneration of not less than ₹ 1,02,00,000/- if employed for the full year or not less than ₹ 8,50,000/- per month if employed for any part of the year.

Disclosures concerning the remuneration of Directors, KMPs and employees as per Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure 6 to this Report. Your Directors affirm that the remuneration is as per the remuneration policy of the Company.

Details of employee remuneration as required under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection at the Registered Office of your Company during working hours. The Annual Report and accounts are being sent to the shareholders excluding the aforesaid exhibit. Any member interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

REPORT ON CORPORATE GOVERNANCE

As per Regulation 34 read with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a separate section on Report on Corporate Governance practices followed by the Company, together with a certificate received from the Company's Secretarial Auditor confirming compliance is included in the Annual Report.

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

As required under Regulation 34 read with Schedule V(B) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, report on "Management Discussion and Analysis" is attached and forms a part of this Report.

BUSINESS RESPONSIBILITY REPORT

A Business Responsibility Report as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, detailing the various initiatives taken by your Company on the environmental, social and governance front, forms an integral part of this report.

COMPLAINTS RELATING TO SEXUAL HARASSMENT

Your Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. The constitution of ICC is as per the POSH Act and includes an external member who is an independent POSH consultant with relevant experience. Your Company has also initiated the e-learning tool on POSH for all regular employees and also for induction of new employees. Your Company has also provided a Toll Free No. for registering any POSH complaint telephonically.

During the year under review, 1 (one) complaint was received which has been investigated in accordance with the guidelines. The employee has not been found guilty of any misconduct.

VIGIL MECHANISM

Your Company has formulated a Vigil Mechanism and Whistle Blower Policy intending to provide a mechanism for employees to report violations. It also assures them of the process that will be observed to address the reported violation. The Policy also lays down the procedures to be followed for tracking complaints, giving feedback, conducting investigations and taking disciplinary actions. It also provides assurances and guidelines on confidentiality of the reporting process and protection from reprisal to complainants. No personnel have been denied access to the Audit Committee.

The Policy also provides a mechanism to encourage and protect genuine Whistleblowing among the Vendors.

Any incident that is reported is investigated and suitable action is taken in line with the Policy.

The Whistle Blower Policy of your Company is posted on the website of the Company at https://www.crompton.co.in/media/Vigil-Mechanism-and- Whistleblower-Policy.pdf.

Your Company has also initiated the e-learning tool on Whistle Blower Policy for all regular employees and also for induction of new employees. Your Company has also provided a Toll Free No. for registering any whistle blower complaint telephonically.

7 (seven) Whistle Blower complaints were received during the year 2021-22 and suitable action has been taken in accordance with the policy.

LISTING

The equity shares of your Company are listed on BSE Ltd. and National Stock Exchange of India Ltd. The Non Convertible Debentures (NCDs) of the Company are listed on the Debt Segment of National Stock Exchange of India Ltd. The Commercial Papers (CPs) of the Company are listed on National Stock Exchange of India Ltd.

Your Company has paid the Listing fees for Equity Shares to both the Stock Exchanges and Listing fees for NCDs to the National Stock Exchange of India Ltd. for F.Y. 2021-22 and F.Y. 2022-23.

Your Company has also paid Listing fees for Commercal Papers for F.Y. 2022-23.

ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual Return for the financial year 2021-22, is placed on the Company's website and can be accessed at https://www.crompton.co.in/investors/annual-report/.

SECRETARIAL STANDARDS

Your Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been duly followed by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to assure the Members that the Financial Statements for the year under review conform in their entirety to the requirements of the Companies Act, 2013 and guidelines issued by SEBI. Pursuant to the provisions of Section 134(3)(c) of the Act, to the best of their knowledge and based on the information and explanations received from the Company, your Directors confirm that:

1. the Annual Accounts have been prepared in conformity with the applicable Accounting Standards;
2. the Accounting Policies selected and applied consistently, give a true and fair view of the affairs of the Company and of the profit for F.Y. 2021-22;
3. sufficient care has been taken and that adequate accounting records have been maintained for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
4. the Annual Accounts have been prepared on a going concern basis;
5. the internal financial controls laid down by the Company were adequate and operating effectively; and
6. the systems devised to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise as per Section 43(a)(ii) of the Companies Act, 2013;
2. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees;
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries;
4. No fraud has been reported by the Auditors to the Audit Committee or the Board;
5. Issue of Shares including Sweat Equity Shares to the employees of the Company under any scheme as per provisions of Section 54(1)(d) of the Companies Act, 2013;
6. No instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013.
7. Disclosure of reason for difference between valuation done at the time of taking loan from bank and at the time of one time settlement. There was no instance of onetime settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS

Your Directors wish to convey their gratitude and appreciation to all the employees of the Company posted at all its locations for their tremendous personal efforts as well as collective dedication and contribution to the Company's performance.

Your Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, Government and all other business associates, consultants and all the stakeholders for their continued support extended to the Company and the Management.

For and on behalf of the Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

Place: Mumbai
Date : 27th May, 2022

ANNEXURE 1

AS PER THE DISCLOSURE REQUIREMENT SPECIFIED UNDER SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021 AND SECTION 62(1)(b) OF THE COMPANIES ACT, 2013 READ WITH RULE 12(9) OF THE COMPANIES (SHARE CAPITAL & DEBENTURES) RULES, 2014, THE FOLLOWING INFORMATION IS DISCLOSED WITH RESPECT TO EMPLOYEE STOCK BENEFIT PLANS

Details of ESOP	Crompton Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)	Crompton Stock Option Plan 2019 (ESOP 2019)
I. Description of each ESOP that existed at any time during the year:				
1. Date of shareholders' approval	22nd October, 2016	22nd October, 2016	22nd October, 2016	19th January, 2020 and amended on 6th January, 2021
2. Total number of options approved under ESOP	40,00,000	1,09,68,057	31,33,731	98,00,000
3. Vesting requirements	As specified by the Nomination and Remuneration Committee subject to minimum one year from the date of grant			
4. Exercise price or pricing formula (₹)	Exercise Price is the closing market price on the Stock Exchange which has higher Trading Volume, as on the day prior to the date on which the Nomination and Remuneration Committee (NRC) approves the grant.	Exercise price per Option is ₹ 92.83	Exercise price per Option is ₹ 185.66	Exercise Price is the closing market price on the Stock Exchange which has higher Trading Volume, as on the day prior to the date on which the Nomination and Remuneration Committee (NRC) approves the grant.
5. Maximum term of options granted (years)	Options granted under ESOP 2016 would vest not earlier than one year and not later than five 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 ten years from the date of grant.		Options granted under ESOP 2019 would vest not earlier than one year and not later than five years from the date of grant.
6. Source of shares (Primary, Secondary or combination)	Primary			
7. Variation in terms of options	There have been no variations in the terms of the options			

Details of ESOP	Crompton Employee Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)	Crompton Employee Stock Option Plan 2019 (ESOP 2019)
II. Method used to account for ESOP:				
The Company has calculated the employee compensation cost using the Fair value method of accounting for the Options granted. The stock-based compensation cost was calculated as per the fair value method prescribed by SEBI.				
III. Option Movement during the year:				
1. Number of options outstanding at the beginning of the year	26,33,826	1,06,27,872	30,79,392	74,96,499
2. Number of options granted during the year	0	0	0	14,20,000
3. Number of options forfeited/lapsed during the year	1,44,062	0	0	6,23,182
4. Number of options vested during the year*	2,65,938	0	0	8,90,868
5. Number of options exercised during the year	5,95,910	50,89,696	0	29,000
6. Total number of shares arising as a result of exercise of options	5,95,910	50,89,696	0	29,000
7. Money realised by exercise of options (₹)	12,31,83,176	47,24,76,480	0	76,40,785
8. Number of options outstanding at the end of the year	18,93,854	55,38,176	30,79,392	82,64,317
9. Number of options exercisable at the end of the year	14,33,854	55,38,176	30,79,392	8,81,117

***Note:** *Vested during the year includes Vested Exercised and Vested Unexercised during the year.*

	Details of ESOP	Crompton Employee Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)	Crompton Employee Stock Option Plan 2019 (ESOP 2019)
IV.	**Weighted average exercise price of options granted during the year whose:**				
i.	Weighted average price equals market price	Nil	Nil	Nil	₹ 413.59
ii.	Exercise price is greater than market price	Nil	Nil	Nil	Nil
iii.	Exercise price is less than market price	Nil	Nil	Nil	Nil
	Weighted average fair value of options granted during the year whose:				
i.	Exercise price equals market price	Nil	Nil	Nil	₹ 168.44
ii.	Exercise price is greater than market price	Nil	Nil	Nil	Nil
iii.	Exercise price is less than market price	Nil	Nil	Nil	Nil
V.	**Employee-wise details of options granted during the financial year 2021-22 to:**				
i.	Senior Managerial Personnel	Nil	Nil	Nil	Mr. Sachin Phartiyal - 1,50,000 options Mr. Sakti Parida - 40,000 options Ms. Pragya Bijalwan - 1,25,000 options Mr. Nitesh Mathur - 1,25,000 options
ii.	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Employee-wise details are available for inspection by the Members at the Registered Office of your Company during business hours on all working days except Saturdays and Sundays up to the date of the 8th Annual General Meeting. The Member may also write to the Company Secretary for details.			
iii.	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil			

Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model

The Assumptions used in the model are as follows:

Particulars	ESOP 2016	PSP 1	PSP 2	ESOP 2019
1. Risk-Free Interest Rate	No grants during the year			6.13%
2. Expected Life				5.81
3. Expected Volatility				33.08%
4. Dividend Yield				0.60%
5. Price of the underlying share in market at the time of the option grant (₹)				413.59

Details of ESOP	Crompton Employee Stock Option Plan 2016 (ESOP 2016)	Crompton Performance Share Plan 1 2016 (PSP 1)	Crompton Performance Share Plan 2 2016 (PSP 2)	Crompton Employee Stock Option Plan 2019 (ESOP 2019)
Weighted Average share price of options exercised during the year: ₹ 394.70				
Exercise price and weighted average remaining contractual life of outstanding options:				
Scheme Name	**Number of Options Outstanding**	**Weighted Average Remaining Contractual Life (in years)**		**Exercise Price (₹)**
ESOP 2016	18,93,854	3.36		220.99
PSP 1	55,38,176	2.71		92.83
PSP 2	30,79,392	2.52		185.66
ESOP 2019	82,64,317	7.21		485.40
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Indian Accounting Standard (Ind AS) 33; "Earnings Per Share"	₹ 9.41			

For and on behalf of the Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

Place : Mumbai
Date : 27th May, 2022

ANNEXURE 2

FORM AOC-1

(Pursuant to first proviso to Sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A": SUBSIDIARIES

Sl. No.	Particulars	Details
1.	Name of the subsidiary	(i) Nexustar Lighting Project Private Limited (NLPPL) (ii) Pinnacles Lighting Project Private Limited (PLPPL) (iii) Crompton CSR Foundation (CCF) (iv) Butterfly Gandhimathi Appliances Limited (BGMAL)#
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA
3.	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable as all the above-mentioned subsidiaries are Indian Subsidiaries
4.	Share Capital	(i) NLPPL : Authorised Capital : ₹ 10.00 crore Paid-Up Capital : ₹ 7.50 crore (ii) PLPPL : Authorised Capital: ₹ 10.00 crore Paid-Up Capital : ₹ 6.70 crore (iii) CCF : Authorised Capital : ---* Paid-Up Capital : ----* (iv) BGMAL : Authorised Capital : ₹ 40.00 crore Paid-Up Capital : ₹ 17.88 crore
5.	Reserves & Surplus	(i) NLPPL : ₹ 4.55 crore (ii) PLPPL : ₹ 5.73 crore (iii) CCF : ₹ (0.25) crore (iv) BGMAL : ₹ 217.13 crore
6.	Total Assets	(i) NLPPL : ₹ 23.76 crore (ii) PLPPL : ₹ 26.86 crore (iii) CCF : Nil (iv) BGMAL : ₹ 518.11 crore
7.	Total Liabilities	(i) NLPPL : ₹ 11.71 crore (ii) PLPPL : ₹ 14.43 crore (iii) CCF : Nil (iv) BGMAL : ₹ 283.10 crore
8.	Investments	(i) NLPPL : ₹ 7.20 crore (ii) PLPPL : ₹ 5.98 crore (iii) CCF : Nil (iv) BGMAL : ₹ 0.34 crore
9.	Turnover	(i) NLPPL : ₹ 13.13 crore (ii) PLPPL : ₹ 16.91 crore (iii) CCF : Nil (iv) BGMAL: ₹ 1,007.25 crore
10.	Profit before Taxation	(i) NLPPL : ₹ 6.03 crore (ii) PLPPL : ₹ 7.15 crore (iii) CCF : ₹ (2.07) crore (iv) BGMAL : ₹ 24.76 crore

Sl. No.	Particulars	Details
11.	Provision for Taxation	(i) NLPPL : ₹ 1.60 crore (ii) PLPPL : ₹ 1.89 crore (iii) CCF : Nil (iv) BGMAL: ₹ 8.64 crore
12.	Profit after Taxation	(i) NLPPL : ₹ 4.43 crore (ii) PLPPL : ₹ 5.26 crore (iii) CCF : ₹ (2.07) crore (iv) BGMAL: ₹ 16.13 crore
13.	Proposed Dividend	(i) NLPPL: 56.10% i.e. ₹ 5.61 per share on face value of ₹ 10/- each (ii) PLPPL: 74.60% i.e. ₹ 7.46 per share on face value of ₹ 10/- each
14.	% of Shareholding	(i) NLPPL : 100% (ii) PLPPL : 100% (iii) CCF : 0* (iv) BGMAL: 55%#

**Crompton CSR Foundation, a Company incorporated under Section 8 of the Companies Act, 2013 (being a Company limited by guarantee not having share capital) primarily with an objective of undertaking/channelising the CSR activities of the Company, is a subsidiary of the Company with effect from 1st May, 2019. Based on the control assessment carried out by the Company, the same is not consolidated as per Ind AS 110.*

 # Butterfly Gandhimathi Appliances Limited became a subsidiary of the Company with effect from 30th March, 2022.

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil

PART "B": ASSOCIATES AND JOINT VENTURES

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

Not Applicable as there are no associates and joint ventures

Name of Associates / Joint Ventures		
1.	Latest Audited Balance Sheet Date	NA
2.	Shares of Associate / Joint Ventures held by the Company at the year end	
	No.	
	Amount of Investment in Associates/Joint Venture	
	Extent of Holding %	
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	
6.	Profit/Loss for the year:	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
M. No. A17167

Place: Mumbai
Date: 27th May, 2022

ANNEXURE 3

Pursuant to Clause (m) of Sub-section 3 of Section 134 of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY:

(a) Energy Conservation Measures Taken

As a manufacturer and seller of electrical goods, your Company has a special responsibility towards energy conservation. This is reflected in our product development efforts and process upgrades.

Some of the activities carried out in the area of energy conservation were:

1. Replaced 90W streetlights with 35W LED streetlights at both Baddi Fan Units which has given saving of 3.34 MWh per year (20 Nos. of Street lights replaced).

2. Heat loss of oven was arrested by running plant on alternate days with 2 shifts at Bethora, this has resulted in saving of 209698 kWh.

Reduction in energy consumption:

3. Baddi Fan Unit-II plant has reduced electricity consumption per unit from 0.13 kWh/unit to 0.11 kWh/unit, approx. saving of 92.5 MWh from last year. This was achieved by removing exhaust fans from Gold Line Fan Hangers and high Bay lights on shop floor and installation of station wise LED battens.

4. Bethora plant has reduced power consumption per unit from 0.33 kWh/unit to 0.264 kWh/unit, approx. saving of 297 MWh from last year. This was achieved by providing LED lights, replacing high power consuming pneumatic screw drivers with 35 W electrical screw drivers, integrating 5KVA solar panel load to grid power, providing facility of Auto switch off assembly lines during breaks & Auto switch off of taping machines.

5. Kundaim plant has reduced power consumption per unit from 0.604 kWh/unit to 0.505 kWh/unit, approx. saving of 298 MWh over last year. This was achieved by increase in production, providing LED lights, replacing high power consuming pneumatic screw drivers with 35W electrical screw drivers, providing facility of Auto Switch off of streetlights.

Reduction in water consumption:

6. Baddi Fans Unit-II plant has reduced water consumption from 49.9 Ltr/Person/Day to 34.4 Ltr/Person/Day, approx. saving of 900.9 KL over last year. This was achieved by installing Auto shutoff valve on rooftop Tanks and re-routing of pipelines to prevent water losses.

7. Baddi Lighting Unit plant has reduced water consumption from 45.9 Ltr/Person/Day to 40.2 Ltr/Person/Day, approx. saving of 12.4% (1,076 KL) over last year. This was achieved by identifying and controlling all leakages from Plant.

8. Bethora plant has reduced water consumption from 39.1 Ltr/Person/Day to 28.1 Ltr/Person/Day, approx. saving of 1,306 KL over last year. This was achieved by providing aerators & auto sensors for taps and using treated water from STP for flushing & gardening.

9. Vadodara plant has reduced water consumption from 105 Ltr/Person/Day to 96.16 Ltr/Person/Day, approx. saving of 3,180 KL over last year. This was achieved by replacing corroded pipeline, attend leakages from water pipelines & washrooms.

(b) Capital Investment on Energy Conservation Equipment

Nil

B. TECHNOLOGY ABSORPTION:

The technology focus for the Company has been on process improvement for better quality, lower cost, new product development and import substitution.

Some of the areas of technology focus and initiatives have been:

1. State-of-the-art lab creation in Vikhroli Innovation & Experience Centre.

2. Building Capabilities in Electronics to cater to future technology requirement.

3. Investments in latest software for simulation capability building for Fans.

4. Evaluating new motor technologies like Axial flux motors for Pumps and Fans.

5. Establishment of R&D for electrical motor technologies like BLDC, PMSM, SRM to take care of future needs.

6. Improvements in induction motor technologies for cost and quality engineering with new ideas in winding and slots of stampings.

7. Initiatives for process improvement through PDM solutions.

8. Expansion of portfolio in the automation space using various sensors.

9. Connected Air Cooler & Water Heater and Introduction of Smart Plug in the IoT space.

10. Introduction of new PP Polymer material in Air cooler category to suit challenging operating conditions in Air cooler Business to mitigate high Acrylonitrile butadiene styrene (ABS) and Polypropylene (PP) price.

11. New OEMs development for various categories such as SDA, Mixer Grinder and Air Cooler to meet the market demand and to increase the portfolio.

12. 1250W Dry Iron Model launched which is higher than wattage from different competitors in Heavy dry Iron Segment.

13. To enhance the user delight, features such as large ice chambers, easy to clean distribution tray, mosquito filter net, fully collapsible louvers & high density cooling pads have been added in Coolers.

14. In the Optimus 65 IoT, your company has introduced IoT-enabled features which can be operated with mobile app. The special feature 'Pure Shield' is equipped with the Anti-Bacterial Control Panel and PM2.0 Filter.

15. Hydrofluorocarbons (HFCs) Free Puffs are used in in water heaters to avoid Ozone depletion.

16. Pre-Coated Sheet are used in water heater to replace the Metal Body.

17. Some of the new products launched in lighting were new range of ceiling lights like Star Cosmos series, high beam lamps and the new Slim Shakti Batten.

18. New Products in streetlights like Wanderer were introduced with innovative concepts and enhanced features to meet customer harsh environment and maintenance needs.

19. Connected Indoor Lighting solution that is an intelligent, intuitive and energy efficient lighting solution for office spaces was launched. This new technology complete with human machine interface can adapt to the occupancy of the building at any given time. Its sophisticated IoT architecture provides users with highly flexible and reliable, scalable and future proof options for lighting control along with energy management and space utilization with benefits of bringing predictability in the opex cost, portfolio wide energy comparison and real-time asset maintenance.

20. Energy efficiency continued to drive innovation. Products in professional segment with improved energy efficiency of > 10% were launched. Crompton launched 5 star rated bulb complying to the revised enhanced BEE star rating standard.

C. IMPORTED TECHNOLOGY: NIL

D. EXPENDITURE ON R&D:

R&D expenditure for the year was: ₹ 48.59 crore

E. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange earned: ₹ 81.15 crore
Foreign exchange used: ₹ 155.44 crore

For and on behalf of the Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

Place : Mumbai
Date : 27th May, 2022

ANNEXURE 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. Brief outline on CSR Policy of your Company

Your Company's CSR strategy framework is based on the principles of 'Responsible Business' and 'Shared Value'. The CSR programme framework is both in line with your Company's long-term commitment to building positive value for the communities (including key stakeholders) as well as addresses key developmental priorities as identified by Schedule VII to the Companies Act, 2013.

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Shantanu Khosla (DIN: 00059877)	Managing Director, Chairman of CSR Committee	2	2
2	Mr. H. M. Nerurkar (DIN: 00265887)	Chairman of the Board, Member of CSR Committee	2	1
3	Mr. D. Sundaram (DIN: 00016304)	Independent Director, Member of CSR Committee	2	2
4	Ms. Smita Anand (DIN: 00059228)	Independent Director, Member of CSR Committee	2	1
5	Mr. Promeet Ghosh (DIN: 05307658)	Non-Executive Director, Member of CSR Committee	2	2

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of your Company.

- Composition of CSR Committee: https://nfs.crompton.co.in/assets/wp-content/uploads/2021/08/Board-committees-composition-1.pdf
- CSR Policy : https://www.crompton.co.in/wp-content/uploads/2021/03/Corporate-Social-Responsibility-Policy.pdf
- CSR Project : https://www.crompton.co.in/csr/

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	F.Y. 2020-21	NIL	NA
	Total	**NIL**	**NA**

6. Average net profit of your Company as per section 135(5): ₹ 616.50 crore

7.	a)	Two percent of average net profit of the Your Company as per section 135(5)	₹ 12.33 crore
	b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	NIL
	c)	Amount required to be set-off for the financial year	NIL
	d)	Total CSR obligation for the financial year (7a+7b-7c)	₹ 12.33 crore

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 12.33 crore	NIL	NA	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No)	Location of the project		Project duration	Amount allocated for the project (₹ in crore)	Amount spent in the current financial year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Water Conservation	(iv)	Yes	Maharashtra	Ahmednagar	15 months	1.92	1.92	-	No	Bhartiya Bahuuddeshiya Khadi and Gramodyog Shikshan Sanstha	CSR00000405
2	Water Conservation	(iv)	Yes	Maharashtra	Pune	1 year	0.64	0.35	-	No	Bhartiya Bahuuddeshiya Khadi and Gramodyog Shikshan Sanstha	CSR00000405
3	Water Conservation	(iv)	No	Maharashtra	Beed	1 year	0.50	0.20	-	No	Watershed Organisation Trust	CSR00000518
4	Water Conservation	(iv)	No	Maharashtra	Jalna	1 year	0.44	0.09	-	No	Vanarai	CSR00001205
5	Water Conservation	(iv)	Yes	Maharashtra	Ahmednagar	1 year	0.22	0.04	-	No	Vanarai	CSR00001205
6	Water Conservation	(iv)	Yes	Maharashtra	Ahmednagar	1 year	0.06	0.01	-	No	Vanarai	CSR00001205
7	Water Conservation	(iv)	Yes	Maharashtra	Ahmednagar	1 year	0.75	0.15	-	No	Vanarai	CSR00001205
8	Water Conservation	(iv)	Yes	Maharashtra	Ahmednagar	1 year	0.03	0.03	-	No	Bhartiya Bahuuddeshiya Khadi and Gramodyog Shikshan Sanstha	CSR00000405

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes /No)	Location of the project		Project duration	Amount allocated for the project (₹ in crore)	Amount spent in the current financial year (₹ in crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
9	Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Gujarat	Vadodara	1 month	0.15	0.15	-	No	Crompton CSR Foundation	CSR00001086
10	Promotion of Health and Response to COVID-19 Pandemic	(i)	No	Maharashtra, Tamil Nadu, West Bengal, Telangana, Uttar Pradesh	Thane, Mumbai, Chennai, Kamrup, Hyderabad, Gautam Buddh Nagar, Varanasi, Vellore	8 months	0.06	0.06	-	No	St Jude India Children Centre	CSR00001026
11	Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Maharashtra	Ahmednagar	3 months	0.02	0.02	-	No	Snehalaya	CSR00001248
12	Skill Development	(ii)	Yes	Tamil Nadu, Maharashtra	Coimbatore, Ahmednagar	1 year	0.06	0.06	-	No	Devloka Educational Trust	CSR00000371
13	Skill Development	(ii)	Mumbai	Maharashtra	Thane	1 year	0.07	0.06	-	No	Kherwadi Social Welfare Association	CSR00000920
							4.92	3.14	-			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial year (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District			Name of the agency	CSR registration number
Water Conservation	(iv)	No	Maharashtra	Solapur	0.18	No	Vanarai	CSR00001205
Water Conservation	(iv)	Yes	Maharashtra	Ahmednagar	0.10	No	Snehalaya	CSR00001248
Water Conservation	(iv)	Yes	Maharashtra	Ahmednagar	1.16	No	Vanarai	CSR00001205
Water Conservation	(iv)	Yes	Maharashtra	Ahmednagar	0.29	No	Vanarai	CSR00001205
Water Conservation	(iv)	Yes	Maharashtra	Ahmednagar	0.44	No	Vanarai	CSR00001205
Water Conservation	(iv)	Yes	Maharashtra	Ahmednagar	0.11	No	Bhartiya Bahuuddeshiya Khadi and Gramodyog Shikshan Sanstha	CSR00000405
Water Conservation	(iv)	Yes	Maharashtra	Ahmednagar	0.28	No	Bhartiya Bahuuddeshiya Khadi and Gramodyog Shikshan Sanstha	CSR00000405

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial year (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District			Name of the agency	CSR registration number
Water Conservation	(iv)	No	Maharashtra	Pune	0.32	No	Bhartiya Bahuuddeshiya Khadi and Gramodyog Shikshan Sanstha	CSR00000405
Promotion of Health and Response to COVID-19 Pandemic	(i)	No	Rajasthan, Uttar Pradesh, Maharashtra, Andhra Pradesh, Tamil Nadu	Lucknow, Mumbai, Chittoor, Sri Ganganagar, Coimbatore	0.02	No	Datri Blood Stem Cell Donors	CSR00001247
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Maharashtra	Mumbai	0.50	No	Akshaya Patra Foundation	CSR00000286
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Maharashtra	Ahmednagar	0.07	No	Snehalaya	CSR00001248
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Maharashtra	Mumbai	0.01	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Gujarat	Vadodara	0.00	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Gujarat	Vadodara	0.00	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Himachal Pradesh	Solan	0.01	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Maharashtra, Goa, Gujarat	Ahmednagar, North Goa and Vadodara	0.34	No	Bosconet	CSR00001441
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Maharashtra	Mumbai	0.01	No	Raah Foundation	CSR00003673

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial year (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District			Name of the agency	CSR registration number
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Maharashtra	Mumbai	0.01	No	Apnalaya	CSR00003515
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Maharashtra	Mumbai	0.49	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Gujarat	Vadodara	0.75	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Maharashtra	Mumbai	0.10	No	Save the Children, India	CSR00000158
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Goa	North Goa	0.00	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Himachal Pradesh	Solan	0.10	No	Akshaya Patra Foundation	CSR00000286
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Himachal Pradesh	Solan	0.02	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Himachal Pradesh	Solan	0.00	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Himachal Pradesh	Solan	0.00	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Himachal Pradesh	Solan	0.00	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Himachal Pradesh	Solan	0.01	No	Crompton CSR Foundation	CSR00001086

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial year (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District			Name of the agency	CSR registration number
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Gujarat	Vadodara	0.16	No	Centre for Youth	CSR00010255
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Gujarat	Vadodara	0.98	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Goa	North Goa	0.00	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	No	Maharashtra	Raigad	0.00	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Himachal Pradesh	Solan	0.36	No	Crompton CSR Foundation	CSR00001086
Promotion of Health and Response to COVID-19 Pandemic	(i)	Yes	Himachal Pradesh	Solan	0.02	No	Crompton CSR Foundation	CSR00001086
Community Development	(i)	Yes	Himachal Pradesh	Solan	0.00	No	Crompton CSR Foundation	CSR00001086
Community Development	(i)	Yes	Maharashtra	Mumbai	0.00	No	Crompton CSR Foundation	CSR00001086
Community Development	(ii)	Yes	Maharashtra	Mumbai	0.10	No	Children's Movement for Civic Awareness	CSR00000784
Community Development	(i)	Yes	Goa	Goa	0.09	No	Crompton CSR Foundation	CSR00001086
Community Development	(i)	Yes	Gujarat	Vadodara	0.45	No	Akshaya Patra Foundation	CSR00000286
Community Development	(ii)	Yes	Maharashtra, Gujarat, Himachal Pradesh, Goa	Ahmednagar, Vadodara, Solan, North Goa	0.62	No	Centre for Youth	CSR00010255
Community Development	(i)	Yes	Himachal Pradesh	Solan	0.00	No	Crompton CSR Foundation	CSR00001086
Community Development	(i)	Yes	Himachal Pradesh	Solan	0.04	No	Collective Good Foundation	CSR00001648

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent in the current financial year (₹ in crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State	District			Name of the agency	CSR registration number
Community Development	(i)	Yes	Himachal Pradesh, Gujarat, Goa	Solan, Vadodara, North Goa	0.17	No	Centre for Youth	CSR00010255
Community Development	(i)	Yes	Maharashtra	Ahmednagar	0.01	No	Snehalaya	CSR00001248
Community Development	(i)	Yes	Maharashtra	Mumbai	0.01	No	Make a Wish Foundation	CSR00004619
Community Development	(i)	Yes	Maharashtra	Ahmednagar	0.06	No	Snehalaya	CSR00001248
Skill Development	(ii)	No	Haryana	Gurgaon	0.05	No	Crompton CSR Foundation	CSR00000920
Skill Development	(ii)	Yes	Maharashtra	Mumbai, Thane	0.16	No	Crompton CSR Foundation	CSR00000920
Program Monitoring	(i),(ii),(iv)	Yes	Himachal Pradesh, Gujarat, Maharashtra, Goa	Solan, Vadodara, Mumbai, North Goa	0.11	No	Collective Good Foundation	CSR00001648
Total					**8.71**			

(Amount shown as ₹ 0.00 represents amount below ₹ 50,000)

(d) Amount spent in Administrative Overheads : ₹ 0.48 crore

(e) Amount spent on Impact Assessment, if applicable : NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 12.33 crore

(g) Excess amount for set-off, if any : ₹ 0.00 crore

Sl. No.	Particulars	Amount (₹ in crore)
(i)	Two percent of average net profit of the Your Company as per section 135(5)	12.33
(ii)	Total amount spent for the Financial Year	12.33
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	0.00

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial year (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	F.Y. 2020-21	NA	NA	NA	NA	NA	NIL
2	F.Y. 2019-20	NA	NA	NA	NA	NA	NIL
3	F.Y. 2018-19	NA	NA	NA	NA	NA	NIL

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

Sl. No.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing.
1	NA	NA	NA	NA	NA	NA	NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in crore)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
11th May, 2021	0.04	Yusuf Meherally Centre Tara, Mumbai-Goa Road, Taluka Panvel, Karnala - 410221	1 Operating Table 1 Operating Microscope 1 Anaesthesia Machine 1 Multipara Monitor 4 OT Light Reflector 1 Fumigator Yusuf Meherally Centre Tara, Mumbai-Goa Road, Taluka Panvel, Karnala 410221
1st June, 2021	0.07	Snehalaya, 239 F Block, MIDC, Ahmednagar, Maharashtra - 41411	Bed, Mattresses, Pillows, Pillow Covers, Bedsheets - 10 Pedestal Portable toilet Oxygen concentrator 2 Invertor 10 oxygen masks with connector COVID-19 Care Centre Snehalaya, 239 F Block, MIDC, Ahmednagar, Maharashtra - 414111
17th June, 2021	0.00	Primary Health Centre Directorate of Health Service, Ponda, Goa - 403401	5 Pedestal fans Indian Medical Association, Kurtarkar Commercial Arcade, IMA Hall - 2nd Floor, Phase 2nd, Ponda, Goa - 403401
25th June, 2021	0.15	North District Hospital Mapusa Jamatkhana Road, Peddem, Mapusa, Goa - 403507	Referigerators AHU Online UPS North District Hospital Mapusa Jamatkhana Road, Peddem, Mapusa, Goa - 403507

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in crore)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
1st July, 2021	0.12	Sushena Health Foundation Plot No. 49, Pragathi Nagar, Yousufguda, Amerpeet, Hyderabad - 500045	Mobile Van, breast Pumps and Deep Freezers Plot No. 49, Pragathi Nagar, Yousufguda, Amerpeet, Hyderabad - 500045
14th July, 2021	0.75	Sir Sayajirao General Hospital, Jail Road (Indira Avenue) Vadodara - 390001	Endoscopy camera system with LED light source Full HD documentation of HD sources 4 Nasal endoscopes Sir Sayajirao General Hospital, Jail Road (Indira Avenue), Vadodara - 390001
28th July, 2021	0.49	Nowrosjee Wadia Maternity Hospital, Acharya Donde Marg, Parel, Mumbai, Maharashtra, India, 400 012	(a) 24 Baby warmers to Wadia Hospital for Children (b) 1 Ventilator to Nowrosjee Wadia Maternity Hospital, Acharya Donde Marg, Parel, Mumbai, Maharashtra, India, 400 012
2nd August, 2021	0.00	Kholpateh Government School, District Solan, Himachal Pradesh - 173205	10 ceiling fans Kholpateh Government School, District Solan, Himachal Pradesh - 173205
17th August, 2021	0.00	Bethlehem House, Opposite Canosa High School, Mahakali Caves Rd, Andheri (E), Mumbai, Maharashtra - 400093	12 Ceiling Fans Bethlehem House, Opposite Canosa High School, Mahakali Caves Rd, Andheri (E), Mumbai, Maharashtra - 400093
1st September, 2021	0.15	Crossroads Hospital, Survey No. 247/248, Dabhasa, Padra - 391440	ICU on wheels and CR system Crossroads Hospital, Survey No. 247/248, Dabhasa, Padra - 391440
2nd September, 2021	0.02	Virendra Singh Thakur Officer Colony, Baddi Solan, Himachal Pradesh - 173205	Bed- 15 Pillow and Bedsheet - 30 Mattress -15 Side Table-15 Officer Colony, Baddi Solan, Himachal Pradesh - 173205

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in crore)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
3rd September, 2021	0.98	Sir Sayajirao General Hospital, Jail Road (Indira Avenue) Vadodara - 390001	1Haemodialysis Machine 1 Portable R.O. Plant with Booster system & water tank (250 LPH) Portable Ultrasonogram with 2 D Echo Machine 1 Neonatal Body cooling system (Therapeutic Hypothermia) : Critical or Tecotherm Neo with all standard accessories 2 Neonatal Ventilator 1 High end Neonatal Ventilator with High Frequency Oscillatory Ventilation Sir Sayajirao General Hospital, Jail Road (Indira Avenue) Vadodara - 390001
8th September, 2021	0.00	North District Hospital Mapusa Jamatkhana Road, Peddem, Mapusa, Goa - 403507	Stabilizer for 0 80 Refrigerators North District Hospital Mapusa Jamatkhana Road, Peddem, Mapusa, Goa - 403507
10th September, 2021	0.01	Lehi Panchayat, Makhnumajra Baddi, Solan, Himachal Pradesh - 173205	25 Tube Lights 25 Fans 1 Water Cooler Public Health Centre Baddi, Lehi Panchayat, Solan, Himachal Pradesh - 173205
30th September, 2021	0.00	Yusuf Meherally Centre Tara, Mumbai-Goa Road, Taluka Panvel, Dist.: Raigad, Karnala, Maharashtra 410221	12, ceiling fans and 4 pedestal fans Tara, Mumbai-Goa Road, Taluka Panvel, Dist.: Raigad, Karnala, Maharashtra 410221
4th January, 2022	0.09	Office of the Bethoda Panchayat, Conxem-Codar, Ponda Goa - 403507	2 Community Toilets at Bethoda Panchayat, Conxem-Codar, Ponda Goa - 403507
25th January, 2022	0.10	Snehalaya, 239 F Block, MIDC, Ahmednagar, Maharashtra - 414111	Drip Irrigation System Snehalaya, 239 F Block, MIDC, Ahmednagar, Maharashtra - 414111

Date of creation or acquisition of the capital asset(s)	Amount of CSR spent for creation or acquisition of capital asset (₹ in crore)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
8th February, 2022	0.36	Sub Divisional Magistrate Nalagarh, Solan, Himachal Pradesh - 173205	1 Blood Bank Civil Hospital, Nalagarh, Solan, Himachal Pradesh - 173205
15th February, 2022	0.00	Government Senior Secondary School, Gullarwala, District Solan, Himachal Pradesh - 173205	10 Ceiling Fans Government Senior Secondary School, Gullarwala, District Solan, Himachal Pradesh - 173205
28th March, 2022	0.06	Snehalaya, 239 F Block, MIDC, Ahmednagar, Maharashtra - 414111	Solar Panels for electrification Snehalaya, 239 F Block, MIDC, Ahmednagar, Maharashtra - 414111
29th March, 2022	0.04	Lehi Panchayat, Makhnumajra Baddi, Solan, Himachal Pradesh - 173205	Village Road Development for improving mobility Lehi Panchayat, Makhnumajra Baddi, Solan, Himachal Pradesh - 173205

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable

For and on behalf of the Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director & Chairman CSR Committee
DIN: 00059877

Place : Mumbai
Date : 27th May, 2022

ANNEXURE 5

SECRETARIAL AUDIT REPORT

FORM MR-3

For The Financial Year Ended 31st March, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Crompton Greaves Consumer Electricals Limited
Tower 3, 1 Floor, East Wing,
Equinox Business Park, LBS Marg,
Kurla (West), Mumbai - 400070

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Crompton Greaves Consumer Electricals Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period).

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents)

Regulations, 1993 regarding the Act and dealing with client;(Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws specifically applicable to the Company namely:

- Bureau of Indian Standards

  The National Standards Body of India

- Bureau of Energy Efficiency (Government of India, Ministry of Power)

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meeting.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

a. Redemption of Non-Convertible Debentures on 24th June, 2021 (₹ 180 crore) and 29th November, 2021 (₹ 150 crore);

b. Issue of Commercial Papers on 17th March, 2022 (24,000 CPs of face value of ₹ 5,00,000 each aggregating to ₹ 1,200 crore);

c. Acquisition of 55% of equity share capital of Butterfly Gandhimathi Appliances Limited on 25th March, 2022.

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: PR No.: 1129/20214

Place: Mumbai
Date : 27th May, 2022

Note: This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To,

The Members,
Crompton Greaves Consumer Electricals Limited
Tower 3, 1st Floor, East Wing,
Equinox Business Park, LBS Marg,
Kurla West, Mumbai - 400070

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

Mitesh Dhabliwala
Partner
FCS No: 8331 CP No: 9511
UDIN: PR No.: 1129/20214

Place: Mumbai
Date : 27th May, 2022

ANNEXURE 6

Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for 2021-22

The median remuneration of employees of the Company during F.Y. 2021-22 was ₹ 7,80,000/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the table below:

Sr. No.	Name of Director	Designation	Remuneration of Director for 2021-22 (₹)	Ratio of Remuneration of each Director to Median Remuneration of employees for 2021-22
1	Mr. Shantanu Khosla (DIN: 00059877)	Managing Director#	11,24,03,263	144.11
2	Mr. Mathew Job (DIN: 02922413)	Executive Director & Chief Executive Officer	7,98,66,655	102.39
3	Mr. H. M. Nerurkar (DIN: 00265887)	Chairman, Independent Director ^	44,20,000	5.67
4	Mr. D. Sundaram (DIN: 00016304)	Independent Director ^	40,80,000	5.23
5	Mr. P. M. Murty (DIN: 00011179)	Independent Director ^	40,50,000	5.19
6	Ms. Smita Anand (DIN: 00059228)	Independent Director ^	30,70,000	3.94
7	Mr. P. R. Ramesh (DIN: 01915274)	Independent Director ^	28,83,400	1.35
8	Ms. Hiroo Mirchandani (DIN: 06992518)	Independent Director ^	8,00,000	0.38
9	Mr. Promeet Ghosh (DIN 05307658)	Non-Executive Director	Nil	N.A.

The remuneration includes fixed pay and variable pay. Variable pay is for 2020-21 paid in 2021-22.

#The remuneration to MD is excluding perquisite value of stock options.

^ The remuneration of Independent Directors consists of sitting fees and commission. Commission is for 2020-21 paid in 2021-22.

b. The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the financial year:

The percentage Increase/Decrease in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in 2021-22 is provided in the table below:

Sr. No.	Name of Director/KMP	Designation	% increase in Remuneration in 2021-22*
1	Mr. Shantanu Khosla	Managing Director	116.66
2	Mr. Mathew Job	Chief Executive Officer	117.23
3	Mr. Sandeep Batra	Chief Financial Officer	83.29
4	Ms. Pragya Kaul	Company Secretary & Compliance Officer	20.21

**Calculation is excluding perquisite value on exercise of Stock options.*

c. The percentage increase in the median remuneration of employees in the financial year:

In the financial year, there was an increase of 7% in the median remuneration of employees.

d. The number of permanent employees on the rolls of the Company:

There were 2,010 permanent employees on the rolls of the Company as on 31st March, 2022.

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentile increase/decrease made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2021-22 was 9.73% whereas the increase/decrease in managerial remuneration for the financial year 2021-22 was 105.42% (Calculated as per Weighted Average).

Justification: Increase in remuneration of the Managing Director is decided based on the individual performance, inflation, prevailing industry trends and benchmarks.

The remuneration of Independent Directors consists of commission and sitting fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees etc., were taken into consideration.

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy of the Company.

"Median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one. If there is an even number of observations, the median shall be the average of the two middle values.

For and on behalf of the Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

Place: Mumbai
Date: 27th May, 2022

Corporate Governance Report

1. THE COMPANY'S (CROMPTON'S) PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's commitment towards the adoption of best corporate governance practices goes beyond compliance with the law and endeavours to embrace responsibility for corporate actions and the impact of its initiatives on all stakeholders. Your Company continuously strives for the betterment of its corporate governance mechanisms to improve efficiency, transparency and accountability of its operations.

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations" or "LODR") is given below:

BOARD OF DIRECTORS

a. COMPOSITION:

Your Company has formulated and adopted the Nomination and Remuneration Policy to ensure that the composition of the Board is optimum, balanced and diverse to benefit from fresh perspectives, new ideas and broad experience.

As on the date of this Report, your Company has nine (9) members collectively forming part of Board of Directors. As on 31st March, 2022, the Board of your Company comprises two Executive Directors and seven Non-Executive Directors, of whom six are Independent Directors. Your Company has two Women Independent Directors. The composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations as well as provisions of Companies Act, 2013.

The Chairman, Mr. H. M. Nerurkar is an Independent Director. Mr. Shantanu Khosla is the Managing Director. Mr. Mathew Job is the Executive Director & Chief Executive Officer. Mr. Promeet Ghosh is Non-Executive Non-Independent Director. Mr. D. Sundaram, Mr. P. M. Murty, Ms. Smita Anand, Mr. P. R. Ramesh and Ms. Hiroo Mirchandani are Independent Directors in terms of Regulation 17 of the Listing Regulations and Companies Act, 2013 ("the Act").

Ms. Shweta Jalan and Mr. Sahil Dalal, Non-Executive, Non-Independent Directors, ceased to be Directors of the Company with effect from 23rd July, 2021. Ms. Shweta Jalan, who was liable to retire by rotation, did not seek re-appointment at the 7th AGM held on 23rd July, 2021 and Mr. Sahil Dalal tendered his resignation with effect from 23rd July, 2021.

Mr. P. R. Ramesh was appointed as an Additional Director designated as Independent Director by the Board of Directors on 21st May, 2021. At the 7th AGM of the Company held on 23rd July, 2021, the members accorded their approval for appointment of Mr. P. R. Ramesh as an Independent Director for a period of five years up to 21st May, 2026.

Ms. Hiroo Mirchandani was appointed as an Additional Director designated as Independent Director by the Board of Directors on 28th January, 2022 and the Members of the Company vide special resolution passed through postal ballot on 24th March, 2022 approved the appointment of Ms. Hiroo Mirchandani as an Independent Director for a period of five years up to 27th January, 2027.

During the year under review, none of the Independent Directors on the Board of the Company had resigned.

CONFIRMATION AS REGARDS INDEPENDENCE OF INDEPENDENT DIRECTORS

The Board confirms that based on the written affirmations from each Independent Director, all Independent Directors fulfil the conditions specified for independence as stipulated in the Regulation 16(1)(b) of the Listing Regulations, as amended, read with Section 149(6) of the Act along with rules framed thereunder and are independent of the Management. Further, the Independent Directors have also registered their names in the Databank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014, as amended. They have also given the online self-assessment proficiency test and cleared the same within the timelines as prescribed by the Ministry of Corporate Affairs ("MCA"), to whomever it was applicable. None of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgement, would affect their independence. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Further, none of the Directors are related to each other.

Table 1 gives the composition of the Board and the number of Directorships held by each Director.

TABLE 1
Composition of the Board of Directors as on 31st March, 2022

Name	Particulars	Other Board/Committee Memberships		
		Directorships*	Committee Memberships**	Committee Chairmanships**
Mr. H. M. Nerurkar (DIN: 00265887)	Chairman, Independent Director	7	8	3
Mr. Shantanu Khosla (DIN: 00059877)	Managing Director	1	0	0
Mr. Mathew Job (DIN: 02922413)	Executive Director & Chief Executive Officer	1	0	0
Mr. D. Sundaram (DIN: 00016304)	Independent Director	4	5	4
Mr. P. M. Murty (DIN: 00011179)	Independent Director	1	1	0
Ms. Smita Anand (DIN: 00059228)	Independent Director	0	0	0
Mr. P. R. Ramesh# (DIN: 01915274)	Independent Director	5	4	3
Ms. Hiroo Mirchandani## (DIN: 06992518)	Independent Director	5	5	1
Mr. Promeet Ghosh (DIN: 05307658)	Non-Executive Non-Independent Director	0	0	0

**Excludes private limited companies, foreign companies and companies registered under Section 8 of the Act and Government Bodies and excludes directorship in CGCEL.*

***For the purpose of calculating the above, only Audit and Stakeholders' Relationship and Share Transfer Committee in public limited companies, whether listed or not, are considered - Regulation 26(1) of the Listing Regulations.*

#Appointed w.e.f. 21st May, 2021.

Appointed w.e.f. 28th January, 2022.

As per Regulation 17A of the Listing Regulations, all Directors meet the criteria of maximum number of Directorships. Further, the Managing Director of the Company does not serve as an Independent Director in any other listed entity.

None of the Directors is a member of more than ten committees or Chairman/Chairperson of more than five committees across all the public companies in which he/she is a Director. The limit of the Board Committees, Chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

TABLE 2
List of Directorship held in other Listed Companies as on 31st March, 2022

Name	Name of the other Listed Entity	Category of Directorship
Mr. H. M. Nerurkar	Adani Enterprise Limited	Independent Director
	NCC Limited	Independent Director
	Igarashi Motors India Limited	Non-Executive Director
	DFM Foods Limited	Independent Director
	Tega Industries Limited	Independent Director

Name	Name of the other Listed Entity	Category of Directorship
Mr. D. Sundaram	Infosys Limited	Independent Director
	GlaxoSmithkline Pharmaceuticals Limited	Independent Director
	ACC Limited	Independent Director
Mr. P. R. Ramesh	Nestle India Limited	Independent Director
	Cipla Limited	Independent Director
	Housing Development Finance Corporation Limited	Non-Executive Director
Ms. Hiroo Mirchandani	Nilkamal Limited	Independent Director
	Tata Teleservices (Maharashtra) Limited	Independent Director
	MedPlus Health Services Limited	Independent Director

b. BOARD MEETINGS:

Board Procedure

The dates for the Board meetings for the next year are fixed in advance. Board meetings are communicated by giving appropriate notice to the Directors.

A detailed agenda, setting out the business to be transacted at the Meeting(s), supported by detailed Notes and Presentations, if any, is sent to the Directors at least seven days before the date of the Board Meeting(s) and the Committee Meeting(s) through a web-based solution. A soft copy of the said Agenda(s) is uploaded on the Board Portal at least 7 days before the meeting which also acts as a document repository. The Directors are also provided the facility of video-conferencing to enable them to participate effectively in the Meeting(s), as and when required.

Inputs and feedback of the Board Members are taken and considered while preparing the agenda and documents for the Board and Committee meetings.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Managing Director and the Executive Director & Chief Executive Officer apprise the Board at every Meeting of the overall performance of your Company, followed by presentation(s) by the others. A detailed functional Report is also presented at the Board Meeting(s).

The Board also, inter alia, periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), investment and exposure limit(s), compliance report(s) of all laws applicable to your Company, as well as steps taken by your Company to rectify instances of non-compliances, review of major legal issues, minutes of the Committees of the Board and of Board Meetings of your Company's subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, approval of quarterly/half-yearly/annual results, significant labour problems and their proposed solutions, safety and risk management, transactions pertaining to purchase/disposal of property(ies), sale of investments, remuneration of Key Managerial Personnel, major accounting provisions and write-offs, corporate restructuring, details of any joint ventures or collaboration agreement, material default in financial obligations, if any, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public or product liability claims of substantial nature, including judgement or order which may have passed strictures on the conduct of your Company, quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement and information on recruitment of Senior Officers just below the Board level.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, the performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

The Company has established a framework for the Meetings of the Board and its Committees which seeks to systematise the decision-making process at the Meetings in an informed and efficient manner.

Apart from Board Members and the Company Secretary, the Board and Committee Meetings are also attended by the Executive Director & Chief Executive Officer, Chief Financial Officer and wherever required by the Heads of various Functions.

The meetings are generally held at the Company's Registered & Corporate Office at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070. However, due to the ongoing lockdown because of COVID-19 pandemic and in accordance with the statutory provisions, exemptions and relaxations as provided by the MCA, majority of the meetings in the financial year 2021-22 were held through video-conferencing.

The Board has complete access to all Company-related information, including that of employees. At Board and Committee Meetings, managers and representatives who can provide additional insights into the items being discussed are invited. Information is provided to the Board members on a continuous basis for their review, inputs and approval.

The Board of your Company met at least once in every quarter and the gap between two Board Meetings did not exceed the period of one hundred and twenty days (120). There were nineteen (19) Board Meetings held during F.Y. 2021-22.

TABLE 3
Attendance Record of the Directors for the year 2021-22

Meeting Date	Mr. H. M. Nerurkar	Mr. Shantanu Khosla	Mr. Mathew Job	Mr. D. Sundaram	Mr. P. M. Murty	Ms. Smita Anand	Mr. P. R. Ramesh#	Ms. Hiroo Mirchandani##	Mr. Promeet Ghosh	Ms. Shweta Jalan*	Mr. Sahil Dalal**
22nd April, 2021	✓	✓	✓	✓	✓	✓	NA	NA	✓	✓	✓
21st May, 2021	✓	✓	✓	✓	✓	✓	NA	NA	✓	✓	✓
31st May, 2021	✓	×	✓	✓	✓	✓	×	NA	✓	×	×
24th June, 2021	✓	✓	✓	✓	✓	✓	✓	NA	✓	×	✓
15th July, 2021	✓	×	✓	✓	✓	×	✓	NA	×	×	×
23rd July, 2021	✓	✓	✓	✓	✓	✓	✓	NA	✓	✓	✓
30th July, 2021	✓	✓	✓	✓	✓	✓	✓	NA	×	NA	NA
7th October, 2021	✓	✓	✓	✓	✓	✓	✓	NA	✓	NA	NA
22nd October, 2021	✓	✓	✓	✓	✓	✓	✓	NA	✓	NA	NA
10th November, 2021	✓	✓	✓	✓	✓	✓	✓	NA	✓	NA	NA
10th December, 2021	✓	✓	✓	✓	✓	✓	×	NA	✓	NA	NA
20th January, 2022	✓	✓	✓	✓	✓	✓	✓	NA	✓	NA	NA
28th January, 2022	✓	✓	✓	✓	✓	✓	✓	NA	✓	NA	NA
21st February, 2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	NA	NA
21st February, 2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	NA	NA
22nd February, 2022	✓	✓	✓	✓	✓	✓	✓	✓	✓	NA	NA
9th March, 2022	✓	✓	✓	✓	✓	✓	✓	✓	×	NA	NA
25th March, 2022	×	✓	✓	✓	✓	×	✓	✓	×	NA	NA
28th March, 2022	×	✓	✓	✓	✓	×	✓	✓	✓	NA	NA
Last AGM 23rd July, 2021	✓	✓	✓	✓	✓	✓	✓	NA	✓	NA	NA

#Appointed w.e.f. 21st May, 2021.

Appointed w.e.f. 28th January, 2022.

**Retired by rotation w.e.f. 23rd July, 2021.*

***Resigned w.e.f. 23rd July, 2021.*

MEETING OF INDEPENDENT DIRECTORS

During the year under review, a meeting of the Independent Directors was held on 25th October, 2021. All Independent Directors were present at the meeting to discuss risks, performance of the Company, strategy, leadership and the performance of the Non-Independent Directors and the Board and Chairman and assess information flow from management to the Board that is necessary for the Board to effectively and reasonably perform its duties.

During the year under review your Company has digitalised the Board Evaluation process to maintain confidentiality & anonymity of the responses.

c. FAMILIARISATION PROGRAMME:

All new Non-Executive Directors inducted to the Board are introduced to the Company's culture through an orientation programme. Managing Director, Executive Director & Chief Executive Officer and Senior Management provide an overview of operations and familiarise the new Non-Executive Directors with the organisation structure, Board procedures, operations of the Company, etc.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company conducted various familiarisation programmes for its Directors including review of Industry Outlook at the Board Meetings, regulatory updates at Board and Audit Committee Meetings, presentations on Internal Control over Financial Reporting, CSR Strategy, Statutory Compliance, EHS, ESG, HR, IT, investor grievances, Prevention of Insider Trading Regulations, Listing Regulations, framework for Related Party Transactions, etc. Pursuant to Regulation 46 of the Listing Regulations, the details required are available on the website of your Company at the web link at https://nfs.crompton.co.in/assets/wp-content/uploads/2022/04/Familiarization-Programme-for-the-FY-21-22.pdf.

D&O INSURANCE FOR DIRECTORS

The Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management for quantum and risks as determined by the Board.

d. DIRECTORS' REMUNERATION:

A. Remuneration Policy

Your Company has a well-defined Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees. This Policy is annexed to this Report.

Nomination and Remuneration Committee (NRC) while deciding the basis for determining the compensation, both fixed and variable to the Non-Executive Directors, takes into consideration various factors such as Directors' participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Act and Listing Regulations and such other factors as the NRC may deem fit.

B. Non-Executive Independent Directors Compensation

The shareholders at the 2nd Annual General Meeting held on 11th August, 2016, approved payment of commission to the Company's Non-Executive Independent Directors, collectively, up to 1% of net profits, as permitted by the Companies Act, 2013. The Board has formulated guidelines for payment of commission to the Non-Executive Independent Directors. Additional commission is paid to the Chairman of the Board, the Chairman of the Audit Committee and the Chairman of the Nomination and Remuneration Committee. The Non-Executive Non-Independent Directors are not paid any remuneration.

C. Directors' Remuneration

The annual remuneration package of Mr. Shantanu Khosla, Managing Director and Mr. Mathew Job, Executive Director & Chief Executive Officer comprises a fixed salary component including a basket of allowances/reimbursements and a Variable Pay component as approved by the Nomination and Remuneration Committee and the Board of Directors, from time to time.

The details of the remuneration of Directors during financial year 2021-22 are given below in Table 4:

TABLE 4

(₹ in crore)

Name of Director	Salary and allowances	Variable Pay$	Perquisites	ESOP**	Sitting Fees	Commission$	Total
Executive Directors							
Mr. Shantanu Khosla	3.99	7.11	0.14	106.69	-	-	117.93
Mr. Mathew Job	2.93	5.04	0.02	-	-	-	7.99
Non-Executive Directors							
Mr. H. M. Nerurkar	-	-	-	-	0.14	0.30	0.44
Mr. D. Sundaram	-	-	-	-	0.16	0.25	0.41
Mr. P. M. Murty	-	-	-	-	0.15	0.25	0.41
Ms. Smita Anand	-	-	-	-	0.11	0.20	0.31
Mr. P. R. Ramesh#	-	-	-	-	0.11	NA	0.11
Ms. Hiroo Mirchandani##	-	-	-	-	0.03	NA	0.03
Mr. Promeet Ghosh	-	-	-	-	-	-	-
Ms. Shweta Jalan*	-	-	-	-	-	-	-
Mr. Sahil Dalal*	-	-	-	-	-	-	-

$Variable Pay and Commission is for the financial year 2020-21 paid in 2021-22.

#Appointed as an Independent Director w.e.f. 21st May, 2021.

Appointed as an Independent Director w.e.f. 28th January, 2022.

**Ceased to be Director of the Company w.e.f. 23rd July, 2021.*

***Perquisite value of ESOP exercised*

Notes:-

a. *Notice period is three (3) months;*

b. *Variable Pay is performance-linked and gets paid on the basis of actual performance parameters (including sales growth, profit before tax (growth and as % to sales), cash from operations etc. and as may be fixed by the NRC and Board from time to time. All other components are fixed;*

c. *Executive Directors are not entitled to severance pay, commission or sitting fees for Board and Committee Meeting;*

d. *Details of Employee Stock Options ("ESOP") granted, vesting criteria etc. are given in table below:*

Particulars	Crompton Employees Stock Options Plans				
	Mr. Shantanu Khosla, Managing Director			Mr. Mathew Job, Executive Director & Chief Executive Officer	
Schemes	**PSP 1**	**PSP 2**	**ESOP 2019**	**PSP 1**	**ESOP 2019**
No. of options granted	47,00,596	31,33,731	20,13,875	47,00,596	15,10,406
Effective date of grant	25th October, 2016	25th October, 2016	21st January, 2021	25th October, 2016	21st January, 2021
Options Vested	46,19,088	30,79,392	2,41,665	46,19,088	1,81,249
Options Unvested	-	-	16,11,100	-	12,08,325
Options Cancelled	81,508	54,339	1,61,110	81,508	1,20,832

Particulars	Crompton Employees Stock Options Plans				
	Mr. Shantanu Khosla, Managing Director			Mr. Mathew Job, Executive Director & Chief Executive Officer	
Vesting period	Not earlier than 1 year and not later than 10 years from the date of grant of Options	Not earlier than 1 year and not later than 10 years from the date of grant of Options	Not earlier than 1 year and not later than 5 years from the date of grant of Options	Not earlier than 1 year and not later than 10 years from the date of grant of Options	Not earlier than 1 year and not later than 5 years from the date of grant of Options
Vesting Conditions	Time based and performance based	Time based and performance based	20% each year over a 5-year period based on performance	Time based and performance based	20% each year over a 5-year period based on performance
Exercise Period	October 2017 to November 2025	October 2017 to November 2025	January 2022 to January 2031	October 2017 to November 2025	January 2022 to January 2031
Exercise Price	₹ 92.83	₹ 185.66	₹ 405.95	₹ 92.83	₹ 405.95

e. CODE OF CONDUCT:

Your Company has a Code of Conduct for Board and Senior Management Personnel that reflects its high standards of integrity and ethics. The Directors and Senior Management of the Company have affirmed their adherence to this Code of Conduct for 2021-22. As required by Regulation 34 of the Listing Regulations, Mr. Mathew Job as the Executive Director & Chief Executive Officer has signed a declaration stating that the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with this Code of Conduct, which is annexed to this Report. The Code of Conduct also includes Code for Independent Directors which is a guide to professional conduct for Independent Directors pursuant to Section 149(8) and Schedule IV of the Act.

This Code is available on the Company's website https://www.crompton.co.in/wp-content/uploads/2020/05/Crompton-Code-of-Conduct.pdf.

f. DIRECTORS' SHAREHOLDING:

Following is the shareholding of Directors as on 31st March, 2022:

Name of Director	No. of Shares held
Mr. H. M. Nerurkar	397
Mr. P. M. Murty	13
Mr. Shantanu Khosla	30,75,000
Mr. Mathew Job	793

No other Director holds any shares in the Company.

g. COMMITTEES OF THE BOARD:

1. AUDIT COMMITTEE:

The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. All the Members on the Committee, including the Chairman are Independent Directors. The Committee is governed by a Charter that is in line with the regulatory requirements mandated by the Act and the Listing Regulations. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the Listing Regulations.

The Audit Committee also receives the report on compliance under the SEBI (Prohibition of Insider Trading) Regulations, 2015. Further Compliance Reports under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Whistle Blower Policy are also placed before the Committee.

The Audit Committee also meets the Internal Auditors and Statutory Auditors without the presence of the management. The Audit Committee monitored and reviewed the investigations of the whistle blower complaints received during the year.

Meetings of the Audit Committee are also attended by the Managing Director, Executive Director & Chief Executive Officer, Chief Financial Officer, Vice President - Finance, Head Audit - Risk & Control, Internal Auditor and the Statutory Auditor. The Company Secretary acts as the Secretary of the Audit Committee.

The Board of Directors has appointed M/s Grant Thornton India LLP as Internal Auditors to conduct the internal audit of the various areas of operations and records of the Company. The periodical reports of the said internal auditors are regularly placed before the Audit Committee along with the comments of the management on the action taken to correct any observed deficiencies on the working of the various departments.

The Cost Auditor of the Company also attended the Committee Meeting in which the Cost Audit Report was considered.

Terms of reference of Audit Committee are:

- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Review and monitor the auditor's independence and performance, and effectiveness of the audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

As on 31st March, 2022, the total strength of the Audit Committee is 4 members all of whom are Independent Directors. The Listing Regulations require 2/3rd of the members to be Independent Directors and the Company has complied with the same. During the year, Mr. P. R. Ramesh was appointed as member of the Committee on 31st May, 2021 and Ms. Shweta Jalan ceased to be a member w.e.f. 23rd July, 2021.

There were eight (8) Audit Committee Meetings held during 2021-22.

Table 5 given below gives the attendance record of the Members of the Audit Committee:

TABLE 5
Audit Committee Meetings

Name	Designation	20th May, 2021	21st May, 2021 [1]	15th July, 2021	22nd July, 2021	23rd July, 2021 [2]	30th July, 2021	21st September, 2021	21st October, 2021	22nd October, 2021 [3]	27th January, 2022	28th January, 2022 [4]	28th March, 2022
Mr. D. Sundaram	Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. P. M. Murty	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. H. M. Nerurkar	Member	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×
Mr. P. R. Ramesh#	Member	NA	NA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Shweta Jalan*	Member	✓	✓	✓	✓	✓	NA	NA	NA	NA	NA	NA	NA

[1]Audit Committee Meeting held on 20th May, 2021 was adjourned to 21st May, 2021.

[2]Audit Committee Meeting held on 22nd July, 2021 was adjourned to 23rd July, 2021.

[3]Audit Committee Meeting held on 21st October, 2021 was adjourned to 22nd October, 2021.

[4]Audit Committee Meeting held on 27th January, 2022 was adjourned to 28th January, 2022.

#Appointed as a member w.e.f. 31st May, 2021.

**Ceased to be a member w.e.f. 23rd July, 2021.*

2. NOMINATION AND REMUNERATION (NRC) COMMITTEE:

The NRC Committee is responsible for formulating evaluation policies and reviewing all major aspects of Company's HR processes relating to hiring, training, talent management, succession planning and compensation structure of the Directors, KMPs and Senior Management. The Committee also anchored the performance evaluation of the Individual Directors.

Terms of reference of Nomination and Remuneration Committee are:

- Determine the criteria for appointment including qualifications, positive attributes and independence of Director;
- Identify candidates who are qualified to become Directors and who may be appointed in senior management and recommend to the Board their appointment and removal;
- Recommend to the Board policy concerning the remuneration for the Directors, Key Managerial Personnel and other employees;
- Evaluate the performance of each Director and performance of the Board as a whole;
- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

As on 31st March, 2022, the total strength of the NRC is 5 members. All of them are Non-Executive Directors of the Company out of which, 4 members are Independent Directors. The Listing Regulations require fifty percent of the members to be Independent Directors and the Company has complied with the same. Ms. Shweta Jalan ceased to be a member w.e.f. 23rd July, 2021.

There were six (6) Nomination and Remuneration Committee Meetings held during 2021-22.

The Managing Director, Executive Director & Chief Executive Officer and Chief Financial Officer also attended the meetings.

The Vice President - Human Resources also attends the meetings wherever required for discussion of certain items.

The Company Secretary of the Company acts as the Secretary of the Committee.

Table 6 given below gives the attendance record of the Members of the Nomination and Remuneration Committee:

TABLE 6

Nomination and Remuneration Committee Meetings

Name	Designation	21st May, 2021	31st May, 2021	24th June 2021	22nd October, 2021	17th January, 2022	27th January, 2022
Mr. P. M. Murty	Chairman	✓	✓	✓	✓	✓	✓
Mr. D. Sundaram	Member	✓	✓	✓	✓	✓	✓
Mr. H. M. Nerurkar	Member	✓	✓	✓	✓	✓	✓
Mr. Promeet Ghosh	Member	✓	✓	✓	✓	✓	✓
Ms. Smita Anand	Member	✓	✓	✓	✓	✓	✓
Ms. Shweta Jalan*	Member	✓	×	✓	NA	NA	NA

**Ceased to be a member w.e.f. 23rd July, 2021.*

Performance Evaluation Criteria for Independent Directors

Performance Evaluation Criteria for Directors including Independent Directors is explained under Board Evaluation section of the Board Report.

3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company and in the areas of CSR.

Terms of reference of CSR Committee are:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Act;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company under the CSR Policy;
- To monitor the CSR policy of the Company from time to time;
- Adhere to the applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications, amendments or re-enactments thereto for the time being in force);
- Carrying out any other function contained in the Companies Act, 2013, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

The total strength of the CSR Committee is 5 members. The Act requires at least one of the members to be Independent Director and the Company has complied with the same. Ms. Shweta Jalan ceased to be a member w.e.f. 23rd July, 2021.

There were two (2) Corporate Social Responsibility Committee Meetings held during financial year 2021-22.

The Executive Director & Chief Executive Officer and Chief Financial Officer also attended the meeting(s).

The Company Secretary of the Company acts as the Secretary of the Committee.

Table 7 given below gives the attendance record of the Members of the Corporate Social Responsibility Committee.

TABLE 7
Corporate Social Responsibility Committee Meetings

Name	Designation	20th May, 2021	28th March, 2022
Mr. Shantanu Khosla	Chairman	✓	✓
Mr. H. M. Nerurkar	Member	✓	×
Mr. D. Sundaram	Member	✓	✓
Mr. Promeet Ghosh	Member	✓	✓
Ms. Smita Anand	Member	✓	×
Ms. Shweta Jalan*	Member	✓	NA

**Ceased as a member w.e.f. 23rd July, 2021.*

4. STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE (SRC) :

The SRC oversees the various aspects of interests of security holders of the Company. The Committee also monitors the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when the need arises.

Terms of reference for Stakeholders' Relationship and Share Transfer Committee are:

- Resolving the grievances of security holders of the Company including Investors' complaints;
- Approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal etc.;
- Redress the complaints regarding non-receipt of declared dividends, balance sheets of the Company, etc.;
- Carrying out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time; and
- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

There was one (1) Stakeholders' Relationship and Share Transfer Committee Meeting held during the financial year 2021-22. Mr. H. M. Nerurkar, a Non-Executive Independent Director of the Company is the Chairman of Stakeholders' Relationship and Share Transfer Committee. Mr. Sahil Dalal ceased to be a member w.e.f. 23rd July, 2021.

The Executive Director & Chief Executive Officer and Chief Financial Officer also attended the meeting.

The Company Secretary of the Company acts as the Secretary of the Committee.

Table 8 given below gives the attendance record of the Members of the Stakeholders' Relationship and Share Transfer Committee:

TABLE 8
Stakeholders' Relationship & Share Transfer Committee Meetings

Name	Designation	21st September, 2021
Mr. H. M. Nerurkar	Chairman	Yes
Mr. D. Sundaram	Member	Yes
Mr. Shantanu Khosla	Member	Yes
Mr. Sahil Dalal*	Member	NA

**Ceased as a member w.e.f. 23rd July, 2021.*

The status of investor grievance redressal is updated to the Committee and the Board periodically.

For any grievances/complaints, shareholders may contact the RTA, KFin Technologies Limited. For any escalations, shareholders may write to Ms. Pragya Kaul, Company Secretary & Compliance Officer, at crompton.investorrelations@crompton.co.in.

During the year, 1 complaint was received from the shareholders, which has been attended/resolved to the satisfaction of the shareholder.

The details of the complaints are:

Sr. No.	Complaints Received	No. of Complaints
1.	Non-receipt of Annual Report	0
2.	Non-receipt of Securities	0
3.	Non-receipt of Dividend Warrants	0
4.	Escalation to SEBI	1
5.	Escalation to Stock Exchange	0
	Total	**1**

Communications sent to shareholders

Your Company had sent following communications to its shareholders:

Month	Purpose	No. of Shareh] olders
January 2022	Communication to shareholders holding shares in physical form regarding furnishing of PAN, KYC details and Nomination in reference to SEBI Circular dated 3rd November, 2021	6,077
March 2022	Communication to shareholders whose dividends are unpaid/ unclaimed to claim dividend	8,939

Stakeholders' Relationship and Share Transfer Committee report for the year ended 31st March, 2022

Activities of the Committee during the year	Frequency
Monitored and reviewed the Company's performance in dealing with stakeholder grievances	Periodically
Reviewed various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/notices by the shareholders of the Company	Periodically
Reviewed the annual audit report submitted by the independent auditors on the annual internal audit conducted on the RTA operations as mandated by SEBI including the mechanism of investor grievance redressal, compliances stipulated by SEBI and other matters concerning the functioning of the RTA	Annually
Periodically provided updates to the Board	Periodically
Reviewed the measures taken for effective exercise of voting rights by shareholders	Periodically
Reviewed the adherence to the service standards and security assessment adopted in respect of various services being rendered by the Registrar & Share Transfer Agent	Periodically
The Committee undertook an annual performance evaluation of its own effectiveness	Annually

5. RISK MANAGEMENT COMMITTEE:

The responsibility of the Risk Management Committee is to monitor and review risk management plans of the Company including cyber security.

The terms of reference of Risk Management Committee is to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of risks including risks related to cyber security.

The Committee has the overall responsibility for monitoring and approving the risk management framework and associated practices of the Company.

The Risk Management Committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures.

Mr. P. R. Ramesh was appointed as member on 31st May, 2021 and Ms. Shweta Jalan ceased to be a member w.e.f. 23rd July, 2021.

There were two (2) Risk Management Committee Meetings held during financial year 2021-22.

The Managing Director, Executive Director & Chief Executive Officer, Chief Financial Officer, Vice President - Finance and Head Audit - Risk & Control also attended the meetings.

The Company Secretary of the Company acts as the Secretary of the Committee.

Table 9 given below gives the attendance record of the Members of the Risk Management Committee:

TABLE 9
Risk Management Committee Meetings

Name	Designation	21st September, 2021	4th March, 2022
Mr. D. Sundaram	Chairman	✓	✓
Mr. H. M. Nerurkar	Member	✓	✓
Mr. P. M. Murty	Member	✓	✓
Mr. P. R. Ramesh#	Member	✓	✓
Ms. Shweta Jalan*	Member	NA	NA

#Appointed as a member w.e.f. 31st May, 2021.

**Ceased as a member w.e.f. 23rd July, 2021.*

6. STRATEGIC INVESTMENT COMMITTEE:

The Board of Directors of the Company constituted the Strategic Investment Committee for evaluation and assessment of Strategic Investment opportunities feasible for the Company and to make recommendations to the Board of Directors on such strategic investment/ disinvestment opportunities.

There was one (1) Strategic Investment Committee Meeting held during financial year 2021-22.

Table 10 given below gives the attendance record of the Members of the Strategic Investment Committee:

TABLE 10
Strategic Investment Committee

Name	Designation	07th July, 2021
Mr. H. M. Nerurkar	Chairman	✓
Mr. D. Sundaram	Member	✓
Mr. P. M. Murty	Member	✓
Mr. Shantanu Khosla	Member	✓
Ms. Smita Anand	Member	✓
Mr. Mathew Job	Member	✓

7. ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) COMMITTEE:

The Board of Directors of the Company constituted the Environment, Social and Governance (ESG) Committee on 21st May, 2021 with the objective of supporting its ongoing commitment to environment, health and safety, social responsibility, governance, and sustainability matters.

The ESG Committee will assist the Senior Leadership Team of the Company in -

- setting general strategy relating to ESG matters,
- developing, implementing, and monitoring initiatives and policies based on that strategy,
- overseeing communications with employees, investors and stakeholders with respect to ESG matters,
- monitoring and assessing developments relating to, and improving the Company's understanding of ESG matters, and
- efficient and timely disclosure of ESG matters to internal and external stakeholders.

Mr. Sahil Dalal ceased to be a member w.e.f. 23rd July, 2021.

There were two (2) ESG Committee Meetings held during financial year 2021-22.

Table 11 given below gives the attendance record of the Members of the ESG Committee:

TABLE 11

Name	Designation	25th August, 2021	10th February, 2022
Mr. Promeet Ghosh	Chairman	✓	✓
Mr. P. M. Murty	Member	✓	✓
Mr. Mathew Job	Member	✓	✓
Mr. Sahil Dalal*	Member	NA	NA

*Ceased as a member w.e.f. 23rd July, 2021.

8. ALLOTMENT COMMITTEE:

The Board of Directors of the Company constituted the Allotment Committee for allotment of shares arising out of the exercise of stock options by Eligible Employees under ESOP Schemes of the Company.

The members of Allotment Committee are Mr. H. M. Nerurkar (Independent Director) and Mr. P. M. Murty (Independent Director).

During the year, the Allotment Committee has approved allotment of 57,14,606 shares arising out of the exercise of stock options by Eligible Employees.

9. COMMITTEE OF DEBENTURES:

The Board of Directors of the Company constituted the Committee of Debentures for issue and allotment of Non-Convertible Debentures and for approval of matters connected thereto.

The Members of Committee of Debentures are Mr. Shantanu Khosla (Managing Director) and Mr. D. Sundaram (Independent Director).

10. COMMITTEE OF COMMERCIAL PAPER:

The Board of Directors of the Company constituted the Committee of Commercial Paper on 9th March, 2022, for issue and allotment of Commercial Papers and for approval of matters connected thereto.

The members of Committee of Commercial Paper are Mr. Shantanu Khosla (Managing Director), Mr. Mathew Job (Executive Director & Chief Executive Officer) and Mr. P. R. Ramesh (Independent Director).

During the year, the Committee of Commercial Paper approved allotment of 24,000 Rated, Listed, Commercial Paper of a face value of ₹ 5,00,000/- each aggregating to ₹ 1,200 crore.

CONFIRMATION BY THE BOARD OF DIRECTORS - ACCEPTANCE OF RECOMMENDATION OF MANDATORY COMMITTEES

In terms of the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

INSIDER TRADING

Your Company has issued comprehensive guidelines in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, in this regard, which advise and caution the Directors, in dealing with the securities of the Company. The Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons framed by the Company helps in ensuring compliance with these requirements and the same is also available on the website of the Company at https://www.crompton.co.in/wp-content/uploads/2021/05/CODE-OF-CONUCT-TO-REGULATE-MONITOR-AND-REPORT-TRADING-BY-DESIGNATED-PERSONS-2021.pdf

KEY BOARD SKILLS, EXPERTISE, COMPETENCE OF THE BOARD OF DIRECTORS

The Board comprises distinguished, qualified and experienced members who bring in the requisite skills, expertise and competence that allows them to make a valuable contribution to the Board and its Committees.

Table 12 below summarises the key skills, expertise and competence required for the Company and is taken into consideration while nominating candidates to serve on the Board.

TABLE 12

Skills Identified	Definition
Experience and Industry Knowledge	Industry experience through detailed knowledge of the Company or the sector in which it operates, as well as those who understand the broader industry environment.
Financial	Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes.
Gender, Nationality or other Diversity	Representation of gender, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of customers, partners, employees, governments and other stakeholders.
Leadership	Extended leadership experience resulting in a practical understanding of organisations, processes, strategic planning, and risk management.
Talent Development	Experience in Leadership Development and ensuring an ongoing process exists which continuously enhances the knowledge and capability of key talent to enable these managers to effectively lead the organisation in achieving key strategic initiatives.
Mentoring Ability	Demonstrated strengths in developing talent, succession planning, and driving change and long-term growth.

Skills Identified	Definition
Technology	A significant background in technology, resulting in knowledge as to how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
Mergers and Acquisitions	A history of leading growth through acquisitions and other business combinations, with the ability to assess “make or buy” decisions, analyse the fit of a target with the Company’s strategy and culture, accurately value transactions, and evaluate operational integration plans.
Board Service and Governance	Service on a public listed Company Board to develop insights about maintaining Board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand competitiveness, awareness and equity, and build a strong Corporate reputation.
Compliance and Risk	Experience and background in regulatory affairs and regulatory policies, procedures and risk management.

In the table below, the key skills, expertise and competence of the Board of Directors in the context of the Company’s business for effective functioning and as available with the Board have been highlighted.

Name of Director	Mr. H. M. Nerurkar	Mr. Shantanu Khosla	Mr. Mathew Job	Mr. D. Sundaram	Mr. P. M. Murty	Ms. Smita Anand	Mr. P. R. Ramesh	Ms. Hiroo Mirchandani	Mr. Promeet Ghosh
Experience and Industry Knowledge	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial	✓	✓	✓	✓	✓		✓	✓	✓
Gender, Nationality or other Diversity	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓
Talent Development	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mentoring Ability	✓	✓	✓	✓	✓	✓	✓	✓	✓
Technology	✓	✓	✓	✓	✓	✓	✓		✓
Mergers and Acquisitions	✓	✓	✓	✓	✓	✓	✓	✓	✓
Board Service and Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sales and Marketing	✓	✓	✓		✓	✓		✓	
Compliance and Risk	✓	✓	✓	✓	✓	✓	✓	✓	✓

The absence of a mark against a Board Member’s name does not necessarily mean the Director does not possess the corresponding skill, expertise or competence.

INFORMATION ON GENERAL BODY MEETINGS:

The details of the Annual and Extra Ordinary General Meeting(s) held during the last three years are as follows:

TABLE 13
Information on General Body Meetings

Sr. No.	Event	Date, Time & Venue	Resolution	No. of Resolutions Passed	Purpose
1.	5th Annual General Meeting	24th July, 2019 at 3.00 p.m. at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai - 400 020	Ordinary	5	1. Adoption of Financial Statements; 2. Declaration of Dividend; 3. Appointment of Mr. Sahil Dalal as Director liable to retire by rotation; 4. Appointment of Ms. Smita Anand as an Independent Director; and 5. Ratification of the remuneration payable to M/s. Ashwin Solanki and Associates, Cost Auditors of the Company.
2.	6th Annual General Meeting	24th July, 2020 at 3.00 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	Ordinary	3	1. Adoption of Financial Statements; 2. Appointment of Mr. Promeet Ghosh as Director liable to retire by rotation; 3. Ratification of the remuneration payable to M/s. Ashwin Solanki and Associates, Cost Auditors of the Company;
			Special	4	4. Re-appointment of Mr. Shantanu Khosla (DIN:00059877) as the Managing Director; 5. Re-appointment of Mr. P. M. Murty (DIN:00011179) as an Independent Director; 6. Re-appointment of Mr. D. Sundaram (DIN:00016304) as an Independent Director; and 7. Re-appointment of Mr. H. M. Nerurkar (DIN: 00265887) as an Independent Director.

Sr. No.	Event	Date, Time & Venue	Resolution	No. of Resolutions Passed	Purpose
3.	7th Annual General Meeting*	23rd July, 2021 at 3.00 p.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	Ordinary	7	1. Adoption of financial statements; 2. Confirmation of the Interim Dividend and Declaration of Final Dividend; 3. Appointment of Mr. Shantanu Khosla (DIN: 00059877) as a Director liable to retire by rotation; 4. Retirement of Ms. Shweta Jalan (DIN: 00291675) who retires by rotation at the conclusion of this meeting but does not seek re-appointment; 5. Remuneration to all Directors in the event of exercise of ESOPs by Mr. Shantanu Khosla (DIN:00059877), Managing Director and Mr. Mathew Job (DIN: 02922413), Executive Director and Chief Executive Officer; 6. Appointment of Mr. P.R. Ramesh (DIN: 01915274) as an Independent Director; 7. Ratification of remuneration payable to M/s. Ashwin Solanki & Associates, Cost Auditors of the Company
			Special	2	8. Managerial remuneration of Mr. Shantanu Khosla (DIN:00059877), Managing Director, in the event of exercise of ESOPs; 9. Managerial remuneration of Mr. Mathew Job (DIN: 02922413), Executive Director and Chief Executive Officer, in the event of exercise of ESOPs;
4.	Extra-Ordinary General Meeting	27th August, 2021 at 11.00 a.m. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	Ordinary	1	1. Appointment of M/s MSKA & Associates, Chartered Accountants, (Firm Registration No. 105047W) as Statutory Auditors of the Company and to fix their remuneration

*On 14th July, 2021, M/s Sharp & Tannan, Chartered Accountants, withdrew their consent to be re-appointed as Statutory Auditors of the Company at the 7th AGM, pursuant to which the item for their re-appointment was withdrawn from the Notice of the 7th AGM.

No Special Resolution(s) were passed at the 5th Annual General Meeting. 4 Special Resolution(s) were passed at the 6th Annual General Meeting and 2 Special Resolution(s) were passed at the 7th Annual General Meeting.

POSTAL BALLOT:

During the year 2021-22, under Section 110 of the Companies Act, 2013 read with Companies Management and Administration Rules, 2014, the Company passed the following Resolutions by postal ballot:

Postal Ballot No. 1:

Date of Postal Ballot Notice: 23rd March, 2021

Voting Period: 3rd April, 2021 to 2nd May, 2021

Date of Declaration of Result: 3rd May, 2021

Date of Approval: 2nd May, 2021

Sr. No.	Resolution	Votes cast in favour of the Resolution		Votes cast against the Resolution		Invalid Votes
		No.	%	No.	%	No.
1.	Ordinary Resolution - To approve appointment of Mr. Mathew Job (DIN: 02922413) as Director of the Company	46,52,76,771	99.56	20,35,689	0.44	NA
2.	Special Resolution - To approve appointment of Mr. Mathew Job (DIN: 02922413) as Executive Director & Chief Executive Officer of the Company for a period of 5 (five) years w.e.f. 22nd January, 2021 to 21st January, 2026	47,66,49,383	99.97	1,27,599	0.03	NA

M/s. Makarand M. Joshi & Co. (FCS 5533), Practicing Company Secretaries was appointed as the scrutiniser for carrying out the postal ballot process in a fair and transparent manner.

Postal Ballot No. 2

Date of Postal Ballot Notice: 10th December, 2021

Voting Period: 14th December, 2021 to 12th January, 2022

Date of Declaration of Result: 13th January, 2022

Date of Approval: 12th January, 2022

Sr. No.	Resolution	Votes cast in favour of the Resolution		Votes cast against the Resolution		Invalid Votes
		No.	%	No.	%	No.
1.	Special Resolution - Increase in the limits applicable for extending loans, making investments and providing guarantee(s) or security under Section 186 of the Companies Act, 2013	37,72,42,846	75.30	12,37,48,498	24.70	NA

M/s. Makarand M. Joshi & Co. (FCS 5533), Practicing Company Secretaries was appointed as the scrutiniser for carrying out the postal ballot process in a fair and transparent manner.

Postal Ballot No. 3

Date of Postal Ballot Notice: 15th February, 2022

Voting Period: 23rd February, 2022 to 24th March, 2022

Date of Declaration of Result: 25th March, 2022

Date of Approval: 24th March, 2022

Sr. No.	Resolution	Votes cast in favour of the Resolution		Votes cast against the Resolution		Invalid Votes
		No.	%	No.	%	No.
1.	Special Resolution - Appointment of Ms. Hiroo Mirchandani (DIN: 06992518) as an Independent Director	50,58,64,949	99.83	8,80,759	0.17	NA

M/s. Makarand M. Joshi & Co. (FCS 5533), Practicing Company Secretaries was appointed as the scrutiniser for carrying out the postal ballot process in a fair and transparent manner.

As per provisions of Section 110(1)(a) of the Companies Act, 2013 read with Rule 22(16) of the Companies (Management and Administration) Rules, 2013, no special resolutions are proposed to be conducted through postal ballot at the ensuing 8th Annual General Meeting.

PROCEDURE FOR POSTAL BALLOT:

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the related rules, General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No.22/2020 dated 15th June, 2020, General Circular No. 33/2020 dated 28th September, 2020, General Circular No. 39/2020 dated 31st December, 2020, General Circular No. 10/2021 dated 23rd June, 2021 and General Circular No. 20/2021 dated 8th December, 2021 (the "MCA Circulars") respectively issued by the Ministry of Corporate Affairs (MCA), the Company provided electronic voting (e-voting) facility to all its Members.

Further, pursuant to the MCA Circulars, the Company had also published a public notice in the newspaper for all the shareholders to update their email addresses and mobile numbers with the depositories prior to the circulation of postal ballot notice.

The Notice of Postal Ballot was sent in electronic mode only to all those Members who had registered their e-mail addresses with the Company or Depository Participant/Depository/KFin Technologies Private Limited. Further, the Members had the option to vote only through remote e-voting and voting through physical ballot papers was not provided.

The Company had also published a notice in the newspaper declaring the details and requirements for postal ballot as mandated by the Act and applicable rules post circulation of postal ballot notice to all the shareholders.

Voting right was reckoned on the paid-up value of shares registered in the name of the member as on the cut-off date.

The scrutiniser completed their scrutiny and submitted the report to the Chairman/Managing Director, and the consolidated results of the voting were announced by the Chairman/Authorised Officer.

The results were also displayed on the Company's website www.crompton.co.in besides being communicated to the Stock Exchanges, Depositories and Registrar and Share Transfer Agent.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This is given as a separate Chapter in the Annual Report.

COMPLIANCE WITH MANDATORY REQUIREMENTS

Your Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the Listing Regulations.

MEANS OF COMMUNICATON:

WEBSITE, NEWS & EVENTS

i. A separate dedicated section under 'Investors' at www.crompton.co.in/investors/corporate-governance/ gives information on applicable policies including policy on dealing with related-party transactions which is at https://www.crompton.co.in/media/Materiality-Policy.pdf, along with news and events held during the year of the Company.

ii. A separate dedicated section under 'Investors' section on the Company's website at www.crompton.co.in/investors/corporate-governance/ gives information on policy for determining material subsidiary at https://www.crompton.co.in/media/Policy-on-Material-Subsidiary.pdf.

iii. The quarterly, half-yearly and yearly results (unaudited or audited, as the case may be) prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the Listing Regulations read with Circular Ref No. CIR/CFD/FAC/62/2016 dated 5th July, 2016 issued by SEBI are sent to the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited. The results are normally published in "Financial Express" (English Daily) and "Loksatta" (Marathi Daily) within 48 hours of the conclusion of the meeting of the Board in which they are approved. The results are displayed on the Company's website https://www.crompton.co.in/investors/newspaper-publications/. Press Releases are also issued, which are also displayed on the Company's website in a separate section.

iv. The required disclosures were made to the Stock Exchanges and were uploaded on the website of the Company.

v. Any presentations made to the institutional investors and/or analysts are also posted on the Company's website and also submitted to the stock exchanges where the securities of the Company are listed.

vi. SEBI processes investor complaints in a centralised web-based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge a complaint against the Company for redressal of his grievance. The Company uploads the action taken report on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

COMPLIANCE WITH NON-MANDATORY PROVISIONS

The status concerning compliance by your Company with discretionary requirements as listed out in Part E of Schedule II of Listing Regulations is as under:

- The position of the Chairman of the Board of Directors and that of the Managing Director and the Chief Executive Officer are separate.
- The audit report on the Company's Financial Statements for the year ended 31st March, 2022 is unmodified.
- The Internal Auditors report directly to the Audit Committee.
- Your Company follows a robust process of communicating with the shareholders which have been elaborated in the Report under the heading "Means of Communication".

GENERAL SHAREHOLDER INFORMATION

8th ANNUAL GENERAL MEETING

Date & Day	: Friday, 22nd July, 2022
Time	: 3:00 P.M.
Venue	: Through video conferencing/other audio-visual means (Deemed venue - Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai 400070).

FINANCIAL YEAR

The financial year of the Company is from 1st April to 31st March.

FINANCIAL CALENDAR

First Quarter Results

End July/First fortnight of August

Second Quarter Results

End October/First fortnight of November

Third Quarter Results

End January/First fortnight of February

Last Quarter Results and Annual Audited Results

April/May

DATES OF BOOK CLOSURE AND DIVIDEND PAYMENT DATE:

Record date shall be Friday, 8th July, 2022 and Book Closure for Dividend will be from Saturday, 9th July, 2022 to Friday, 22nd July, 2022 both days inclusive and the Dividend would be paid/dispatched on or after Monday, 25th July, 2022 but within a period of 30 days from the date of the Annual General Meeting.

SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of Listing Regulations, as amended, securities can be transferred only in dematerialised form w.e.f. 1st April, 2019, except in case of request received for transmission or transposition of securities. All share transfers and other share-related issues are approved by Stakeholders' Relationship and Share Transfer Committee duly constituted for this purpose and processed by the Registrar and Share Transfer Agent of the Company. Share transfer is normally affected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted. During 2021-22, no request was received for transfer of shares in physical form.

Pursuant to SEBI circular dated 25th January, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

DEMATERIALISATION OF SHARES

As on 31st March, 2022, 99.43% of the total shares of your Company representing 62,98,19,059 were in dematerialised form, compared with 99.40% as on 31st March, 2021.

STOCK CODES:

BSE Ltd. - 539876
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001.

National Stock Exchange of India Ltd. - CROMPTON
Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

ISIN - INE299U01018 (NSDL & CDSL)

Corporate Identification Number -
L31900MH2015PLC262254

Your Company has paid the Listing fees for both the Stock Exchanges for 2021-22 and 2022-23 for Equity Shares and to the National Stock Exchange of India Ltd. for NCDs and CPs.

PLANT LOCATIONS

Sr. No.	State	City	Address
1.	Goa	Kundaim	Plot No. 214-A, Kundaim Industrial Estate, Kundaim, Goa - 403 115, India
2.	Goa	Bethora	Plot No. 1, Goa IDC Industrial Estate, Bethora, Panda, Goa - 403 409, India
3.	Gujarat	Vadodara	Padra Jambusar Highway, Village Kural, Taluka Padra, District Vadodara, Gujarat - 391430, India
4.	Maharashtra	Ahmednagar	C-19, MIDC, Ahmednagar, Maharashtra - 414 111, India
5.	Maharashtra	Ahmednagar	A-28, MIDC, Ahmednagar, Maharashtra - 414 111, India
6.	Himachal Pradesh	Baddi	Baddi (Unit I) Plot No. 81, HPSIDC, Industrial Area Baddi, District Solan, Himachal Pradesh - 173 205, India
7.	Himachal Pradesh	Baddi	Baddi (Unit II) Plot No. 148,149,150,157, 158 and 159, HPSIDC, Industrial Area, Baddi, District Solan, Himachal Pradesh - 173 205, India
8.	Himachal Pradesh	Baddi	Baddi (Unit III) Village Thana, Tehsil Baddi, District Solan, Himachal Pradesh - 173 205, India

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

Your Company actively monitors the foreign exchange movements and takes forward/options covers as appropriate to reduce the risks associated with transactions in foreign currencies.

Your Company also undertakes short-term commodity hedging activities to prevent future adverse price movement.

UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT

During the financial year, the Company did not raise any funds through preferential allotment or qualified institutions placement.

NON-CONVERTIBLE DEBENTURES (NCDs) AND CREDIT RATING

Your Company has NCDs amounting to ₹ 150 crore as on 31st March, 2022, which are listed on the National Stock Exchange of India Ltd. The details of the Non-Convertible Debentures of are as follows:

Particulars	Series B
Date of Allotment	29th May, 2020
Repayment	3rd Year
Year of Repayment	May 2023
Embedded option, if any	Call Option on expiry of 24th month from the Date of Allotment
Coupon Rate	7.25%
Face Value	₹ 10,00,000 per NCD
Rating at the time of issue	CRISIL AA+/Stable
Rating at the end of 31st March, 2021	CRISIL AA+/Stable
Rating at the end of 31st March, 2022	CRISIL AA+/Stable

The debenture trustees of the Company are IDBI Trusteeship Services Limited. Their contact details are Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400001.

Details of redemption

- Series C Non-Convertible Debentures (NCDs), issued in June 2016, amounting to ₹ 180 crore were redeemed on 24th June, 2021.
- Series A Non-Convertible Debentures (NCDs), issued in May 2020, amounting to ₹ 150 crore were redeemed on 29th November, 2021 pursuant to exercise of call option.
- Series B Non-Convertible Debentures (NCDs), issued in May 2020, amounting to ₹ 150 crore shall be redeemed on 27th May, 2022 pursuant to exercise of call option.

COMMERCIAL PAPERS (CPs)

For the purpose of financing the acquisition of Butterfly Gandhimathi Appliances Limited, the Company issued CPs which are listed on the National Stock Exchange of India Ltd. The details of the CPs are as follows:

Particulars	Tranche 1	Tranche 2
Date of Allotment	17th March, 2022	
Tenure	180 days	364 days
Discount Rate	1.0239	1.0548
Issue Size	₹ 600 crore	₹ 600 crore
Face Value	₹ 5,00,000.00 per CP	
Rating at the time of issue	CRISIL A1+ rating	
Date of Redemption	13th September, 2022	16th March, 2023
ISIN No.	INE299U14029	INE299U14011

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

Certificate, as required under Part C of Schedule V of Listing Regulations, received from M/s. Pradeep Purwar & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified for the financial year ending on 31st March, 2022 from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on 27th May, 2022 and is enclosed with this Report as Annexure A.

STATUTORY AUDITOR AND AUDIT FEES

On 14th July, 2021, M/s Sharp & Tannan, Chartered Accountants, withdrew their consent to be re-appointed as Statutory Auditors of the Company at the 7th AGM. As per Section 139(10) of the Companies Act, 2013, they continued as Statutory Auditors until the appointment of the new auditors.

M/s MSKA & Associates, Chartered Accountants, were appointed as the Statutory Auditors of your Company at the Extra-Ordinary General Meeting held on 27th August, 2021 for conducting audit of five years, till the conclusion of the Twelfth Annual General Meeting.

The details of the total fees for all services paid by the Company to the Statutory Auditors are as follows:

(₹ in crore)

Type of Service	Financial Year 2021-22*	Financial Year 2020-21*
Audit Fees*	0.53	0.42
Tax Audit Fees	0.10	0.08
Others	0.39	0.34
Total	**1.02**	**0.84**

** Includes Audit and Audit-related services on a consolidated basis.*

The Audit Fees paid to the auditors for the financial year ended 31st March, 2022 is covered separately in the Notes to Accounts.

DISCLOSURE UNDER SEXUAL HARASSMENT

Your Company has constituted Internal Complaints Committee (ICC) to consider and resolve all sexual harassment complaints. The constitution of ICC is as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Committee includes an external member who is an independent POSH consultant with relevant experience.

The details of sexual harassment complaints for the year ended 31st March, 2022 are furnished as under:

Particulars	No. of Complaints
Number of complaints filed during the financial year	1
Number of complaints disposed of during the financial year	1
Number of complaints pending as on the end of the financial year	0

REGISTRAR AND TRANSFER AGENT AND ADDRESS FOR CORRESPONDENCE

For any queries relating to the securities of the Company, correspondence may please be addressed to KFin Technologies Private Limited at:

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

Telephone	:	1800 309 4001
Email	:	einward.ris@kfintech.com
Website	:	www.kfintech.com
Contact Person	:	Ms. Krishna Priya
Designation	:	Senior Manager - Corporate Registry
SEBI Registration	:	INR000000221

For the benefit of shareholders, documents will continue to be accepted at the Registered and Corporate Office of the Company at: Crompton Greaves Consumer Electricals Limited.

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

Telephone : +91 22-61678499

Fax : +91 22-61678383

Email : crompton.investorrelations@crompton.co.in

Website : www.crompton.co.in

Shareholders are requested to quote their Folio No./DP ID & Client ID, E-mail address, if any, telephone number and full address while corresponding with the Company and its RTA.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2022

Sr. No.	Number of Shares held	Number of Shareholders	Number of Shares held	% of Shareholding
1	1 - 5000	1,71,568	2,88,98,781	4.56
2	5001 - 10000	2,306	81,11,284	1.28
3	10001 - 20000	1,191	83,81,623	1.32
4	20001 - 30000	361	43,97,603	0.69
5	30001 - 40000	169	29,34,669	0.46
6	40001 - 50000	120	27,16,956	0.43
7	50001 - 100000	156	56,55,250	0.89
8	100001 and above	468	57,23,09,793	90.35
	TOTAL	**1,76,339**	**63,34,05,959**	**100.00**

CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2022

Sr. No.	Category	No. of Shares of ₹ 2 each	% of Shareholding
1	Foreign Promoter Bodies Corporates*	3,76,12,367	5.94
2	Foreign Portfolio Corporates	24,06,03,505	37.99
3	Mutual Funds	20,32,19,202	32.08
4	Qualified Institutional Buyer	6,70,13,532	10.58
5	Resident Individuals	5,44,59,565	8.60
6	Alternative Investment Fund	1,05,56,258	1.67
7	Bodies Corporates	94,33,676	1.49
8	Employees	37,15,382	0.59
9	Non Resident Indian Non Repatriable	31,84,180	0.50
10	Non Resident Indians	16,18,747	0.26
11	HUF	10,63,870	0.17
12	Indian Financial Institutions	2,60,000	0.04
13	Clearing Members	2,24,340	0.04
14	Trusts	1,40,255	0.02
15	Foreign Institutional Investors	1,20,139	0.02
16	Nationalised Banks	85,783	0.01
17	Overseas Corporate Bodies	61,600	0.01
18	Banks	25,521	0.00
19	NBFC	5,313	0.00
20	Beneficial Holdings Under MGT-4	1,916	0.00
21	Foreign Nationals	808	0.00
	TOTAL	**63,34,05,959**	**100.00**

Notes:

**The Inter-se Agreement dated 23rd April, 2015 between MacRitchie Investments Pte. Ltd., Amalfiaco Limited and Nirsinia Limited ("Inter-Se Agreement") has since been terminated in accordance with its terms. MacRitchie Investments Pte. Ltd. does not have control rights and will not be exercising control over your Company.*

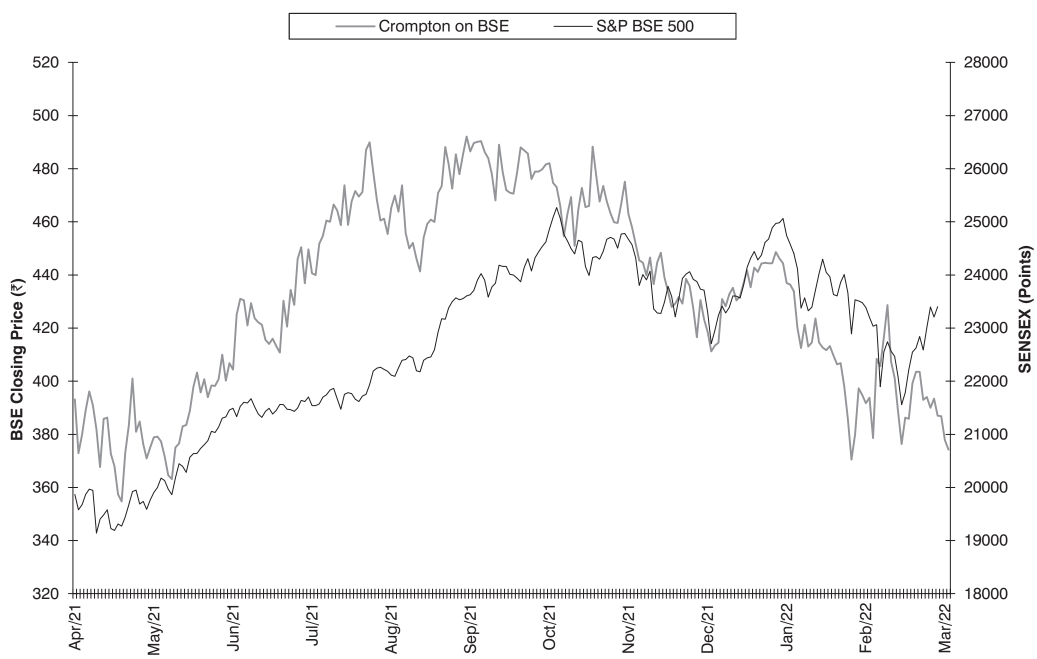
MARKET PRICE DATA

The details of monthly high/low market price of the Equity Shares of the Company at BSE Ltd. and at the National Stock Exchange of India Ltd. for the year under review is provided hereunder :

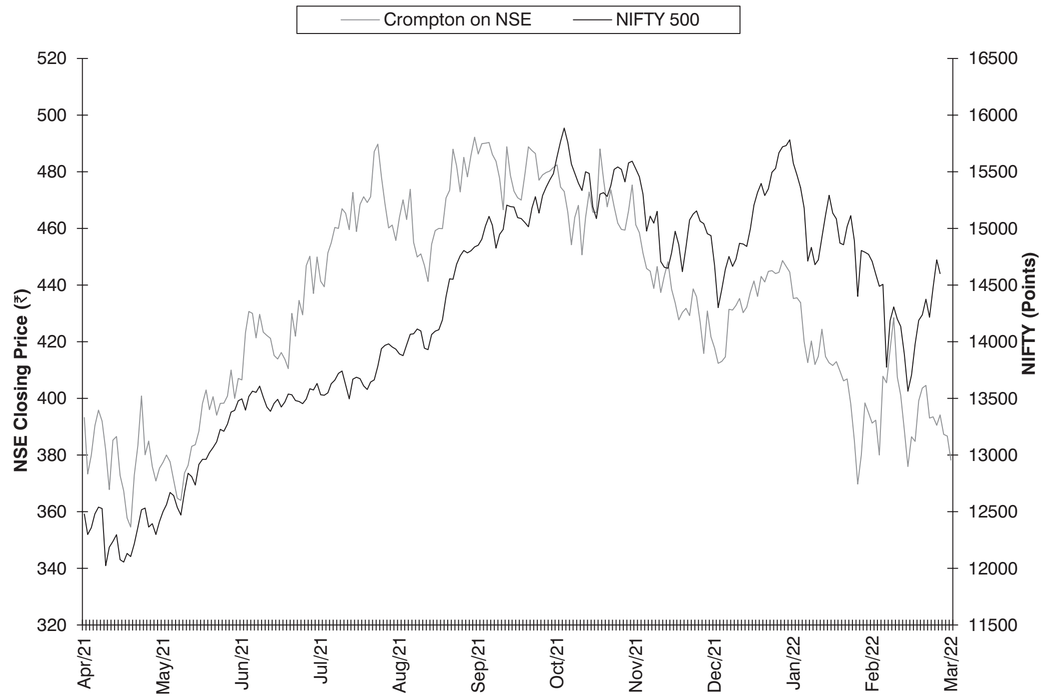
Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	High Face Value ₹ 2	Low Face Value ₹ 2	Total Turnover (₹ in crore)	High Face Value ₹ 2	Low Face Value ₹ 2	Total Turnover (₹ in crore)
April 2021	407.00	350.35	71.28	408.40	350.35	1,196.28
May 2021	415.75	361.40	45.82	407.00	361.35	1,065.93
June 2021	443.10	397.10	1,435.38	443.50	397.00	1,303.24
July 2021	496.50	425.00	100.56	496.70	426.60	1,922.26
August 2021	498.00	433.00	198.08	498.85	432.70	1,027.99
September 2021	512.05	461.30	92.73	512.80	461.00	1,380.64
October 2021	503.05	435.10	65.65	503.00	435.10	1,645.50
November 2021	493.00	417.45	42.26	493.20	417.20	1,352.18
December 2021	455.15	402.65	40.49	455.25	402.50	1,400.00
January 2022	451.50	397.25	23.57	451.95	397.15	1,164.64
February 2022	430.70	354.45	73.12	430.75	354.40	2,208,82
March 2022	430.70	363.20	42.77	431.45	363.10	1,542.76

STOCK PERFORMANCE VS S&P BSE 500 AND NSE NIFTY 500

The performance of your Company's shares relative to the S&P BSE 500 index is given in the chart below:



The performance of your Company's shares relative to the NSE Nifty 500 Index is given in the chart below:



BREAK-UP OF SHARES IN PHYSICAL AND DEMAT FORM AS ON 31ST MARCH, 2022

Description	No. of Shareholders	Shares	% to Equity
Physical	5,992	35,86,900	0.57
NSDL	74,949	59,30,79,368	93.63
CDSL	95,398	3,67,39,691	5.80
TOTAL	**1,76,339**	**63,34,05,959**	**100.00**

OUTSTANDING GDRs/ADRs/WARRANTS/CONVERTIBLE INSTRUMENTS AS ON 31ST MARCH, 2022

Nil

DETAILS OF CAPITAL MARKET NON-COMPLIANCE, IF ANY

No penalties/strictures were imposed on your Company by the stock exchanges or SEBI or any statutory authority in any matters related to the capital markets since incorporation.

UNCLAIMED SHARES

9,55,925 number of equity shares were lying in the unclaimed suspense account of CG Power and Industrial Solutions Limited (erstwhile Crompton Greaves Limited) at the time of demerger. Pursuant to the Scheme of demerger, equivalent number of equity shares were allotted on 22nd March, 2016.

There were 9,18,657 number of equity shares lying in Unclaimed Suspense Account as unclaimed shares as on 31st March, 2022.

Disclosure in Respect of Equity Shares Transferred in the 'Crompton Greaves Consumer Electricals Limited - Unclaimed Suspense Account' is as under:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2021	4,036	9,26,646
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	20	7,989
Number of shareholders to whom shares were transferred from suspense account during the year	20	7,989
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2022	4,016	9,18,657

The voting rights on these shares in the suspense account shall remain frozen till the rightful owner of such shares claims the shares.

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED-PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF LISTED ENTITY AT LARGE

During the year under review, there are no significant related-party transactions that may have potential conflict with the interests of listed entity at large.

LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED

No Loans and Advances in the nature of loans to firms/companies in which Directors are interested were given during the financial year.

ESTABLISHMENT OF VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The details pertaining to establishment of vigil mechanism and whistle blower policy forms part of the Board Report.

CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER CERTIFICATION

The Executive Director & Chief Executive Officer and Chief Financial Officer's annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations is contained in this Annual Report.

The Executive Director & Chief Executive Officer and Chief Financial Officer also jointly issue a quarterly compliance certificate on financial results and place the same before the Board in terms of Regulation 33(2) of the Listing Regulations.

REPORT ON CORPORATE GOVERNANCE

This Chapter read together with the "Annexure to Corporate Governance" constitutes the Compliance Report on Corporate Governance for 2021-22.

For and on behalf of the Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Place: Mumbai
Date: 27th May, 2022

Annexure to Corporate Governance

Nomination and Remuneration Policy

APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT

Appointment criteria and qualifications

The Committee shall identify and ascertain, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his/her appointment.

The Company shall not appoint or continue the employment of any person as Whole-Time Director or Manager other than the Managing Director who has attained the age of sixty years.

A whole-time KMP of the Company shall not hold office in more than one Company except in its subsidiary Company at the same time. However, a whole-time KMP can be appointed as a Director in any Company, with the permission of the Board of Directors of the Company.

A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director, which shall be determined as follows:

- The limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;

- For the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

Term/Tenure

Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

The Executive Directors shall not be appointed as Non-Executive Directors after retirement.

Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for five years or more in the Company as on 1st April, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of five years only.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed Company.

Removal

Due to reasons for any disqualification mentioned in the Act and rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The retirement age for the Executive Directors shall be 60 years.

The Managing Director will retire at the end of two (2) terms of maximum five (5) years each or when he attains the age of 65 whichever happens earlier, provided that in the case of the incumbent Mr. Shantanu Khosla, retirement will be at the end of the present (second) term.

The Key Managerial Personnel ("KMP") and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Executive Directors, KMP and senior management personnel in the same position/remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

All the Non-Executive Directors including Independent Directors and the Chairperson of the Company shall retire at the age of 75 years.

REMUNERATION FOR DIRECTORS, KMPs AND SENIOR MANAGEMENT

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.

2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.

4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

5. The remuneration to KMPs shall be decided and recommended by the NR Committee and approved by the Board of Directors.

6. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

7. The remuneration payable to each Non-Executive Director(s) is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.

8. The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

9. The Independent Directors shall not be entitled to any stock option of the Company.

For and on behalf of the Board of Directors

H.M. Nerurkar

Place: Mumbai — Chairman

Date: 27th May, 2022 — DIN: 00265887

Annexure A

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members,
Crompton Greaves Consumer Electricals Limited
Tower 3, 1st Floor, East Wing,
Equinox Business Park, LBS Marg,
Kurla (West), Mumbai - 400 070

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Crompton Greaves Consumer Electricals Limited having CIN - L31900MH2015PLC262254 and having registered office at Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400070 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1	Mr. Sundaram Damodarannair	00016304	26/08/2015
2	Mr. Pangulury Mohan Murty	00011179	26/08/2015
3	Mr. Shantanu Maharaj Khosla	00059877	21/09/2015
4	Mr. Hemant Nerurkar Madhusudan	00265887	25/01/2016
5	Mr. Promeet Promode Ghosh	05307658	16/08/2016
6	Ms. Smita Anand	00059228	10/12/2018
7	Mr. Mathew Job	02922413	22/01/2021
8	Mr. Prathivadibhayankara Rajagopalan Ramesh	01915274	21/05/2021
9	Ms. Hiroo Mirchandani	06992518	28/01/2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Pradeep Purwar & Associates**
Company Secretaries
[Unique Identification No. S2003MH071600] [PR: 599/2019]

Pradeep Kumar Purwar
Proprietor
FCS No. 5769
CoP No. 5918
UDIN: F005769D000402220

Place : Thane
Date : 27th May, 2022

Certificate On Corporate Governance

To
The Members,
CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

We have examined the compliance of the conditions of Corporate Governance by **Crompton Greaves Consumer Electricals Limited** ('the Company') for the year ended on 31st March, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31st March, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

Mitesh Dhabliwala
FCS No: 8331 CP No: 9511
UDIN: F008331D000404309
PR No.: 1129/2021

Place : Mumbai
Date : 27th May, 2022

Compliance Certificate by the Executive Director & Chief Executive Officer and Chief Financial Officer

To

The Members,

CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED

Dear Sir/Madam,

Sub: Compliance Certificate for the year ended 31st March, 2022 - Regulation 17(8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

In compliance with Regulation 17(8) & Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended), it is certified that -

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) these statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

   1) there were no significant changes in internal control over financial reporting during the year;

   2) there were no significant changes in accounting policies during the year; and

   3) there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking you,

Mathew Job
Executive Director & Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer

Place : Mumbai
Date : 27th May, 2022

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended 31st March, 2022.

Mathew Job
Executive Director & Chief Executive Officer
DIN: 02922413

Place : Mumbai
Date : 27th May, 2022

Business Responsibility Report (BRR)

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A - GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Questions	Response
1.	Corporate Identity Number (CIN) of the Company	L31900MH2015PLC262254
2.	Name of the Company	Crompton Greaves Consumer Electricals Limited
3.	Year of Registration	25/02/2015
4.	Registered Address	Tower 3, 1st Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai - 400 070
5.	Website	www.crompton.co.in
6.	Telephone Number	+91 2261678499
7.	Email ID	crompton.investorrelations@crompton.co.in
8.	Financial Year Reported	2021-22
Products/Services		
9.	Sector(s) that the Company is engaged in (industrial activity code-wise)	1. Electrical Consumer Durables (27501, 27502, 27503, 28132) 2. Lighting Products (27400)
10.	List three key products / services that the Company manufactures / provides (as in the balance sheet)	1. Electrical Consumer Durables - Fan, Appliances and Pumps 2. Lighting Products - Luminaires and Light Sources
Operations		
11.	Total number of international locations where business activity is undertaken by the Company	The Company had no foreign locations for the period under reporting.
12.	Total number of National locations where business activity is undertaken by the Company	The Company has 8 Factories, 4 Regional Offices and 23 Branch Offices.
13.	Markets served by the Company - Local / State/ National / International	The Company's products are sold throughout India, as well as in Nepal, Sri Lanka, Singapore, Fiji, the United Arab Emirates, Oman, Saudi Arabia, Bahrain, Iraq, Kuwait, Qatar, South Africa, Kenya, Ghana, Equatorial Guinea, Uganda, Italy, Chile, Bangladesh, Senegal, and Yemen.

SECTION B - FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Questions	Response
1.	Paid up Capital	₹ 126.68 crore
2.	Total Turnover	₹ 5,453.10 crore
3.	Total profit after taxes	₹ 593.48 crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.08%
5.	List of activities in which expenditure in 4 above has been incurred: -	• Skill Development • Water Conservation • Community Development • Promotion of Health and Response to COVID-19 Pandemic

SECTION C - OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?

Yes, the Company has four subsidiary Companies in India:

(i) Nexustar Lighting Project Private Limited;
(ii) Pinnacles Lighting Project Private Limited;
(iii) Crompton CSR Foundation;
(iv) Butterfly Gandhimathi Appliances Ltd. (BGMAL)

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)

The subsidiaries of the Company define their own initiatives based on their operations. Crompton, as the parent business, gives access to relevant information and expertise. Crompton CSR Foundation, one of the Company's subsidiaries, carries out Company's CSR initiatives.

3. Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company has a long-lasting relationship with its Suppliers/Vendors and has aligned, its policies and guidelines on sustainability, with them. Some of the initiatives taken have been as follows:

- significant amount of awareness is being created on sustainability among the Vendors;
- continued training is being imparted to all Strategic Vendors on Energy, Health and Safety; and
- skill enhancement sessions are being conducted at Vendor locations to build organisational capability and improve performance standards.

The Company has created a Vendor Code of Conduct which is mandatory for all its vendors to adhere to. During vendor on boarding, VQP (Vendor Quality Procedure) assessment is carried out for all the vendors. A vendor needs to fulfill certain basic minimum compliances during the screening process to qualify as a vendor for Crompton.

SECTION D - BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of Director/Directors responsible for the implementation of the BR policy/policies

Sr. No.	Particulars	Details
1.	DIN Number	00059877
2.	Name	Mr. Shantanu Khosla
3.	Designation	Managing Director

b. Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	02922413
2.	Name	Mr. Mathew Job
3.	Designation	Executive Director and Chief Executive Officer
4.	Telephone number	+91 22-61678499
5.	e-mail id	mathew.job@crompton.co.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders? (Note: While there may not be formal consultation with all stakeholders, the relevant policies have been drafted after taking inputs from concerned internal stakeholders.)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The Company's Business Responsibility policies are compliant with the Code of Conduct, as well as all applicable laws and regulations. The policies are written in accordance with the relevant regulatory requirements.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	The Board of Directors approves all statutory policies, and the respective Business/Function head signs all other policies.								
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Yes, the implementation and adherence to the Policies are overseen as stated: i. ESG Committee was constituted during 2021-22 to support the Company's on-going commitment to environmental, health, safety, corporate governance, sustainability, and other public policy matters. It has three members with Chairman being one of them. ESG committee met twice in F.Y. 2021-22. ii. Code of Conduct - Human Resources Department iii. Corporate Social Responsibility Policy - CSR Committee (as per Companies Act, 2013 and Rules framed thereunder) iv. Energy Health and Safety Policy - The Chief Executive Officer v. Customer Service/Complaints - Designated After-Sales Service Centres (Customer Delight being one of the Company's core values).								
6.	Indicate the link for the policy to be viewed online?	Please refer to the links in the table below								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Company's Code of Conduct, CSR Policy, Vigil Mechanism and Whistle Blower Policy, and Prevention of Sexual Harassment Policy can all be found on its website. Other stakeholder-specific policies, such as the Company's Environment, Health and Safety, and Human Resources policies, are published on the Company's internal portal and disseminated to relevant stakeholders for reference. The ESG Charter of the Company is also available on the website of the Company.								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	Does the Company have in-house structure to implement the policy/policies?	Yes. There are committees and departments responsible for implementing these policies. Code of Conduct - Human Resource Department CSR Policy - CSR Committee Vigil Mechanism - Legal and Secretarial Team Whistle Blower - Legal and Secretarial Team POSH - Legal Team EHS Policy - ESG Committee								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, Crompton has a system in place for reporting and resolving stakeholder complaints. The Company's Whistle Blower Mechanism, Ethics Line, allows employees and vendors to submit any concerns or issues about prospective or actual Code of Conduct violations. Consumer Care Line is a client complaint method that captures customer complaints about product quality, service, and other issues. For the resolution of investor complaints, the Company has an exclusive e-mail address. Investors can send their complaints to Crompton at crompton.investorrelations@crompton.co.in. Any member of the public can contact the Company at legal@crompton.co.in to report a problem. Suppliers can also follow up with corporate representatives, and any issues that arise are forwarded to the appropriate department.								
10.	Has the Company carried out an independent audit/evaluation of the working of this policy by an internal or external agency?	Internal and external auditors, where needed, assess these policies during their audits and reviews. However, no formal evaluation by any internal or external agency has been conducted.								

3. Governance related to BR

1. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?**

   Annually

2. **Does the Company publish a BR or a Sustainability Report?**

   The information on BR is published in the Annual Report, which is available on the Company's website. The Company is voluntarily releasing its F.Y. 2021-22 Sustainability Report.

3. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   The Company publishes the information on BR in the Annual Report which is available on the website of the Company.

4. **How frequently it is published?**

   Annually

Linkages of various Company policies with BR Principles as per National Voluntary Guidelines (NVGs)

Principle No.	Principle	Reference Document	Reference Links
1.	Business should conduct themselves with ethics, transparency, and accountability	1. Code of Conduct 2. Vigil Mechanism and Whistle Blower Policy 3. Code of Conduct to Regulate, Monitor and Report trading by Insiders 4. Prevention of Sexual Harassment Policy	1. https://www.crompton.co.in/media/Crompton-Code-of-Conduct.pdf 2. https://www.crompton.co.in/wp-content/uploads/2020/05/Vigil-Mechanism-and-Whistleblower-Policy.pdf 3. https://www.crompton.co.in/wp-content/uploads/2020/05/Crompton-Code-of-Conduct.pdf 4. https://nfs.crompton.co.in/assets/wp-content/uploads/2021/12/December-2021-Updated-POSH-Policy.pdf
2.	Business should provide goods and services that are safe and contribute to sustainability throughout their lifecycle	1. Environment, Health and Safety Policy	1. https://www.crompton.co.in/media/EHS-Policy.pdf
3.	Business should promote wellbeing of employees	1. Code of Conduct 2. Environment, Health and Safety Policy 3. Maternity Leave Policy	1. https://www.crompton.co.in/wp-content/uploads/2020/05/Crompton-Code-of-Conduct.pdf 2. https://www.crompton.co.in/media/EHS-Policy.pdf 3. Maternity leave is in compliance with Maternity Benefits Act 2017 and has been hosted on the Company's employee portal.
4.	Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	1. Code of Conduct 2. Corporate Social Responsibility Policy	1. https://www.crompton.co.in/wp-content/uploads/2020/05/Crompton-Code-of-Conduct.pdf 2. https://www.crompton.co.in/wp-content/uploads/2021/03/Corporate-Social-Responsibility-Policy.pdf
5.	Business should respect and promote human rights	1. Code of Conduct	1. https://www.crompton.co.in/wp-content/uploads/2020/05/Crompton-Code-of-Conduct.pdf
6.	Business should respect, protect, and make efforts to restore the environment	1. Corporate Social Responsibility Policy 2. Environment, Health and Safety Policy	1. https://www.crompton.co.in/wp-content/uploads/2021/03/Corporate-Social-Responsibility-Policy.pdf 2. https://www.crompton.co.in/media/EHS-Policy.pdf
7.	Business when engaged in influencing public and regulatory policy, should do so in a responsible manner	1. Code of Conduct 2. Product Service Policy	1. https://www.crompton.co.in/wp-content/uploads/2020/05/Crompton-Code-of-Conduct.pdf 2. The Company framed the Product Service Policy internally and has circulated the same amongst the Product Service centres for adherence.

SECTION E - PRINCIPLE-WISE PERFORMANCE

Principle 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?**

   The Company is committed to adhere to the highest standards of ethical, moral, and legal code of conduct for business operations. Crompton's behavioural framework is built upon five Value pillars i.e., Personal Leadership, Courage, People Development, Innovation and Execution Excellence.

   To emphasize on the values of transparency, ethical behaviour, empowerment and accountability, the Company has formalized the 'Code of Conduct' for Directors and all employees of the Company. The Code lays down principles and standards that govern the actions of the employees during conduct of the Company's business. It covers all dealings with vendors, customers, and other business partners. Any actual or potential violation of the Code, howsoever insignificant, would be a matter of serious concern for the Company. The Company's induction programme for new joinees mandates initiation to the Crompton Code of Conduct.

   The Company has introduced the e-learning tool on POSH, Whistle Blower Policy and Code of Conduct for all regular employees of the Company. The Company has also introduced the e-learning tool on Prohibition of Insider Trading for all the designated persons of the Company.

   The Company has established mechanisms to receive and address complaints from different stakeholders including Investors, Customers, Consumers, Employees and Suppliers.

   The Company has laid down a Vigil Mechanism for Employees, Directors and Vendors to report concerns on any unethical behaviour, actual or suspected fraud or any violation of the Company's Code of Conduct. The Whistle Blower Policy facilitates employees and vendors to report without fear, any wrongdoings, unethical or improper practice.

   The Company has formed a separate Stakeholders' Relationship Committee to address shareholder grievances. The Company has an exclusive e-mail id for redressal of investor grievances. Investors can email at crompton.investorrelations@crompton.co.in to lodge their complaints. All shareholder complaints received during the reporting year have been resolved successfully as on 31st March, 2022.

   To address workplace-related issues, the senior management team has periodic interactions, including open houses with employees at different locations. The Managing Director and Executive Director & Chief Executive Officer receive feedback from employees across the country through specially instituted mechanisms.

   The Company has implemented an IT tool that helps track statutory compliances as close as possible to the actual due date. Any deviations are highlighted for prompt corrective actions. Functional owners are responsible for taking preventive actions. This web-based compliance management system not only helps adhere to the regulatory requirements, but also develops a culture of self-regulation and accountability within the organization. In the present times, when governance is looked upon as a critical aspect of sustainability, the Company believes that its compliance management system plays a significant role in ensuring good corporate governance practices.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   During the year under review, the Company received 01 complaint from its shareholders which was promptly resolved. The details of the complaints are:

Sr. No.	Complaints Received	No. of Complaints
1	Non-receipt of Annual Report	0
2	Non-receipt of Securities	0
3	Non-receipt of Dividend Warrants	0
4	Escalation to SEBI	1
5	Escalation to Stock Exchange	0
	Total	**1**

Principle 2: PRODUCT LIFE CYCLE SUSTAINABILITY

BUSINESS SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE

1. **List three products or services whose design has incorporated social or environmental concerns, risks and/or opportunities**

   The Company emphasizes on energy efficiency while designing all its products.

   Some of the products whose design has incorporated social or environmental concerns, risks and/or opportunities are:

   i) Quantum series of pumps with BEE star ratings

   ii) Arno Neo Water heaters

   iii) Sol Aura storage Water heaters

   iv) Rapid Jet instant water heater

   v) High energy efficient street, flood and industrial lights

   vi) 5 star rated bulbs

   vii) 5 star rated water heaters

   viii) Energy Efficient fans using BLDC technology.

      a. SilentPro Blossom - with 42 W consumption

      b. Energion Roverr

      c. Energion Groove - 32 W

      d. Energion Groove - 28 W

      e. Energion Riviera - 33 W

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional):**

   i) Quantum series of pumps launched for residential and agricultural applications have highest star ratings given by 1. BEE (5 Star) which has almost 40% more efficiency than normal ISI pump.

   ii) The Company launched an energy-efficient range of Storage Water Heater which is designed in such a way to get maximum 5 BEE star rated product with proper insulation and better-quality Thermostat for Temp sensing.

   iii) These 5 Star Rated products save up to 46% on energy bills for the consumer as compared to 1 Star rated Storage Water Heater for their respective capacity.

   iv) Company put more focus to introduce 6 Litre - 5 Star BEE rated SWH to move Instant water heater consumers to Storage Water heater, which results in saving of energy.

   v) Launched bulbs complying to revised 5 star rated bulbs.

   vi) New enhanced BEE star rating and greater than 140 lumen per watt infrastructural and industrial lights that results in greater than 10% higher energy efficient over the existing portfolio and optimized material content.

   vii) Pumps launched for residential and agricultural applications have highest star ratings given by BEE (5 Star) which has almost 40% more efficiency than normal ISI pump.

   viii) The Company launched an energy-efficient range of Storage Water Heater which is designed in such a way to get maximum 5 BEE star rated product with proper insulation and better-quality Thermostat for Temp sensing.

   These 5 Star Rated products saves up to 46% on energy bills for the consumer as compared to 1 Star rated Storage Water Heater for their respective capacity.

   ix) Fans with BLDC technology in Silentpro (42W), Energion series (28-35W) are all saving energy in the range of 50-60% against traditional fans which consumes 75-80W.

3. **Procedures in place for sustainable sourcing (including transportation) and percentage of inputs sourced sustainably.**

   (i) Sustainability Roadmap

   The Company has been continuously striving to enhance sustainability associated with its sourcing practices.

   The sustainability roadmap of the Company includes association with strategic suppliers and creating, common supplier base for different product lines, sourcing from tightly knit clusters, optimising logistics to reduce fuel consumption, emissions and carbon footprint, re-working packaging to minimise wastage and re-use.

(ii) Supply Chain Partnering

Sustainability is extended to vendors through responsible procurement practices and selection criteria focussed on the protection of the environment, societal interest seeking resource efficiency and improving the quality of products and services. The Company is committed to improving awareness among Vendors, on legal compliances, enhance eco-efficiencies, employee health and safety through various initiatives.

Vendors and service providers are encouraged to adopt management practices detailed under the International Standards such as ISO 9001, ISO 14001, OHSAS 18001 and other Environment, Health and Safety (EHS) guidelines. New vendor development process consists of stringent adherence check against EHS, and statutory and legal norms laid under State Factory Acts. Existing vendors undergo periodic EHS assessments as a part of routine audits and are required to demonstrate sustenance for business continuity. Contract manufacturing agreements provide for compliance with accepted standards on issues related to EHS and labour practices.

(iii) Distribution and Logistics

An efficient distribution network is an asset to any industry and is one of the key contributors to sustainability and profitability. The Company has strategically created storage locations and introduced Warehouse Management System practices for finished goods across the country for quick and easy serving and better transparency of stocks. Towards the same, the Company has been able to reduce the primary distance travelled via significantly optimizing the warehouse footprint across the country and leveraging GST implementation. The Company does not allow any vehicles which are not having valid documents, including PUC certificates inside the factory, nor use them for transportation purpose. Import substitution across products and components in Lighting and Fans has been initiated.

The Company uses managed centralized print services, with the help of password authentication, which minimize usage of paper and ink.

4. Steps taken to procure goods and services from local and small producers, including communities and capability building initiatives, undertaken for local and small vendors.

The Company encourages the procurement of goods and services from local and small producers surrounding its plant locations. The contractors, engaged in the plants, mostly employ workmen from the nearby villages.

Vendor selection is determined by the following factors:

1. Capability, quality, performance, and on-time delivery.
2. Compliance to legal, environment, health, and safety guidelines.
3. Readiness to participate in sustainable supply chain management programme; and
4. Total landed cost competitiveness.
5. Financial strength by viewing last two years balance sheets.

The Company collaborates with its strategic vendors and partners in developing their product and technical skills. It also engages with them through various training and development initiatives at regular intervals, makes frequent visits to Vendors' factories and conducts impactful workshops to reward and recognize their contribution through scorecard assessments, etc.

The Company signifies and trains its vendors to meet the EHS requirements across all its plant locations.

This practice is not only greatly improving the Vendor efficiency but also considerably reducing the Company's carbon footprint.

In addition to this, the Company widely promotes vocational skills, development, and training programmes to improve the livelihood of the neighboring community.

5. Mechanism to recycle products and waste and the percentage of recycling of the products and waste (separately as <5%, 5-10%, >10%)

The Company adopts comprehensive Environment Management Practices to focus on the conservation of natural resources across all its operating units. It has stringent waste management policies for internally generated wastes. Solid waste/sludge from Water and Waste treatment plants and Process waste from the factories, is disposed in a controlled manner into the Government-approved Common Hazards Waste Treatments Storage and Disposal Facility (CHWTSDF).

Principle 3: EMPLOYEES' WELLBEING

BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

The Company lays a huge impetus on the well-being of all its employees. It emphasizes on creating a stimulating work environment to enable employees to learn, develop, thrive, and deliver best performance aligned with the Company's objectives. The Company continuously strives to positively influence the employees to remain engaged and committed as follows:

a) Ensuring no job or salary cuts due to pandemic provided a sense of financial and mental security to employees.

b) Adopted flexible work policy.

c) Industry-leading safety protocols and tools (incl. AI-enabled devices to track contacts with Corona infected employees).

d) Significantly enhanced benefits around hospitalization.

e) On-line free medical consultation, and provision of medical support (such as Oxygen concentrators).

f) Employee Assistance programmes with trained psychologists.

g) Deep-embedded employee engagement programmes (often involving family members).

h) Initiatives around work-life balance.

i) Organization-wide movements around employee physical fitness.

j) Programmes centred around stress, positive intelligence, etc.

k) Free vaccination programmes for employee and family members (incl. indirect employees).

l) Extensive 1-1 and small group connect programmers' leaders and managers.

m) Paying salaries ahead of time.

n) Deployment of value-added processes such as career conversations and development.

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

Regular interaction is maintained through Safety Committee meetings with all associates. Fire-Safety Drills, Safety Week Celebration and continuous Safety training to all employees begin with adequate induction. Internal and cross plant safety audits are conducted too. All actions and recommendations are being recorded and evaluated by respective EHS leaders. This monitoring has a major role in reducing workplace hazards/incidents and making Crompton, a Zero-accident organization.

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

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

1. **Please indicate total number of employees.**

   The total number of employees including contract labour and trainees were 4,503.

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis**

   The total number of employees hired on temporary/contractual/casual basis as on 31st March, 2022 was 2,493. In the previous year, there were 2,305 contractual employees.

3. **Please indicate the Number of permanent women employees.**

   The total number of permanent women employees was 158. In the previous year, there were 157 permanent women employees.

4. **Please indicate the Number of permanent employees with disabilities.**

   The Company has 6 permanent employees with a disability.

5. **Do you have an employee association that is recognized by management?**

   Employees' rights to free association, union membership, and representation are respected by the Company. Employee unions exist in Ahmednagar, Vadodara, Bethora, and Kundaim, and they encourage employees to engage in open and constructive communication with management.

6. **What percentage of your permanent employees is members of this recognized employee association?**

All permanent blue-collar employees in the manufacturing units in Ahmednagar, Vadodara, and Goa are members of trade unions/employee associations, accounting for 86 percent of the workforce.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

In F.Y. 2021-22, no incidences of child labour, forced labour, involuntary labour, or discriminatory employment were recorded.

During the year, there was one complaint of sexual harassment that was resolved. At the end of the current fiscal year, there were no outstanding complaints.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   1. Permanent employees - 85%
   2. Permanent women employees - 85%
   3. Casual/temporary/contractual employees - 75%
   4. Employees with disabilities - 100%

Principle 4: STAKEHOLDER ENGAGEMENT

1. **Has the Company mapped its internal and external stakeholders?**

Yes, the key stakeholders and mode of communication with them are shown below:

Stakeholders	Mode of Engagement
Government and Regulatory Authorities	Industry bodies/forums, direct interactions
Employee	Meetings, newsletters, employee, satisfaction surveys and trainings
Customers	Customer meets and visits by Company officials
Investors and Stakeholders	Investors meet, annual general meeting and annual report
Suppliers	Site visits and personal/ telephonic interactions
Trade Unions	Works Committee, Grievance Committee and Union Meetings
Dealers and Community/Society	Meetings &Trainings

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes. Disabled employees, rural communities, and persons from economically challenged backgrounds in and near the Company's operations are among the disadvantaged and vulnerable stakeholders.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

Differently abled, marginalized, rural populations, and those from economically disadvantaged backgrounds are all given equal opportunity by the Company. Equal opportunities for advancement are provided to all employees.

The Company's CSR initiatives included skill development for 30 differently abled individuals in Gurugram, as well as the establishment of a scholarship fund for underprivileged students as part of its CSR programme.

Principle 5 - HUMAN RIGHTS

BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

The Code of Conduct applies to all Company employees. The issue of human rights is addressed during the vendor selection process and in the contracts with vendors. The Company's Vigil Mechanism and Whistleblower Policy extends to its vendors and ensures that any violations of its Code of Conduct (including human rights violations) are dealt with objectively.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management**

   No complaint was received from stakeholders under the Code of Conduct.

Principle 6 - ENVIRONMENT

BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy relate to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others?**

   The Company is always striving and concentrating its efforts to benefit the environment, not only by making optimal use of existent resources but also by augmenting natural resources. Its policies and efforts are focussed toward addressing the issues posed by climate change, such as energy reduction, water conservation, renewable energy use, waste minimization, and greenery expansion. Sustainable management at all levels of the value chain and throughout the full life cycle of the goods is now an integral aspect of the Company's concept, in addition to the focus on preserving finite resources and decreasing harmful emissions. The Company's Environment, Health and Safety (EHS) Policy covers all employees and stakeholders across all manufacturing units, and it has been displayed both in English and local languages.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N.**

   The Company takes pride in actively and continuously engaging in operational improvements focussed on Environmental sustainability and to address related issues. Some of the initiatives undertaken during the reported period were:

   1. **Reduction in energy consumption**

      The Company's operational Baddi Fan Unit-II has reduced electricity consumption from 0.13 kWh Power consumption to 0.11 kWh Power consumption for F.Y. 2021-22. The Company saved 92,489 kWh in F.Y. 2021-22 and to achieve this, exhaust fans were removed from Gold Line Fan Hangers, high bay lights on shop floor were replaced by LED battens.

      Bethora plant has reduced power consumption per unit from 0.33 kWh/unit to 0.26 kWh/unit, approx. saving of 297 MWh from last year. This was achieved by providing LED lights, replacing high power consuming pneumatic screw drivers with 35W electrical screw drivers, integrating 5KVA solar panel load to grid power, providing facility of Auto switch off assembly lines during breaks & Auto switch off taping machines.

      Kundaim plant has reduced power consumption per unit from 0.604 kWh /unit to 0.505 kWh/unit, approx. saving of 298 MWh over last year. This was achieved by increase in production, providing LED lights, replacing high power consuming pneumatic screw drivers with 35w electrical screw drivers, providing facility of Auto switch off streetlights.

   2. **Reduction in water consumption:**

      The Company's operational Baddi Fans Unit-II has reduced water consumption from 49.9 Ltr/Person/ Day to 34.4 Ltr/Person/Day for F.Y. 2021-22. The Company saved 900.9 KL water in F.Y. 2021-22 by installing auto shutoff valves on roof top tanks and re-routing pipelines to prevent water loss.

      The Company's operational Baddi Lighting Unit has reduced water consumption from 45.9 Ltr/Person/Day to 40.2 Ltr/Person/Day for F.Y. 2021-22. The Company saved 1076 KL water in F.Y. 2021-22 by identifying and controlling all leakage points in the plant.

      Bethora plant has reduced water consumption from 39.1 Ltr/Person/Day to 28.1 Ltr/Person/Day, approx. saving of 1,306 KL over last year. This was achieved by providing aerators & auto sensors for taps, using treated water from STP for flushing & gardening.

      Vadodara plant has reduced water consumption from 105 Ltr/Person/Day to 96.16 Ltr/Person/Day, approx. saving of 3,180 KL over last year. This was achieved by replacing corroded pipeline, attend leakages from water pipelines & washrooms.

      Energy savings resulting from use of Crompton's Energy efficient products vis-à-vis conventional products

PL	FY 2021-22 (MWh)	FY 2020-21 (MWh)	% Reduction
Fans	98,823	68,051	15%
Lighting (B2B)	1,47,219	58,031	
Lighting (B2C)	8,95,427	8,64,313	
Pumps	27,006	19,985	
Appliances	33,900	31,962	
Total	**12,02,375**	**10,42,342**	

3. **Does the Company identify and assess potential environmental risks? Y/N**

    1. The Company has established management systems, certified by accredited agencies in line with International Standards like IMS 45001:2018 and EMS 14001:2015. Identification, assessment, and evaluation of potential environmental risk is a continuous process at all the operational facilities of the Company.

    2. The Company's operational units ensure that all hazardous waste is sent to the authorized disposal operator approved by the Pollution Control Board. An authorized recycler approved by CPCB is responsible for E-waste disposal.

    3. During the 51st National Safety Week celebrated at Vadodara Plant; 28 workers were certified for firefighting training.

    4. For improved safety, the Vadodara Plant has installed a CO_2 Flooding System. This will ensure that the Plant has a robust response in the event that electrical equipment, such as a transformer, catches fire.

    5. For fall protection, the Vadodara Plant has installed 15 Lifeline systems. This will safeguard the safety of personnel operating on the plant roof sheet and working at height risks.

    6. The installation of an advanced addressable central fire detection system at the Ahmednagar factory provides extra fire safety features over the old low-density detection system in the shop, as well as a wireless system in the office and periphery areas.

    7. The installation of an XY Rail Crane system on the assembly line in Ahmednagar prevents ergonomic fatigue for personnel managing greater HP pumps at packing stations and eliminates dangerous conditions.

    8. The installation of automatic water filling system for traction batteries in material handling equipment at Ahmednagar plant eliminates the possibility of acid land contamination due to overfilling of water, extends battery life, and eliminates unsafe situations.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

    1. The Company continues its contribution towards the Environment by ensuring efficient use of resources and responsible means of waste disposal. The Company's EHS policy commits to establishment and effective execution of Management systems, thereby enabling all the Company's Operational units to be certified with IMS QMS 9001:2015 (Quality Management System), EMS 14001 (Environmental Management Systems) and ISO 45001:2018.

    2. For the years 2021-22, the Company followed the appropriate criteria and restrictions for emissions and waste set by the respective SPCB/CPCB and received no show-cause notice. A third party performed a sustainability re-audit for the Company, which resulted in a 94 percent score for health, safety, and the environment.

    3. In F.Y. 2021-22, the Ahmednagar facility reduced 172 MT of wood usage by changing the packing of higher HP pumps (7.5 HP to 15 HP) from wooden box to metal crate.

    4. The Ahmednagar unit received a Special Appreciation award from the MARG association, headed by a DISH officer, for its contributions to worker safety and health during the COVID-19 Pandemic.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N.**

    The Company is cognizant of the need to conserve energy through clean technology. As part of its core value of operational excellence, the Company continuously strives to achieve efficiency at all its manufacturing facilities, and many of its new initiatives both capital and operational are on the path of effective utilization of resources.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

   The Company has renewed consent to operate for Baddi Fans Unit-I. The Company is complying with the emission norms, filling timely returns and periodic reports are submitted to CPCB and SPCB, as per statutory requirements.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year.**

   The Company has not received any show cause/legal notices from CPCB/SPCB during the financial year under review.

PRINCIPLE 7 - POLICY ADVOCACY

BUSINESSES WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your Company a member of any trade and chamber or association?**

   The Company has its representation in several Business and Industrial associations such as the Indian Pump Manufacturers Association (IPMA), Southern India Engineering Manufacturers Association (SIEMA), Indian Fan Manufacturers Association (IFMA), the Advertising Standards Council of India, Indian Society of Advertisers, IMA IP Ltd., Indian Society of Lighting Engineers, Electrical Lamp Manufacturer's Association, Bureau of Indian Standards (BIS), National Lighting Code and Bombay Chambers of Commerce, Bureau of Energy Efficiency (BEE).

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company is working with IPMA Core Committee towards creation of new standards for Solar Pumps. Company has representation in ELCOMA technical committee and BIS ETD committees and GLA (Global Lighting Association) towards upgradation and creation of the LED lighting standards for new applications like UVC and battery backup. Company also has close interactions as ELCOMA core committee member with various Government ministries like MietY, MoEFCC and various associated Industry bodies on PLI schemes, public procurement policy, e-waste, electronic component and budget policies.

PRINCIPLE 8 - INCLUSIVE GROWTH

BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the Company have specified programs / initiatives / projects in pursuit of the policy related to CSR? If yes, details thereof.**

   The Company's CSR Policy is drawn up on the basic principles of "Responsible Business" and "Shared Value", aligned to the developmental priorities identified by the provisions of Companies Act, 2013. The Policy, *inter alia*, deals with the objectives of the Company's CSR initiatives, the guiding principles, the responsibilities of the CSR Committee, the implementation plan and reporting framework.

   UJJVAL DEEP, the Company's CSR programme framework is aligned to its long-term commitment to build positive value for the communities.

   Since inception, Crompton has recognized its responsibility towards the society and has remained committed to its role as a responsible corporate citizen. Over the years, Crompton has developed and implemented various programmes to create and enhance shared value through unique, scalable, and sustainable models to achieve this objective.

   Focus areas of the Company's CSR initiatives are:

   Skill Development

   The goal of the Skill Development Program was to create opportunities, scope, and space for the development of the talents of the unprivileged youth by imparting of skills training & placement assistance to the desired candidates to enhance the employability.

   Your Company has collaborated with social impact partners to run training centres across the country to provide a 3-months vocational training in mechanical, electrical and plumbing. The theory and practical trainings are aligned to the National Skill Development Mission as well as the industry requirements.

Your Company supports skilling of youth in Maharashtra and Himachal Pradesh in field of Electrical, Wireman, plumbing and repair of Home Appliances which is aligned to National Skill Development Mission.

This program is specifically designed to help students, who come from different and often, tough backgrounds dealing with harsh problems, build their self-esteem and confidence and help them develop a positive attitude.

Water Conservation

Water, being at the core of sustainable development, has strong linkages with other developmental parameters such as education, health, food security and livelihoods. The program is designed with a conscious effort to increase capacity for water availability by construction, restoration, and rejuvenation of water bodies in rural areas. Our Water conservation interventions are addressing the issue of water security in drought prone villages of Maharashtra, in partnership with grassroot NGO and local self-government institutions.

Health and Response to COVID-19 Pandemic

On 30th January 2020, the World Health Organization (WHO) declared COVID-19 a public health emergency followed by 2nd and 3rd wave which continued to spread negative impact on society.

As a part of the commitment to rise to the occasion when the Nation needs it the most, Your Company had extended its support to Hospitals, COVID-19 Care Centers and to those impacted by pandemic like daily wage workers, people living in slums and rural areas. Your Company has also extended its support to front line workers working relentlessly to fight the pandemic. Focus was also given to post COVID-19 treatment to be provided through Government and Charitable Hospitals.

Community Development

As a responsible corporate citizen, your Company is committed to lend a hand for community upliftment though various initiatives for poverty alleviation, education, and sustainability.

The Company supported distribution of relief material to community from low-income group. Crompton has supported imparting of Citizenship Values and Life Skills development programmes in schools and colleges to fill this gap. Focus was given to transform education and health care facilities of Government schools, hospitals, and primary health care centres.

Through Ujjwal Deep Scholarship program, financial assistance was provided to students from low-income group. Most the students who availed scholarship were first generation economic change in family.

Employee Engagement

At Crompton, we constantly engage our employees in all our philanthropic initiatives as we strongly believe that human capital is the key for our successes. CSR projects foccusing on health, water conservation and skill development were conceptualized, designed, implemented, and monitored by employees based at Plant locations.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

   The Company undertakes projects through Crompton CSR Foundation and other like-minded Organizations.

3. **Have you done any impact assessment of your initiative?**

   An independent organization assessed the impact of CSR activities in 2021-22 and identified areas for improvement. Furthermore, as part of the CSR mandate, the Company expects to continue to assess the impact of its various activities in the following years.

4. **Company's direct contribution to community development projects**

   Details of the projects undertaken are mentioned in the Annual Report on CSR Activities in the Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The Company ensures its presence is established right from the commencement of the initiatives. It collaborates with the communities right from need identification to project implementation. All projects have clear feedback mechanisms weaved into them, with a focus on long-term sustainability and active community ownership. It is ensured that trainees participating in skill development programme get employment post completion of training.

PRINCIPLE 9 - CUSTOMER VALUE

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year?**

    1. The Company has a well-established system to handle customer complaints and feedback. Consumers can provide their feedback or lodge product-related complaints through a designated email id i.e., consumer. support@crompton.co.in and call center toll-free no. 1800 4190 505.

    2. During the year, the Company received a total of 29,48,560 product-related customer complaints, out of which, 29,47,261 complaints were successfully resolved. Out of the total complaints received during the year, 23,65,265 were within stipulated warranty period and out of these 23,64,969 were successfully resolved as on 31st March, 2022.

    There were 31 consumer-related legal cases pending as on 31st March, 2022.

    0.044% of the total complaints received during the year were pending as on the end of the financial year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

    All the Company's products carry the information required under the Legal Metrology Act, 2009. All Labels and Artwork are approved and docketed in a digitized manner through a tool known as Artwork Management System across all PLs and the After-Sales Service Team.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

    Nil

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

    Yes, Company carried out below surveys:

    1. Brand related survey
        i. Health of the Brand.
        ii. Equity of the Brand.
    2. Consumer understanding
        i. Uses and attitude
        ii. Segmentation
    3. Product Development
    4. Communication Development
    5. Retail Track

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 Standalone Financial Statements of **Crompton Greaves Consumer Electricals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, 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.

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 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year then 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 we have obtained 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 March 31, 2022. 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:** (Refer Notes 2 and 38 to the Standalone Financial Statements) On demerger of the Consumer Business from Crompton Greaves Limited (CGL) (now CG Power and Industrial Solutions Limited) and in terms of the 'Scheme of Arrangement', the assets and liabilities of the Consumer Business along with certain brand usage rights were transferred to Crompton Greaves Consumer Electricals Limited (CGCEL). The excess of liabilities over net assets based on fair value and the share capital amounting to ₹ 779.41 crore was recorded as Goodwill in the books of CGCEL. The Company has adopted the policy of amortising the goodwill in the books of account, based on the outcome of impairment test if there is an indication	Our audit procedures with respect to this matter included, but were not limited to, the following: a) Assessed reasonableness of the future revenue and margins, the historical accuracy of the estimates and its ability to produce accurate long-term forecasts. b) Involved our valuation experts ("auditor's expert") to assist in examining the Company's valuation model and analysing the underlying key assumptions, including long-term growth rates and discount rates. c) 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.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	of impairment as at the reporting date. Based on the valuation done by the management's expert, the value of goodwill is more than its book value as at March 31, 2022 and hence there is no indication of impairment. This is a key area of judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows, determination of discount and terminal growth rates, which are the basis for computing the value of goodwill and the assessment of recoverability. In view of the above, the Company has carried out an impairment assessment of goodwill 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. Accordingly, this is considered as a key audit matter.	d) Compared the future operating cash flow forecasts with the business plan and budgets approved by the Board and tested the mathematical accuracy of management's calculations e) Assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.
2	**Estimates – Provision for Warranty:** (Refer Note 21 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 recovery 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 ultimate costs of repairing and replacing products and spares that is ascertained to be defective. Warranty cost and recovery being of a material amount and involving significant judgement 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 and assessed the design, implementation and tested the operating effectiveness of internal controls over the provision for warranties. b) Reviewed the historical data of costs incurred to the product sales, the trend of claims over the warranty period and the provisions previously recognised to assess the quality of the management estimates. Also reviewed the historical data of recoveries from vendors against warranty claims and defective returns. c) Performed enquiry procedures and reviewed relevant documents in evaluating the accuracy of historical information prepared by the management. d) 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. e) Assessed the adequacy and appropriateness of the relevant disclosures made in the Standalone Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3	**Ongoing litigations and related disclosure of contingent liabilities, including provision for tax** (Refer Note 31 of Standalone Financial Statement) The Company's unsettled tax positions include matters under dispute which involves significant judgment to determine the possible outcome of these disputes. These provisions are estimated using a significant degree of management judgement in interpreting the various relevant rules, regulations and practices. 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 2021-22; b) Reviewed the processes and 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 tax experts ("auditor's expert") to discuss with the appropriate management to critically evaluate the key assumptions in estimating the tax provisions and assessed the possible outcome of the assessment / demands of the disputed claims. Our tax experts considered past precedence and other rulings in evaluating Company's position on these uncertain tax positions; d) Assessed whether the Company's disclosures in Note 31 to the financial statements - Contingent liabilities and commitments, adequately disclose the relevant facts and circumstances and potential liabilities of the Company. e) Further, considered the effect of all the information in respect of uncertain tax positions as at March 31, 2022 and provision for tax to evaluate whether it was necessary to revise the Company's position on these uncertainties.

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 report, Chairman's statement, Director's report etc but does not include the Standalone Financial Statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report etc is expected to be made available to us after the date of this auditor's report.

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.

When we read the Management report, Chairman's statement, Director's report etc, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information' and we need to describe actions applicable in the applicable laws and regulations

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 Statement 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 Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are 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.

Other Matter

The Standalone Financial Statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated May 21, 2021 expressed an unmodified opinion on those statements. Our opinion is not modified in respect of this matter.

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, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 31 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 (1) and (2) 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 have 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 13(h) to the Standalone financial statements)

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid 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: 22207132AJSPEV5369

Place: Mumbai
Date: May 27, 2022

Annexure 'A' to the Independent Auditor's Report

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 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 March 31, 2022 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: 22207132AJSPEV5369

Place: Mumbai
Date: May 27, 2022

Annexure 'B' to the Independent Auditor's Report

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

i. (a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.

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

(b) The Property, plant & equipment are physically verified by the management according to a phased programme designed to cover all the items 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 business. Pursuant to the programme, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

(c) Following immovable properties are not held in the name of the Company:

Sr. No.	Description of Property	Gross carrying value (₹ in Crore)	Held in Name of	Whether immovable property is held in the name of promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of company (also indicate if in dispute)
1	Conrad Baroda Office	0.67	Crompton Greaves Limited	No	From 01st January 2016	Under the scheme of arrangement, effective from January 1, 2016, the said property was transferred in the name of the Company. However, title deeds of the property have not been transferred in the name of the Company. The matter is in dispute with Stamp Authorities of Gujarat.
2	Baroda Factory Property	0.34	Crompton Greaves Limited	No	From 01st January 2016	Under the scheme of arrangement, effective from January 1, 2016, the said property was transferred in the name of the Company. However, title deeds of the property have not been transferred in the name of the Company. The matter is in dispute with Stamp Authorities of Gujarat.

(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) and its intangible assets. 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, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 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 material discrepancies were noticed on verification between the physical stocks and the book records.

` (b) The Company has 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 accounts.

iii. a) According to the information and explanation provided to us, the Company has not provided any loans or provided advances in the nature of loans, or provided security to any other entity

As per Share Purchase Agreement ('SPA') dated February 22, 2022, the Company has agreed to provide guarantees to bank/ financial institutions against the loans taken by a subsidiary company, the details of which is as follows:

(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, guarantees provided, securities given are not prejudicial to the interest of the Company.

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

iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan 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 and the Company has not 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. In our opinion and 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 relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 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.

Particulars	Guarantees (Gross) Amount (₹ in crore)	
Aggregate amount of guarantee provided during the year for subsidiary company		44.61
Balance Outstanding as at balance sheet date of guarantee given for subsidiary company		44.61
	Amount as per Books of Accounts as at March 31, 2022 (At Fair value of Guarantee Commission)	0.33

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 service tax, provident fund, employees' state insurance, income-tax, duty of customs, cess have generally been regularly deposited by the company with appropriate authorities although there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) 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 (₹ in crore)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Income Tax Act, 1961	Tax	29.01	FY 2010-11, 2011-12, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18	Commissionerate (Appeals)	Amount paid under protest is ₹ 18.63 crores
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 & 2017-2018	Commissioner of Central GST	
The Central Sales Tax Act, 1956, Local Sales Tax Acts and Works Contract Tax and Value Added Tax Acts	Tax and Penalty	93.51	FY 1996-97, 1998-99 to 1999-00, 2001-02 to 2002-03, 2004-05 to 2009-10, 2011-12 to 2017-18	Commissionerate (Appeals)	Amount paid under protest is ₹ 14.12 crores
	Tax	48.91	FY 2000-01, 2003-04 to 2017-18	Tribunal	
The Customs Act, 1962	Duty and Surcharge	6.10	FY 2017-18 to FY 2021-22	Commissionerate (Appeals)	Amount paid under protest is ₹ 3.14 crores
Goods and Service Tax	Tax, Interest and Penalty	1.24	FY 2017-18 and FY 2020-21	Commissionerate (Appeals)	Amount paid under protest is ₹ 0.15 crores

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 and explanation provided to us, money raised by way of term loan (commercial papers) during the year have been applied for the purpose for which they were raised.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that the company has used funds raised on short term basis from commercial papers aggregating to ₹ 1,154.79 crores for investment in shares of subsidiary company (long-term purposes).

(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, associates or joint ventures.

(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.

x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, 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. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi (a) During the course of our audit, 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 have neither come across any instance of material fraud by the Company nor on the Company.

(b) We have not come across any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (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. In our opinion and according to the information and explanations given to us, 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, except in case of the following transactions:

Nature of the related party relationship	Nature of underlying transaction	Amount involved (₹ in crore)	Remarks (details of non-compliance may be given)
Subsidiary Companies	Sales of Products	0.11	Ratification was done in the board meeting dated May 27, 2022

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 issued by the internal auditors during our audit.

xv. According to the information and explanations given to us, in our opinion the Company has not entered into non-cash transactions during the year with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. (a) In our opinion, 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 clause 3 (xvi)(a) of the Order are not applicable to the Company.

(b) In our opinion, 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 clause 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 clause 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 clause 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 clause 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 clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is 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.

xx. According to the information and explanations given to us, 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 to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are 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: 22207132AJSPEV5369

Place: Mumbai
Date: May 27, 2022

Annexure 'C' to the Independent Auditor's Report

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **Crompton Greaves Consumer Electricals Limited** on the Financial Statements for the year ended March 31, 2022]

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 March 31, 2022 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, an 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 March 31, 2022, based on the internal control with reference to Standalone Financial Statements criteria 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 internal control with reference to Standalone Financial Statements criteria 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.

Auditors' 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: 22207132AJSPEV5369

Place: Mumbai
Date: May 27, 2022

Standalone Balance Sheet

As at 31st March, 2022

₹ crore

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	215.20	97.43
(b) Capital work-in-progress	2	7.50	10.86
(c) Right of use assets	2	69.35	35.33
(d) Goodwill	2	779.41	779.41
(e) Other intangible assets	2	35.03	2.82
(f) Financial assets			
(i) Investments	3	1,407.17	14.20
(ii) Other financial assets	4	12.02	11.39
(g) Deferred tax assets (net)	22	48.14	58.26
(h) Non-current tax assets (net)		13.83	2.03
(i) Other non-current assets	5	29.94	20.09
Total non-current assets		**2,617.59**	**1,031.82**
(2) Current assets			
(a) Inventories	6	511.35	517.77
(b) Financial assets			
(i) Investments	7	610.65	761.07
(ii) Trade receivables	8	512.53	452.36
(iii) Cash and cash equivalents	9	170.09	252.99
(iv) Bank balances other than (iii) above	10	733.69	341.53
(v) Other financial asstes	11	14.60	8.38
(c) Current tax assets (net)		22.00	18.02
(d) Other current assets	12	133.60	160.05
Total current assets		**2,708.51**	**2,512.17**
TOTAL ASSETS		**5,326.10**	**3,543.99**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	126.68	125.54
(b) Other equity	14	2,328.98	1,793.45
Total equity		**2,455.66**	**1,918.99**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	298.79
(ii) Lease Liabilities	34	43.54	23.88
(b) Provisions	16	109.55	112.40
Total non-current liabilities		**153.09**	**435.07**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,555.25	180.00
(ii) Lease Liabilities	34	33.63	15.45
(iii) Trade payables			
- Due to micro and small enterprises	18	109.99	44.61
- Due to creditors other than micro and small enterprises	18	750.36	746.44
(iv) Other financial liabilities	19	39.05	58.11
(b) Other current liabilities	20	115.35	48.44
(c) Provisions	21	113.72	96.88
Total current liabilities		**2,717.35**	**1,189.93**
Total liabilities		**2,870.44**	**1,625.00**
TOTAL EQUITY AND LIABILITIES		**5,326.10**	**3,543.99**

The accompanying notes form an integral part of the financial statements

As per our report attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai, 27th May, 2022

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
M. No. A17167

Mumbai, 27th May, 2022

Standalone Statement of Profit and Loss

for the year ended 31st March, 2022

₹ crore

Particulars	Notes	2021-22	2020-21
Income			
I. Revenue from operations	23	5,373.20	4,749.95
II. Other income	24	79.90	75.63
III. Total Income (I+II)		**5,453.10**	**4,825.58**
IV. Expenses			
Cost of materials consumed	25	1,193.91	985.44
Purchase of stock-in-trade	26	2,456.65	2,283.20
Changes in inventories of finished goods, stock-in-trade and work-in-progress	27	39.45	(38.20)
Employee benefits expense	28	362.39	336.58
Finance costs	29	35.31	42.91
Depreciation and amortisation expense	2	42.29	29.69
Other expenses	30	559.95	478.24
Total Expenses (IV)		**4,689.95**	**4,117.86**
V. Profit before tax		763.15	707.72
VI. Tax expense:			
Current tax		156.27	188.05
Adjustment of tax relating to earlier periods		3.97	(76.69)
Deferred tax	22	9.43	(8.38)
Total Tax expenses (VI)		**169.67**	**102.98**
VII. Profit for the year (V-VI)		**593.48**	**604.74**
VIII. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss Remeasurements gain / (loss) on defined benefit plans		2.74	2.93
(ii) Income tax related to items that will not be reclassified to profit or loss		(0.69)	(0.74)
Other comprehensive income for the year (net of tax) (VIII)		**2.05**	**2.19**
IX. Total comprehensive income for the year (VIII + VII)		**595.53**	**606.93**
X. Earnings per equity share	37		
1. Basic (₹)		9.45	9.64
2. Diluted (₹)		9.41	9.56

The accompanying notes form an integral part of the financial statements

As per our report attached

M S K A & Associates
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Srividya Vaidison
Partner
Membership No. 207132
Mumbai, 27th May, 2022

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Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
M. No. A17167

Mumbai, 27th May, 2022

Standalone Statement of Changes in Equity

for the year ended 31st March, 2022

(A) EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore
Balance as at the beginning of the reporting period	62,76,91,353	125.54	62,72,83,972	125.46
Changes in equity share capital during the year	57,14,606	1.14	4,07,381	0.08
Balance as at the end of the reporting period	**63,34,05,959**	**126.68**	**62,76,91,353**	**125.54**

(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 31-03-2020	**0.05**	**13.36**	**141.24**	**75.00**	**1,113.70**	**(1.01)**	**1,342.34**
Profit for the year	-	-	-	-	604.74	-	604.74
Dividends paid	-	-	-	-	(188.20)	-	(188.20)
Securities premium received	-	7.21	-	-	-	-	7.21
Amount transferred to Securities premium	-	3.44	(3.44)	-	-	-	-
Amount transferred to Retained earnings	-	-	(0.44)	-	0.44	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	2.19	2.19
Employee compensation expense for the year (Refer Note 28)	-	-	25.17	-	-	-	25.17
Balance as at 31-03-2021	**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 Securities premium	-	61.66	(61.66)	-	-	-	-
Amount transferred to Retained earnings	-	-	-	-	-	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	2.05	2.05
Employee compensation expense for the year (Refer Note 28)	-	-	37.76	-	-	-	37.76
Balance as at 31-03-2022	**0.05**	**144.87**	**138.63**	**75.00**	**1,967.20**	**3.23**	**2,328.98**

As per our report attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai, 27th May, 2022

For and on behalf of Board of Directors

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Chairman
DIN: 00265887

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Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
M. No. A17167

Mumbai, 27th May, 2022

Standalone Statement of Cash Flows

for the year ended 31st March, 2022

₹ crore

Particulars		2021-22	2020-21
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**763.15**	**707.72**
Adjustments for:			
Depreciation and amortisation expense		42.29	29.69
Finance Cost		35.31	42.91
Loss on sale of property, plant and equipment		0.14	0.16
Share-based Payments to employee		37.76	25.17
Net gain on sale/ fair valuation of investments		(36.37)	(43.48)
Interest income		(28.12)	(31.15)
Dividend from Subsidiaries		(11.86)	-
Unrealised exchange (gain) / loss (net)		1.12	(3.21)
		40.27	**20.09**
Cash Generated from operations before working capital changes		**803.42**	**727.81**
Adjustments for:			
(Increase) / Decrease in trade and other receivables		(56.94)	(49.14)
Decrease / (Increase) in inventories		6.42	(54.16)
Increase / (Decrease) in trade and other payables		136.58	203.28
Increase / (Decrease) in provisions		16.73	39.72
		102.79	**139.70**
Cash generated from operations		**906.21**	**867.51**
Taxes paid (net of refunds)		(176.02)	(52.59)
Net cash generated from / (used in) operating activities	**[A]**	**730.19**	**814.92**
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Interest received		36.63	26.50
Dividend from Subsidiaries		11.86	-
Sale of property, plant and equipment		0.56	0.41
		49.04	**26.91**
Less: Outflows from investing activities			
Investment in subsidiaries		1,392.97	-
Purchase / (Sale) of current investments (net)		(186.80)	178.02
Increase in other bank balances and term deposits		392.16	317.44
Purchase of property, plant and equipment and intangible assets		171.15	20.18
		1,769.48	**515.64**
Net Cash (used in) / generated from investing activities	**[B]**	**(1,720.43)**	**(488.73)**

Standalone Statement of Cash Flows

for the year ended 31st March, 2022

₹ crore

Particulars		2021-22	2020-21
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from issue of equity shares		60.33	7.27
Proceeds from issue of debentures		-	300.00
Proceeds from short-term borrowings (net)		1,406.90	-
		1,467.23	**307.27**
Less: Outflows from financing activities			
Payment of dividend including dividend distribution tax		156.35	187.39
Repayment of debentures		330.00	170.00
Repayment of lease liability		23.01	11.90
Interest paid		50.53	34.15
		559.89	**403.44**
Net Cash generated from / (used in) financing activities	**[C]**	**907.34**	**(96.17)**
Net (decrease) / increase in cash and cash equivalents	**(A+B+C)**	**(82.90)**	**230.02**
(a) Cash and cash equivalents at beginning of the year		252.99	22.97
(b) Cash and cash equivalents at end of the year		170.09	252.99
(c) Net (decrease)/increase in cash and cash equivalents	**(c = b-a)**	**(82.90)**	**230.02**

Notes:

1 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).

2 Additions to property, plant and equipment include movements of capital work-in-progress during the year.

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

As per our report attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai, 27th May, 2022

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

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DIN: 02922413

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
M. No. A17167

Mumbai, 27th May, 2022

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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 Indian 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 2022 were approved for issue in accordance with the resolution of the Board of Directors on 27th May 2022.

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; and
2. Defined benefit plans – plan assets measured at fair value
3. Share based payment transactions

d) 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 are included in Level 1;

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimate. If all significant inputs require to fair value an instrument are observable, the instrument is included in level 2; and
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

2) 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.

3) 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 particular, 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 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 judgment involve, but is 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 21)

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

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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 39)

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 22)

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 35)

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 Liability

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 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.

4) 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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.

5) **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.

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 tangible assets 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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.

6) **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**

Intangible assets with finite useful life are amortized on a straight-line basis over their estimated useful life as under:	Useful life (in years)
Computer Software	5
Trademarks	Indefinite
Technical knowhow	Indefinite

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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 38 for a description of impairment testing procedures.)

e) **Research and development cost**

i) **Research cost**

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

ii) **Development cost**

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale.
- the Company has intention to complete the development of intangible asset and use or sell it;
- the Company has ability to use or sell the intangible asset;
- the manner in which the probable future economic benefit will be generated 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;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the Company has 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 a period of five years, 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 Intangibles under development.

7) **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.

8) **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.

9) **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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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.

10) Inventories

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

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

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

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

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

11) 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.

12) 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. 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.

Debt instruments

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

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

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

Subsequent measurement

Subsequent measurement of debt instruments depends on the 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.

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- 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:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits and bank balances

b) 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.

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any.

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.

13) 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.

14) Revenue recognition

a) Revenue from goods and services:

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

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progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and allowances, trade discounts and volume rebates. Goods and Services tax is recorded separately.

Rendering of services

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

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

b) Dividend income

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

c) Interest income

For all financial assets measured at amortised cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

d) 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.

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

16) 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.

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.

17) 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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 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.

18) 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.

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).

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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.

19) 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.

20) Segment accounting

a) Segment accounting policies:

Segment accounting policies are in line with the accounting policies of the Company. The Company identifies primary business segment based on the different risks and returns, the organization structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected. In addition, the following specific accounting policies have been followed for segment reporting:

i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

ii) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under unallocable expenditure.

iii) Income which relates to the Company as a whole and not allocable to segments is included in unallocable income.

iv) Segment results include margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Company.

v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

b) Inter-segment transfer pricing:

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

21) 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.

22) 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.

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for the year ended 31st March, 2022

2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

₹ crore

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2021	Additions	Deductions	As at 31st March, 2022	Upto 31st March, 2020	For the year	Deductions	Upto 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
(i) Property, plant and equipment										
Owned assets:										
Freehold land	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	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	-
Right of use assets	54.89	59.87	13.10	101.66	19.56	21.00	8.25	32.31	69.35	35.33
Plant and equipments	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 equipments	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 (i)	**213.80**	**198.70**	**23.08**	**389.42**	**81.04**	**40.79**	**16.96**	**104.87**	**284.55**	**132.76**
(ii) Intangible assets										
Goodwill	779.41	-	-	779.41	-	-	-	-	779.41	779.41
Subtotal (ii)	**779.41**	**-**	**-**	**779.41**	**-**	**-**	**-**	**-**	**779.41**	**779.41**
(iii) Other Intangibles										
Computer software	9.77	0.80	-	10.57	7.00	1.50	-	8.50	2.07	2.77
Technical knowhow	1.90	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Research and development	0.68	-	0.00	0.68	0.64	-	0.00	0.64	0.04	0.04
Trademarks	-	32.91	-	32.91	-	-	-	-	32.91	-
Sub-total (iii)	**12.35**	**33.71**	**0.00**	**46.06**	**9.53**	**1.50**	**0.00**	**11.03**	**35.03**	**2.82**
Total (i) + (ii)+(iii)	**1,005.56**	**232.41**	**23.08**	**1,214.89**	**90.57**	**42.29**	**16.96**	**115.90**	**1,098.99**	**914.99**

₹ crore

ASSETS	Gross block (Cost)				Depreciation/ Amortisation				Net Block	
	As at 1st April, 2020	Additions	Deductions	As at 31st March, 2021	Upto 31st March, 2020	For the year	Deductions	Upto 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
(i) Property, plant and equipment										
Owned assets:										
Freehold land	4.41	-	-	**4.41**	-	-	-	**-**	**4.41**	4.41
Leasehold land	2.69	-	-	**2.69**	0.75	0.03	-	**0.78**	**1.91**	1.94
Buildings	35.03	10.90	0.01	**45.92**	6.28	1.78	0.00	**8.06**	**37.86**	28.75
Right of use assets	50.75	4.14	-	**54.89**	9.28	10.28	-	**19.56**	**35.33**	41.47
Plant and equipments	65.63	17.00	0.35	**82.28**	27.58	11.43	0.21	**38.80**	**43.48**	38.05
Furniture and fixtures	4.63	0.23	0.12	**4.74**	2.17	0.56	0.07	**2.66**	**2.08**	2.46
Office equipments	11.40	3.35	0.11	**14.64**	6.21	2.83	0.09	**8.95**	**5.69**	5.19
Vehicles	4.44	0.45	0.66	**4.23**	1.65	0.89	0.31	**2.23**	**2.00**	2.79
Sub-total (i)	**178.98**	**36.07**	**1.25**	**213.80**	**53.92**	**27.80**	**0.68**	**81.04**	**132.76**	**125.06**
(ii) Intangible assets										
Goodwill	779.41	-	-	**779.41**	-	-	-	**-**	**779.41**	779.41
Subtotal (ii)	**779.41**	**-**	**-**	**779.41**	**-**	**-**	**-**	**-**	**779.41**	**779.41**
(iii) Other Intangibles										
Computer software	9.56	0.21	-	**9.77**	5.11	1.89	-	**7.00**	**2.77**	4.45
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
Sub-total (iii)	**12.14**	**0.21**	**-**	**12.35**	**7.64**	**1.89**	**-**	**9.53**	**2.82**	**4.50**
Total (i) + (ii)+(iii)	**970.53**	**36.28**	**1.25**	**1,005.56**	**61.56**	**29.69**	**0.68**	**90.57**	**914.99**	**908.97**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

Notes:

(a) Carrying amount of property, plant and equipment and intangible assets given as collateral for borrowings is ₹ 785.35 crore; (Previous year ₹ 785.41 crore).

(b) 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, 2022	31st March, 2021				
Freehold Land	0.34	0.34	Crompton Greaves Limited	No	01-01-2016	Free hold land acquired consequent to the "Scheme of Arrangement" in respect of which the deed of conveyance is yet to be completed. The matter is in dispute with Stamp Authorities of Gujarat.
Building	0.67	0.67	Crompton Greaves Limited	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 is in possession of the company. The matter is in dispute with Stamp Authorities of Gujarat.

(c) Capital work-in-progress (CWIP) Ageing schedule as on 31st March, 2022

₹ crore

CWIP	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 Ageing schedule as on 31st March, 2021

₹ crore

CWIP	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	7.49	3.37	-	-	10.86
Projects temporarily suspended	-	-	-	-	-

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

(d) 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.

(e) 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, 2022

3 NON-CURRENT - FINANCIAL ASSETS - INVESTMENTS

Particulars	Face Value per Share	Number of shares as at 31st March, 2022	Number of shares as at 31st March, 2021	As at 31st March, 2022 ₹ crore	As at 31st March, 2021 ₹ crore
Investments in equity instruments (fully paid-up)					
In Subsidiary companies					
At Cost					
Unquoted equity shares					
Pinnacles Lighting Project Private Limited	10	67,00,000	67,00,000	6.70	6.70
Nexustar Lighting Project Private Limited	10	75,00,000	75,00,000	7.50	7.50
Quoted equity shares					
Butterfly Gandhimati Appliances Limited*	10	98,33,754	-	1,392.97	-
Total				**1,407.17**	**14.20**

Details of unquoted investments:

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Aggregate book value of:		
Unquoted investments	14.20	14.20
Quoted investments	1,392.97	-
Aggregate market value of:		
Unquoted investments	-	-
Quoted investments	1,366.01	-
Aggregate amount of impairment in value of Investments	-	-

Note:

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 and Butterfly Gandhimathi Appliances Limited ("BGMAL"), its erstwhile Promoters and certain members of the erstwhile Promoter group of BGMAL for the sale of 55% of the issued and paid-up equity share capital of the BGMAL. Post acquisition of 55% of the issued and paid-up equity share capital of BGMAL, the Company has become the Promoter and Holding Company of BGMAL with effect from 30th March, 2022. The company has paid ₹ 1,379.68 crores as purchase consideration towards purchase of 98,33,754 equity shares of BGMAL. ₹ 12.97 crores is added to cost of investment as it is directly attributable to acquisition of investments.

In accordance with regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, the Public Announcement in connection with the Open Offer was made by the company on 22nd February, 2022 for acquisition of 26.00% of the voting share capital of BGMAL from its public shareholder. The Draft Letter of Open Offer has been filed by the Company with the Securities & Exchange Board of India ("SEBI") on 04th March, 2022 and SEBI has given final observations on 10th May, 2022. Pursuant to this, the Company has dispatched the letter of offer to the shareholder. The tendering period for the same is from 23rd May, 2022 to 3rd June, 2022. Requisite balance has been earmarked (Refer Note 10)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

4 NON-CURRENT FINANCIAL ASSETS - OTHERS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security deposits	12.02	11.39
Total	**12.02**	**11.39**

5 OTHER NON-CURRENT ASSETS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital advances (net)	7.27	5.29
Amount Paid under Protest	22.67	14.80
Total	**29.94**	**20.09**

6 INVENTORIES

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
(At lower of cost and net realisable value)		
Raw materials	107.62	75.44
Add: Goods-in-transit	4.21	3.56
	111.83	**79.00**
Work-in-progress - manufacturing	**29.61**	**23.18**
Finished goods - manufacturing	122.42	117.69
Add: Goods-in-transit	12.31	15.06
	134.73	**132.75**
Stock-in-trade	199.23	241.35
Add: Goods-in-transit	31.31	37.05
	230.54	**278.40**
Stores, spares and packing materials	**4.64**	**4.44**
	511.35	**517.77**

Note: Inventories are hypothecated with the bankers against working capital facilities (Refer Note 17)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

7 CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Measured at Fair value through Profit and Loss		
Investment in Bonds (Quoted)	32.09	31.17
Investment in Mutual funds (Unquoted)	578.56	729.90
Total	**610.65**	**761.07**

Particulars	Face Value per Bond/ Unit	Number of Bonds/ Units as at 31st March, 2022	Number of Bonds/ Units as at 31st March, 2021	As at 31st March, 2022 ₹ crore	As at 31st March, 2021 ₹ 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	10.61	10.16
ISIN INE020B08CY9 of Market Linked Debentures of Rural Electrification LImited	10,00,000	100	100	11.00	10.53
ISIN INE062A08173 of Perpetual Bonds of State Bank of India	10,00,000	100	100	10.47	10.48
Total (A)				**32.09**	**31.17**
Investment in Mutual funds (Unquoted)					
Aditya Birla SL Corporate Bond Fund - Direct - Growth	100	-	18,43,365	-	15.99
Aditya Birla SL Overnight Fund	100	87,008	-	10.00	-
Aditya Birla SL Floating Rate Fund - Direct - Growth	100	18,89,691	18,89,691	53.58	51.15
Aditya Birla SL Money Manager Fund - Direct - Growth	100	-	1,99,321	-	5.72
Axis Banking & PSU Debt Fund Direct - Growth	1,000	78,533	1,16,882	17.18	24.52
Axis Overnight Fund	1,000	88,985	-	10.00	-
Axis Corporate Debt Fund - Dir - Gr	10	3,88,03,524	3,88,03,524	55.33	52.64
Axis Money Market Fund	1,000	86,872	-	10.01	-
Bharat Bond FOF - April 2030 - Dir - Growth	10	-	53,75,690	-	6.09
DSP Corporate Bond Fund - Dir - Gr	10	-	71,82,341	-	9.19
DSP Low Duration Fund - Direct - Growth	10	1,15,91,428	2,60,13,822	19.08	41.16
DSP Overnight Fund	1,000	87,849	-	10.00	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

Particulars	Face Value per Bond/ Unit	Number of Bonds/ Units as at 31st March, 2022	Number of Bonds/ Units as at 31st March, 2021	As at 31st March, 2022 ₹ crore	As at 31st March, 2021 ₹ crore
Edelweiss Bharat Bond FOF- April 2030	100	53,75,690	-	6.45	-
HDFC Money Market Fund - Direct - Growth	1,000	-	39,868	-	17.84
HDFC Ultra Short Term Fund Direct-Growth	10	-	1,35,71,471	-	16.20
ICICI Prudential Corporate Bond Fund - Direct - Growth	10	47,08,147	47,08,147	11.58	11.07
ICICI Prudential Money Market - Direct - Growth	100	3,26,045	3,73,914	10.01	11.04
IDFC Banking & PSU Debt Fund - Direct - Growth	10	85,30,063	85,30,063	17.40	16.67
IDFC Overnight Fund	1,000	2,17,869	-	24.70	-
IDFC Corporate Bond - Direct - Growth	10	-	2,16,49,892	-	33.05
IDFC Low Duration Fund - Direct - Growth	10	73,14,113	73,14,113	23.30	22.42
IDFC Ultra Short Term Fund - Direct - Growth	10	-	2,29,63,814	-	27.49
Invesco India Corporate Bond Fund - Direct - Growth	1,000	1,56,917	1,56,914	42.92	41.03
Invesco India Money Market Fund - Direct - Growth	1,000	74,293	73,693	18.88	18.02
Invesco India Treasury Advantage Fund - Direct - Growth	1,000	1,92,379	1,92,379	61.04	58.71
Kotak Corporate Bond Fund - Direct - Growth	1,000	1,75,469	1,75,469	54.97	52.37
Kotak Dynamic Bond Fund - Dir - Gr	10	-	26,26,827	-	8.02
Kotak Overnight Fund	1,000	88,227	-	10.00	-
Kotak Liquid Fund Direct - Growth	1,000	11,735	-	5.05	-
Kotak Floating Rate Fund - Dir - Gr	1,000	-	2,16,806	-	25.09
Kotak Money Market Fund - Direct - Growth	1,000	-	5,828	-	2.03
L&T Banking & PSU Debt fund - Direct - Growth	10	77,62,351	77,61,652	16.31	15.61
L&T Ultra Short Term Fund - Direct - Growth	10	-	7,44,600	-	2.61
Nippon India Dynamic Bond Fund - Dir - Gr	10	32,74,723	59,05,915	10.39	17.93
Nippon India Floating Rate fund - Direct - Growth	10	1,06,41,417	1,06,40,797	40.17	38.29

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

Particulars	Face Value per Bond/ Unit	Number of Bonds/ Units as at 31st March, 2022	Number of Bonds/ Units as at 31st March, 2021	As at 31st March, 2022 ₹ crore	As at 31st March, 2021 ₹ crore
Nippon India Overnight Fund - Direct - Growth	100	8,76,452	-	10.00	-
Nippon India Money Market - Direct - Growth	1,000	29,863	26,852	10.01	8.65
SBI Overnight Fund - Growth	1,000	26,702	-	9.24	-
SBI Savings Fund - Direct - Growth	10	-	36,34,526	-	12.43
Sundaram Corporate Bond Fund - Direct - Growth	10	32,76,326	32,76,326	10.97	10.49
Tata Treasury Advantage Fund - Dir - Gr	1,000	-	47,319	-	14.76
UTI Treasury Advantage Fund - Dir - Gr	1,000	-	1,57,334	-	41.62
Total (B)				**578.56**	**729.90**
				610.65	**761.07**

(Refer Note 41 A for information about fair value measurement and Note 41 D (ii) for credit risk of investments)

Details of investments:

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Aggregate amount of quoted investments and market value thereof:		
Book value	32.09	31.17
Market value	32.09	31.17
Aggregate amount of unquoted investments:		
Book value (accounted based on NAV)	578.56	729.90
Market value	-	-

8 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Considered good	512.53	452.36
Considered doubtful	30.21	21.24
	542.74	473.61
Less: Allowance for doubtful trade receivables	(30.21)	(21.24)
Total	**512.53**	**452.36**

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

Trade Receivables Ageing ₹ crore

As at 31st March, 2022	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	443.85	8.27	31.97	-	-	-	484.09
(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	**443.86**	**8.89**	**33.15**	**34.07**	**7.56**	**15.22**	**512.53**

₹ crore

As at 31st March, 2021	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	328.10	45.86	33.62	-	-	-	407.58
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	21.60	-	-	21.60
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	33.58	10.00	43.58
(iv) Disputed Trade receivables - considered good	0.00	0.13	0.08	-	-	-	0.21
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	0.60	-	-	0.60
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	0.04	-	0.04
Allowance for doubtful trade receivables							(21.24)
Total	**328.10**	**45.99**	**33.70**	**22.20**	**33.62**	**10.00**	**452.36**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

9 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with banks :		
In current accounts	26.08	8.98
In deposit accounts (with less than 3 months maturity)	143.99	243.98
Cash on hand	0.02	0.03
Total	**170.09**	**252.99**

10 CURRENT FINANCIAL ASSETS- OTHER CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deposits with maturity more than 3 months but less than 12 months	64.00	339.03
Earmarked balances with banks		
Unclaimed dividend account	3.11	2.50
Others (Escrow account- Refer Note 3)	666.58	-
Total	**733.69**	**341.53**

11 CURRENT FINANCIAL ASSETS - OTHERS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security deposits	13.91	7.91
Mark to Market Derivative Assets	0.69	0.45
Other receivables - from Related parties	-	0.02
Total	**14.60**	**8.38**

12 OTHER CURRENT ASSETS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance to suppliers	30.84	47.21
Balances with Indirect tax authorities	4.73	5.16
Expected recoverable from vendors against warranty	64.08	50.36
Prepaid expenses	7.81	4.01
Others	26.14	53.31
Total	**133.60**	**160.05**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

13 SHARE CAPITAL

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	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	63,34,05,959	126.68	62,76,91,353	125.54
	63,34,05,959	**126.68**	**62,76,91,353**	**125.54**

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Outstanding at the beginning of the year	62,76,91,353	125.54	62,72,83,972	125.46
Shares issued on account of exercising Employee stock option schemes	57,14,606	1.14	4,07,381	0.08
Outstanding at the end of the year	**63,34,05,959**	**126.68**	**62,76,91,353**	**125.54**

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.

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each fully paid				
Macritchie Investments Pte Ltd	3,76,12,367	5.94%	3,76,12,367	5.99%
SBI Mutual Fund	3,60,86,076	5.70%	3,84,09,761	6.12%
Amalfiaco Limited	-	0.00%	3,36,67,802	5.36%

d. Shares reserved for issuance under Stock Option Plans of the Company at face value of ₹ 2 (Also Refer Note 39)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Crompton Stock Option Plan 2016 (ESOP 2016)	18,93,854	0.38	26,33,826	0.53
Crompton Performance Share Plan 1 2016 (PSP 1)	55,38,176	1.11	1,06,27,872	2.13
Crompton Performance Share Plan 2 2016 (PSP 2)	30,79,392	0.62	30,79,392	0.62
Crompton Stock Option Plan 2019 (ESOP 2019)	82,64,317	1.65	74,96,499	1.50

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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 ₹ 2.50 (Rupees two and Paisa fifty only) per equity share of the face value of ₹ 2 each for the financial year ended 31st March, 2022.

i. Promoter Shareholding

Shares held by promoters as at 31st March. 2022			% change during the year
Promoter name	No. of shares	% of total shares	
Amalfiaco Limited	-	-	Sold-off their entire stake in June 2021 Reclassified as public in Jan 2022
Nirsinia Limited	-	-	Sold-off their entire stake in Sept 2021 Reclassified as public in Jan 2022
Macritchie Investments Pte Ltd	3,76,12,367	5.94%	No change during the year
Total	**3,76,12,367**	**5.94%**	

Shares held by promoters as at 31st March. 2021		
Promoter name	No. of shares	% of total shares
Amalfiaco Limited	3,36,67,802	5.36%
Nirsinia Limited	22,410	0.00%
Macritchie Investments Pte Ltd	3,76,12,367	5.99%
Total	**7,13,02,579**	**11.35%**

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

14 OTHER EQUITY

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital reserve	0.05	0.05
Securities premium	144.87	24.01
Employee stock option outstanding account	138.63	162.53
Retained earnings	1,967.20	1,530.68
Other comprehensive income	3.23	1.18
Debenture redemption reserve	75.00	75.00
Total	**2,328.98**	**1,793.45**

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. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debenture issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures. On completion of redemption, the reserve is transfered to retained earnings.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

15 FINANCIAL LIABILITIES - BORROWINGS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Measured at amortised cost		
i) Non-Current Borrowings		
Secured		
7.25% Series A Redeemable Non-Convertible Debentures	-	149.39
7.25% Series B Redeemable Non-Convertible Debentures	-	149.39
	-	**298.79**
ii) Current maturities of Borrowings - (Refer Note 17)		
7.25% Series B Redeemable Non-Convertible Debentures	149.87	-
8.95% Series C Redeemable Non-Convertible Debentures	-	180.00
Total	**149.87**	**478.79**

Terms of Debentures:

Particulars of Debentures	Series B (2020 issue)
Face value per debenture (₹)	10,00,000
Date of allotment	29th May, 2020
As at 31st March, 2022 (₹ crore)	150.00
As at 31st March, 2021 (₹ crore)	150.00
Interest	7.25% p.a. payable annually
Terms of repayment	Due for redemption on 29-05-2023, with call option on 27-05-2022

Debentures are secured by:

(a) Charge on 'Crompton' Brand and Registered Trade Marks of the Company; and

(b) Charge by way of equitable mortgage by deposit of title deeds of immovable properties situated in the State of Maharashtra, Himachal Pradesh and Goa.

Series A Non-Convertible Debentures (NCDs), issued on 29th May, 2020, amounting to ₹ 150 crores were redeemed on 29th Nov, 2021.

16 NON-CURRENT PROVISIONS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits (post retirement medical benefits, compensated absences, etc)	21.37	21.44
Provision for Warranty (Refer Note 21)	84.56	89.59
Provision for Statutory dues (Refer Note 21)	3.62	1.37
Total	**109.55**	**112.40**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

17 CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Working capital demand loan from bank	249.66	-
Current maturities of non-convertible debentures (Refer Note 15)	149.87	180.00
Unsecured		
Commercial Paper	1,155.72	-
Total	**1,555.25**	**180.00**

Note:

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

(b) Funds raised from Commercial paper are utilised for long term purposes and spent for the purpose it were obtained.

18 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Acceptances	245.50	101.63
Due to micro and small enterprises (Refer Note below)	109.99	44.61
Due to creditors other than micro and small enterprises	504.86	644.81
Total	**860.35**	**791.05**

Note:

(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, 2022. The disclosure pursuant to the said Act is as under:

₹ crore

Particulars	31st March, 2022/2021-22	31st March, 2021/2020-21
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	109.99	35.59
Interest	0.01	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	4.55	3.76

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

₹ crore

Particulars	31st March, 2022/2021-22	31st March, 2021/2020-21
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	-	0.01
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.09	0.08
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	0.01	-

(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.

Trade Payables Ageing

₹ crore

As at 31st March, 2022	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	109.59	-	0.41	-	-	110.00
(ii) Others	562.80	157.33	8.74	2.58	18.90	750.35
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**672.38**	**157.33**	**9.15**	**2.58**	**18.90**	**860.35**

₹ crore

As at 31st March, 2021	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	40.01	4.60	-	-	-	44.61
(ii) Others	667.72	52.89	0.46	9.89	15.49	746.44
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**707.73**	**57.49**	**0.46**	**9.89**	**15.49**	**791.05**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

19 CURRENT FINANCIAL LIABILITIES - OTHERS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued but not due on borrowings	9.46	30.65
Security deposits	29.26	27.45
Financial Guarantee Liability	0.33	-
Total	**39.05**	**58.11**

Note: Financial Gurantee Liability is the fair value of guarantee which is agreed to be given by the company to BGMAL

20 OTHER CURRENT LIABILITIES

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances from customers	4.43	5.86
Statutory dues payables	88.14	10.32
Unpaid dividend	3.11	2.50
Employee benefit payables	19.01	29.28
Others	0.66	0.49
Total	**115.35**	**48.44**

21 CURRENT PROVISIONS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits (post retirement medical benefits, compensated absences, etc)	2.47	2.01
Others (refer below notes)		
Provision for Warranty	98.52	82.16
Provision for Statutory dues	12.67	12.65
Provision for Other litigation Claims	0.06	0.06
Total	**113.72**	**96.88**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

Notes:

₹ crore

(1) Movement in other provisions	Warranty	Statutory Dues	Other litigation claims
Carrying amount as at 01st April, 2021	171.75	14.02	0.06
Provision made during the year (net)	139.11	2.27	-
Amounts used during the year	(122.81)	-	-
Unused amounts reversed during the year	(4.97)	-	-
Carrying amount as at 31st March, 2022	**183.08**	**16.29**	**0.06**
Current	98.52	12.67	0.06
Non-Current (Refer Note 16)	84.56	3.62	-

(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.

22 INCOME TAXES

(a) Tax expense recognised in Statement of profit and loss comprises :

₹ crore

Particulars	2021-22	2020-21
Current income tax charge net of writebacks	156.27	188.05
Adjustment of tax relating to earlier periods	3.97	(76.69)
Deferred tax (asset) / liability (net)		
Origination and reversal of temporary differences	9.43	(8.38)
Tax expense for the year	**169.67**	**102.98**

(b) Amounts recognised in Other comprehensive income

₹ crore

Particulars	2021-22			2020-21		
	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	2.74	(0.69)	2.05	2.93	(0.74)	2.19
	2.74	**(0.69)**	**2.05**	**2.93**	**(0.74)**	**2.19**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

(c) Reconciliation of effective tax rate

₹ crore

Particulars	2021-22	2020-21
Profit before tax	763.15	707.72
Applicable tax rate	25.17%	25.17%
Computed tax expense	192.07	178.12
Adjustment of tax relating to earlier periods*	3.97	(76.69)
Corporate social responsibility disallowance	3.10	2.77
Allowance of dividend received from subsidiaries	(2.98)	-
Impact of Share based payment expense	(26.06)	(1.02)
Others	(0.43)	(0.20)
Income tax expense for the current year	**169.67**	**102.98**
Effective tax rate	22.23%	14.55%

* Adjustment of tax relating to earlier periods pertain to Education cess claimed as allowance in previous years being provided owing to explanation as inserted by Finance Act, 2022.

(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, 2022	As at 31st March, 2021	2021-22	2020-21
(a)	Employee stock option outstanding	32.23	38.25	(6.02)	5.36
(b)	Provision allowed under tax on payment basis	11.63	10.86	0.77	1.00
(c)	Provision for doubtful debts and advances	7.32	5.35	1.98	(0.50)
(d)	Difference between Written down value of Property, Plant and Equipment and Intangible assets as per books of accounts and Income Tax	(0.93)	(0.72)	(0.22)	1.16
(e)	Fair valuation of Investments	(10.95)	(7.84)	(3.10)	(4.28)
(f)	Impact of Revenue Recognition, Right of use Asset, and Lease Liabilities	8.18	8.59	(0.41)	2.40
(g)	Other temporary differences	0.66	3.77	(2.42)	3.24
	Deferred tax income /(expense)			**(9.42)**	**8.38**
	Net deferred tax assets / (liabilities)	**48.14**	**58.26**		

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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

₹ crore

Sr. no.	Particulars	2021-22	2020-21
(a)	Opening balance as at 1st April	58.26	50.62
(b)	Tax (income)/expense during the period recognised in:		
	(i) Statement of profit and loss in profit or loss	(9.42)	8.38
	(ii) Statement of profit and loss under OCI	(0.69)	(0.74)
(c)	**Closing balance as at 31st March**	**48.15**	**58.26**

23 REVENUE FROM OPERATIONS

₹ crore

Particulars	2021-22	2020-21
A. Sales of products and services		
Revenue from contract with customers		
Sale of products (excluding Goods and Service tax)		
(i) Electric consumer durables	4,291.75	3,746.98
(ii) Lighting products	1,054.78	986.66
	5,346.53	**4,733.64**
Sale of services		
(i) Electric consumer durables	1.12	0.52
(ii) Lighting products	5.49	4.47
	6.61	**4.99**
	5,353.14	**4,738.63**
B. Other operating revenue		
Export benefits and other incentives	2.95	1.43
Scrap sales	17.11	9.89
	20.06	**11.32**
Total	**5,373.20**	**4,749.95**

24 OTHER INCOME

₹ crore

Particulars	2021-22	2020-21
Interest income	28.12	31.15
Dividend income from subsidiary companies	11.86	-
Income from subsidiary companies	0.43	0.28
Net gain on sale of investments	23.12	26.36
Net gain on fair valuation of investments	13.25	17.12
Others	3.12	0.72
Total	**79.90**	**75.63**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

25 COST OF MATERIALS CONSUMED

₹ crore

Particulars	2021-22	2020-21
Opening stock	79.00	64.03
Add: Purchases	1,179.84	945.92
Less: Closing stock	111.83	79.00
Cost of raw materials consumed	1,147.01	930.95
Add: Sub-contracting charges	46.90	54.49
Total	**1,193.91**	**985.44**

26 PURCHASES OF STOCK-IN-TRADE

₹ crore

Particulars	2021-22	2020-21
Electric consumer durables	1,908.44	1,777.38
Lighting products	548.21	505.82
Total	**2,456.65**	**2,283.20**

27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ crore

Particulars	2021-22	2020-21
Opening Stock :		
Finished goods	132.75	105.70
Stock-in-trade	278.40	273.78
Work-in-progress	23.18	16.65
	434.33	**396.13**
Less:		
Closing 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**
Changes in inventories:		
Finished goods	(1.98)	(27.05)
Stock-in-trade	47.86	(4.62)
Work-in-progress	(6.43)	(6.53)
	39.45	**(38.20)**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

28 EMPLOYEE BENEFITS EXPENSE

₹ crore

Particulars	2021-22	2020-21
Salaries, wages, bonus and other benefits	286.56	279.26
Contribution to provident and other funds	10.85	9.60
Gratuity	2.68	2.61
Privilege Leave	2.52	3.00
Staff welfare expenses	22.02	16.94
Share-based Payments to employees (Refer Note 39)	37.76	25.17
Total	**362.39**	**336.58**

(Remuneration paid to key management personnel Refer Note 36)

29 FINANCE COSTS

₹ crore

Particulars	2021-22	2020-21
Interest on borrowing	28.79	39.34
Interest Expense on lease liability	6.40	3.15
Others	0.12	0.42
Total	**35.31**	**42.91**

30 OTHER EXPENSES

₹ crore

Particulars	2021-22	2020-21
Consumption of stores and spares*	15.80	11.37
Power and fuel	5.73	4.56
Rent	11.61	14.65
Repair to property, plant and equipment*	2.89	2.54
Insurance	3.40	3.58
Rates and taxes	2.22	2.24
Freight and forwarding outward	144.43	135.16
Packing materials	69.07	62.77
After sales service	57.57	44.07
Sales promotion	29.24	51.80
Corporate social responsibility expenses (Refer Note 33)	12.33	10.99
Advertising	60.21	30.40
Legal and professional charges	84.31	58.84
Payment to the auditors (Refer Note below)	0.98	0.81
Bad Debts written off	6.01	14.14
Allowance for doubtful debt	8.97	(1.99)
Miscellaneous expenses*	45.18	32.31
Total	**559.95**	**478.24**

*includes expenditure on research and development (Refer Note 32)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

₹ crore

Payment to the auditors	2021-22	2020-21
Auditors' remuneration (excluding Goods and Service tax)		
Statutory Audit fees	0.51	0.40
Tax audit fees	0.09	0.08
Other services		
(i) Certification work	0.06	0.01
(ii) Others	0.28	0.30
Reimbursement of expenses	0.04	0.02
Total	**0.98**	**0.81**

31 CONTINGENT LIABILITIES AND COMMITMENTS

₹ crore

Sr. no.	Particulars	As at 31st March, 2022	As at 31st March, 2021
A	**Contingent Liabilities** (to the extent not provided for)**:**		
(a)	Claims against the Company not acknowledged as debts	23.46	23.72
(b)	Income tax liability that may arise in respect of matters in appeal	29.01	29.01
(c)	Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	8.19	5.96
(d)	GST/ Entry Tax/ Sales tax / VAT liability that may arise in respect of matters in appeal	117.60	112.97
B	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5.03	6.48

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 (d) above, pending resolution of the arbitration/appellate proceedings.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

32 EXPENDITURE ON RESEARCH AND DEVELOPMENT

₹ crore

Sr. no.	Particulars	2021-22	2020-21
(a)	**Capital expenditure**	13.34	1.40
	Sub-total (a)	**13.34**	**1.40**
(b)	**Revenue expenditure**		
	Raw materials consumed	0.95	-
	Employee benefits	18.42	13.18
	Depreciation and amortisation	3.98	3.32
	Other expenses		
	Consumption of stores and spares	1.10	0.89
	Repairs and maintenance	0.70	0.02
	Miscellaneous expenses	10.10	4.23
	Sub-total (b)	**35.25**	**21.64**
	Total (a) + (b)	**48.59**	**23.04**

33 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

₹ crore

Particulars	2021-22	2020-21
Gross amount required to be spent by the Company during the year	12.33	10.99
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	1.52	1.03
Monitoring & Evaluation	0.15	-
Promotion of Health and Response to Covid 19 Pandemic	2.40	5.85
Skill Development	0.34	1.09
Water Conservation	7.44	2.93
Administration	0.46	0.09
Other provisions (Refer Note below)	0.02	-
Total CSR expenditure	**12.33**	**10.99**
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)	11.96	9.96

Note:

₹ crore

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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

34 LEASES

Company as lessee

(a) Right of use assets

₹ crore

Cost	2021-22	2020-21
Opening Balance	54.89	50.75
Additions	59.87	4.14
Disposal / derecognized during the year	(13.12)	-
Closing Balance	101.66	54.89
Accumulated depreciation		
Opening Balance	19.56	9.28
Depreciation expense	21.00	10.28
Disposal / derecognized during the year	(8.25)	-
Closing Balance	32.31	19.56
Closing Balance	**69.35**	**35.33**

(b) Lease liabilities

₹ crore

Particulars	2021-22	2020-21
Opening Balance	39.32	43.94
Addition	59.87	4.14
Accredition of interest	6.41	3.15
Payments	(23.01)	(11.90)
Adjustments for disposals	(5.42)	-
Closing Balance	**77.17**	**39.33**
Current maturities of lease liabilities	33.63	15.45
Non-Current Lease Liability	43.54	23.88

(c) Amounts recognised in Statement of profit and loss

₹ crore

Particulars	2021-22	2020-21
Depreciation expense of Right of use assets (Refer Note 2)	21.00	10.28
Interest expense on lease liabilities (Refer Note 29)	6.40	3.15
Short term and low value leases	11.61	14.65
	39.01	**28.08**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

(d) Maturity analysis of lease liabilities (undiscounted)

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than one year	28.38	12.68
One to five years	59.38	31.85
More than five years	2.60	2.15
Total	**90.36**	**46.69**

(e) Amounts recognised in statement of Cash Flows

₹ crore

Particulars	2021-22	2020-21
Total Cash outflow for leases	23.01	11.90

(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.

35 EMPLOYEE BENEFITS

(a) Defined contribution plans (Refer Accounting Policy Note 1.16)

Amount of ₹ 16.66 crore (Previous year ₹ 15.91 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 28)

₹ crore

Benefits (Contribution to)	2021-22	2020-21
Provident fund	8.74	7.47
Superannuation fund	1.23	1.26
Employee state insurance scheme	0.24	0.25
Labour welfare scheme	0.00	0.01
Gratuity	2.68	2.61
National Pension Scheme	0.64	0.61
Privilege Leave	2.52	3.00
Post retirement medical benefits	0.61	0.70
Total	**16.66**	**15.91**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.16) as per Actuarial Valuation are as under:

₹ crore

Sr. no.	Particulars	Gratuity		Post Retirement Medical Benefits	
		2021-22 (Funded)	2020-21 (Funded)	2021-22 (Non funded)	2020-21 (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	25.50	22.85	6.93	6.44
	Amount recognised in statement of profit and loss	-	-	-	-
	Interest cost	1.64	1.56	0.48	0.44
	Current service cost	2.91	2.49	0.46	0.45
	Past service cost	-	-	-	-
	Amount recognised in other comprehensive income	-	-	-	-
	Actuarial (gains) / losses	(1.32)	0.91	(0.44)	(0.21)
	Benefits paid	(1.91)	(2.31)	(0.32)	(0.19)
	Present Value of defined benefit obligation at the end of the year	26.82	25.50	7.11	6.93
II	**Change in fair value of plan assets during the year**				
	Fair value of plan assets at the beginning of the year	29.08	21.10	-	-
	Expected return on plan assets	1.87	1.44	-	-
	Contributions	-	3.00	-	-
	Benefits paid from the fund	(1.91)	(0.09)	-	-
	Amount recognised in other comprehensive income	-	-	-	-
	Actuarial gain / (loss)	0.98	3.63	-	-
	Fair value of plan assets at the end of the year	30.02	29.08	-	-
III	**Actual return on plan assets**				
	Expected return on plan assets	1.87	1.44	-	-
	Actuarial gain / (loss)	0.98	3.63	-	-
	Actual return on plan assets	2.85	5.07	-	-
IV	**Net asset / (liability) recognised in the balance sheet**				
	Present Value of defined benefit obligation at the end of the year	(26.82)	(25.50)	(7.11)	(6.93)
	Fair value of plan assets at the end of the year	30.02	29.08	-	-
	Asset / (Liability) recognised in the balance sheet	3.20	3.58	(7.11)	(6.93)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

₹ crore

Sr. no.	Particulars	Gratuity		Post Retirement Medical Benefits	
		2021-22 (Funded)	2020-21 (Funded)	2021-22 (Non funded)	2020-21 (Non funded)
V	**Expenses recognised in the statement of profit and loss**				
	Current service cost	2.91	2.49	0.46	0.45
	Interest cost	(0.23)	0.12	0.48	0.44
	Past Service cost	-	-	-	-
	Net Expense/(Income) For the Period Recognized in Statment of profit and loss	**2.68**	**2.61**	**0.94**	**0.89**
VI	**Expenses recognised in the Other comprehensive income**				
	Actuarial (Gains)/Losses on Obligation For the Period	(1.32)	0.90	(0.44)	(0.21)
	Return on Plan Assets, Excluding Interest Income	(0.98)	(3.63)	-	-
	Change in Asset Ceiling	-	-	-	-
	Net (Income)/Expense For the Period Recognized in OCI	**(2.30)**	**(2.73)**	**(0.44)**	**(0.21)**
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	(1.53)	(1.56)	(0.91)	(0.85)
	1% decrease in discount rate	1.71	1.76	1.17	1.08
	1% increase in salary escalation rate	1.71	1.75	-	-
	1% decrease in salary escalation rate	(1.55)	(1.58)	-	-
	1% increase in employee turnover rate	0.02	(0.04)	-	-
	1% decrease in employee turnover rate	(0.03)	0.03	-	-
	1% increase in Medical inflation rate	-	-	1.18	1.09
	1% decrease in Medical inflation rate	-	-	(0.93)	(0.86)
IX	**Maturity profile of defined benefit obligations**	-	-	-	-
	Within the next 12 months	3.30	2.31	-	-
	Between 1 and 5 years	10.51	11.41		
	Between 5 and 10 years	13.02	11.78		
X	**Actuarial assumptions**				
	Discount rate (p.a.)	6.98%	6.44%	7.40%	6.91%
	Expected Return on Plan Assets (p.a.)	6.98%	6.44%	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 (2006-08)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
	Medical premium inflation rate	N.A	N.A	2%	2%

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

(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, 2022 and 31st March, 2021. 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 Company expects to fund nil (Previous year: nil) towards its gratuity plan during the year 2022-23.

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

36 RELATED PARTY DISCLOSURES

i) List of related parties over which control exist:

Name of the subsidiary companies:

Pinnacles Lighting Project Private Limited (from 31st December, 2018)

Nexustar Lighting Project Private Limited (from 2nd January, 2019)

Butterfly Ganthimathi Appliances Limited (from 30th March, 2022)

ii) Other Related Parties:

ASK Wealth Advisors Private Limited (upto 23rd July, 2021)

Crompton (CSR) Foundation

DFM Foods Ltd. (upto 28th January, 2022)

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

Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust

Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

iv) Key Management Personnel:

Mr. H. M. Nerurkar, Chairman and Independent Director

Mr. D. Sundaram, Independent Director

Mr. P. M. Murty, Independent Director

Ms. Smita Anand, Independent Director

Mr. P.R. Ramesh, Independent Director (from 21st May, 2021)

Ms. Hiroo Mirchandani, Independent Director (from 28th January, 2022)

Ms. Shweta Jalan, Non-Executive Director (upto 23rd July, 2021)

Mr. Sahil Dalal, Non-Executive Director (upto 23rd July, 2021)

Mr. Prometh Ghosh, Non-Executive Director

Mr. Shantanu Khosla, Managing Director

Mr. Mathew Job, Executive Director and Chief Executive Officer

Mr. Sandeep Batra, Chief Financial Officer (upto 30th May 2022)

Ms. Pragya Kaul, Company Secretary

v) Details of related party transactions:

₹ crore

Sr. no.	Nature of transaction	2021-22	2020-21
1	**Services received**		
	ASK Wealth Advisors Private Limited	-	0.20
	DFM Foods Ltd.	0.00	-
	Total	**0.00**	**0.20**
2	**Services rendered**		
	Pinnacles Lighting Project Private Limited	0.22	0.14
	Nexustar Lighting Project Private Limited	0.22	0.14
	Total	**0.44**	**0.28**
3	**Sale of products**		
	Pinnacles Lighting Project Private Limited	0.06	0.02
	Nexustar Lighting Project Private Limited	0.05	0.01
	Total	**0.11**	**0.03**
4	**Contributions (Employer's) to Post Retirement Funds**		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	-	3.00
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.23	1.26
	Total	**1.23**	**4.26**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

₹ crore

Sr. no.	Nature of transaction	2021-22	2020-21
5	**Compensation to Key Management Personnel**		
	Short-term benefits*	178.84	15.49
	Share-based Payments (Refer Note b below)	19.28	17.99
	Director's sitting fees	0.70	0.42
	Commission	1.00	0.72
	Total	**199.82**	**34.62**
6	**Donations paid**		
	Crompton (CSR) Foundation	11.96	9.96
	Total	**11.96**	**9.96**

*Short-term benefits for the current year include ₹ 153.69 crores (previous year: ₹ 3.25 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.

vi) Amount due to / from related parties

₹ crore

Sr. no.	Nature of transaction	As at 31st March, 2022	As at 31st March, 2021
1	**Other Receivable**		
	Pinnacles Lighting Project Private Limited	-	0.02
	Nexustar Lighting Project Private Limited	-	0.01
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	3.20	3.58
	Total	**3.20**	**3.61**
2	**Other Payable**		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	-	-
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.08	0.10
	Total	**0.08**	**0.10**

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

37 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.

	Particulars		2021-22	2020-21
(a)	**Basic earnings per share**			
	Numerator for earnings per share			
	Profit after tax	**₹ crore**	593.48	604.74
	Denominator for earnings per share			
	Weighted number of equity shares outstanding during the year	**Nos**	62,82,28,014	62,73,66,505
	Earnings per share - Basic (one equity share of ₹ 2 each)	₹	9.45	9.64
(b)	**Diluted earnings per share**			
	umerator for earnings per share			
	Profit after tax	**₹ crore**	593.48	604.74
	Denominator for earnings per share			
	Weighted number of equity shares outstanding for basic EPS during the year	**Nos**	62,82,28,014	62,73,66,505
	Add: Weighted average number of potential equity shares on account of Employee Stock Option Schemes	**Nos**	27,83,037	53,40,705
	Weighted number of equity shares outstanding for diluted EPSduring the year	**Nos**	63,10,11,051	63,27,07,210
	Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	9.41	9.56

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

38 IMPAIRMENT OF ASSETS

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, 2022	As at 31st March, 2021
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 2022 and 31st March, 2021 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, 2022

39 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, 2022/2021-22	31st March, 2021/2020-21
Share-based Payments to employee	37.76	25.17
Employee Stock option outstanding	138.63	162.53

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

Particulars	31st March, 2022				31st March, 2021			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Date of Shareholder's approval	19-01-2020 and amended on 06-01-2021	22-10-2016	22-10-2016	22-10-2016	19-01-2020	22-10-2016	22-10-2016	22-10-2016
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, 2022

(c) Options movement during the year:

Particulars	2021-22				2020-21			
	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	74,96,499	26,33,826	1,06,27,872	30,79,392	3,70,000	34,15,883	1,07,53,536	30,86,725
No. of options granted during the year	14,20,000	-	-	-	71,62,750	-	-	-
No. of options forfeited / lapsed during the year	6,23,182	1,44,062	-	-	3,894	5,07,033	25,664	7,333
No. of options vested during the year	8,90,868	2,65,938	-	-	19,249	17,63,826	1,06,27,872	30,79,392
No. of options exercised during the year	29,000	5,95,910	50,89,696	-	32,357	2,75,024	1,00,000	-
Money realised by exercise of options (₹)	76,40,785	12,31,83,176	47,24,76,480	-	83,69,138	5,50,88,628	92,83,000	-
No. of options outstanding at the end 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 exercisable at the end of the year	8,81,117	14,33,854	55,38,176	30,79,392	19,249	17,63,826	1,06,27,872	30,79,392
Weighted Average Remaining Contractual Life (in years)	7.21	3.36	2.71	2.52	7.92	4.15	3.55	3.52

(d) Weighted average information for year:

Particulars	2021-22				2020-21			
	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 (₹)	413.59	-	-	-	405.95	-	-	-
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 (₹)	168.44	-	-	-	160.01	-	-	-
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, 2022

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

Particulars	2021-22	2020-21
	ESOP 2019	ESOP 2019
Price of the underlying share in market at the time of the option grant (₹)	413.59	405.95
Exercise price (₹)	413.59	405.95
Risk free interest rate (based on government securities)(%)	6.13	5.64
Expected life (years)	5.81	5.64
Expected volatility (%)	33.08	33.25
Dividend yield (%)	0.60	0.49

(f) Number and Weighted Average Exercise Price of Options

Particulars	2021-22		2020-21	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	2,38,37,589	215.17	1,76,26,144	137.24
Granted during the year	14,20,000	413.59	71,62,750	405.95
Forefeited during the year	7,67,244	373.49	5,43,924	229.52
Exercised during the year	57,14,606	105.57	4,07,381	178.56
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,87,75,739	257.07	2,38,37,589	215.17
Exercisable at the end of the period	1,09,32,539	158.88	1,54,90,339	123.86

(g) Weighted average share price of options exercised during the year is ₹ 394.70 (Previous year ₹ 375.04).

40 OPERATING SEGMENTS

A. General Information

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

a) Electric Consumer Durables

b) Lighting Products

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, 2022

B. Information about reportable segments:

₹ crore

2021-22	Reportable segments		
Particulars	**Electric Consumer Durables**	**Lighting Products**	**Total**
Revenue			
External Customers	4,311.00	1,062.20	5,373.20
Inter-segment	-	-	-
Total revenue	**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	33.60	11.99	45.58

₹ crore

2020-21	Reportable segments		
Particulars	**Electric Consumer Durables**	**Lighting Products**	**Total**
Income			
External Customers	3,757.13	992.82	4,749.95
Inter-segment	-	-	-
Total income	**3,757.13**	**992.82**	**4,749.95**
Segment profit	739.22	116.14	855.36
Segment profit includes:			
Depreciation and amortization expense	7.78	6.52	14.30
Segment assets	**911.22**	**368.08**	**1,279.30**
Segment liabilities	**688.02**	**355.19**	**1,043.21**
Other disclosures			
Capital expenditure	17.71	4.56	22.27

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

C. Reconciliations of information on reportable segments

₹ crore

Particulars	2021-22	2020-21
(a) Income		
Total income for reportable segments	5,373.20	4,749.95
Elimination of inter-segment revenue	-	-
Total income (Refer Note 23)	**5,373.20**	**4,749.95**
(b) Profit before tax		
Total profit before tax for reportable segments	942.76	855.36
Unallocated amounts:		
Expense on Employee Stock Option Scheme	(37.76)	(25.17)
Finance costs	(35.31)	(42.91)
Other unallocable expenditure net of unallocable Income	(106.54)	(79.56)
Total profit before tax from operations as reported in Statement of profit and loss	**763.15**	**707.72**

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
(c) Assets		
Total assets for reportable segments	1,367.33	1,279.30
Other unallocated amounts		
Goodwill	779.41	779.41
Other assets	3,131.22	1,427.02
Deferred tax assets (net)	48.14	58.26
Total assets as reported in Balance sheet	**5,326.10**	**3,543.99**
(d) Liabilities		
Total liabilities for reportable segments	1,411.90	1,043.21
Other unallocated amounts		
Borrowings	1,305.60	478.79
Other liabilities	152.94	103.00
Total liabilities as reported in Balance sheet	**2,870.44**	**1,625.00**

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

₹ crore

Particulars	2021-22	2020-21
Revenue as per contracted price	5,442.33	4,828.73
Less: Cash discount	(89.19)	(90.10)
Total revenue from contract with customers	**5,353.14**	**4,738.63**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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.

41 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, 2022	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Security deposits	-	12.02	12.02	-	-	-	-
Current financial assets							
Cash and cash equivalents	-	170.09	170.09	-	-	-	-
Bank balance other than cash and cash equivalents	-	733.69	733.69	-	-	-	-
Current investments (Bonds/ Mutual funds)	610.65	-	610.65	610.65			610.65
Trade receivables	-	512.53	512.53	-	-	-	-
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							
Lease Liabilities	-	43.54	43.54	-	-	-	-
Current financial liabilities							
Borrowings	-	1,555.25	1,555.25	-	-	-	-
Trade payables	-	860.35	860.35	-	-	-	-
Lease Liabilities	-	33.63	33.63	-	-	-	-
Other current financial liabilities	-	39.05	39.05	-	-	-	-
	-	**2,531.83**	**2,531.83**	**-**	**-**	**-**	**-**

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

₹ crore

As at 31st March, 2021	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Security deposits	-	11.39	11.39	-	-	-	-
Current financial assets							
Cash and cash equivalents	-	252.99	252.99	-	-	-	-
Bank balance other than cash and cash equivalents	-	341.53	341.53	-	-	-	-
Current investments (Bonds/ Mutual funds)	761.07		761.07	761.07			761.07
Trade receivables	-	452.36	452.36	-	-	-	-
Derivative Assets	0.45	-	0.45	0.45	-	-	0.45
Other current financial assets	-	7.93	7.93	-	-	-	-
	761.52	**1,066.21**	**1,827.73**	**761.52**	**-**	**-**	**761.52**
Financial liabilities							
Non-current financial liabilities							
Lease Liabilities	-	23.88	23.88	-	-	-	-
Current financial liabilities							
Borrowings	-	478.79	478.79	-	-	-	-
Trade payables	-	791.05	791.05	-	-	-	-
Lease Liabilities	-	15.45	15.45	-	-	-	-
Other current financial liabilities	-	58.11	58.11	-	-	-	-
	-	**1,367.27**	**1,367.27**	**-**	**-**	**-**	**-**

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 hierarchy

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, 2022

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. 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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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.

i. 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

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, 2022	As at 31st March, 2021
Fixed-rate instruments		
Financial assets		
Bank deposits	874.57	583.01
Total	**874.57**	**583.01**
Financial liabilities		
Non-current borrowings	-	298.79
Current borrowings	1,305.60	180.00
Variable-rate Instruments		
Financial liabilities		
Current borrowings	249.66	-
Total	**1,555.25**	**478.79**

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	2021-22
Interest Expenses arising on account of variable rate of interest on short term borrowings	2.48
Impact on Interest Cost:	
Increase by 100 basis point (Increase in Interest Cost)	0.51
Decrease by 100 basis points (Decrease in Interest Cost)	(0.51)

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

ii. 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, 2022	As at 31st March, 2021
Not past due	443.86	328.10
Past due 1–360 days	42.04	79.69
Past due 361- 720 days	34.07	22.20
more than 720 days	22.77	43.62
	542.74	**473.61**

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:

₹ crore

Particulars	Amount
Balance as at 1st April, 2020	**23.24**
Impairment loss recognised	12.14
Write off of bad debts	(14.14)
Balance as at 1st April, 2021	**21.24**
Impairment loss recognised	14.98
Write off of bad debts	(6.01)
Balance as at 31st March, 2022	**30.21**

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.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

Derivatives

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

Investment in mutual funds

The 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.

iii. 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, 2022	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities						
Long Term Borrowings (including interest)	-	-	-	-	-	-
Current financial liabilities						
Short term Borrowings (including interest)	1,564.71	1,564.71	1,564.71	-	-	-
Trade payables	860.35	860.35	860.35	-	-	-
Other financial liabilities	29.60	29.60	29.60	-	-	-

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

₹ crore

As at 31st March, 2021	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities						
Long Term Borrowings (including interest)	509.44	561.36	236.15	21.75	303.46	-
Current financial liabilities						
Trade payables	791.05	791.05	791.05	-	-	-
Other financial liabilities	27.45	27.45	27.45	-	-	-

iv. 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.

v. 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.

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

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

Category	Instrument	Currency	Cross Currency	Amounts ($ in million)	Buy/Sell	Period
Hedges of recognised liabilities	Option Contract	USD	INR	8.81	Buy	As at 31st March, 2022

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

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, 2022	As at 31st March, 2021
Financial assets		
Trade receivables	5.04	6.61
	5.04	**6.61**
Financial liabilities		
Trade payables	79.30	55.73
	79.30	**55.73**
Net foreign currency exposure	**(74.26)**	**(49.12)**

Sensitivity analysis

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

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

Effect in ₹ crore	Profit or loss		
	Movement	Strengthening	Weakening
31st March, 2021			
USD	5%	(2.46)	2.46
		(2.46)	2.46

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

42 FINANCIAL PERFORMANCE RATIOS:

Particulars	Numerator	Denominator	31st March, 2022/2021-22	31st March, 2021/2020-21	Variance	Refer Note
A. Performance Ratios						
Net Profit Margin	Profit after tax	Sale of Products and Services	10.88%	12.53%	-13.16%	
Net Capital Turnover ratio	Net Sales	Working Capital	3.53	3.21	9.78%	
Return on Capital Employed	Earnings before interest and taxes	Tangible Capital Employed	43.78%	59.38%	-26.27%	(a)
Return on equity	Net Profit after Taxes	Average Shareholder's Equity	27.13%	35.71%	-24.02%	
Return on Investment	Net gain on investment	Weighted average investments	4.71%	5.48%	-14.05%	
Debt Service Coverage Ratio	Profit After Tax + Interest + Depreciation	Finance Cost + Repayments made during the year	3.62	3.18	13.79%	
B. Leverage Ratio						
Debt-Equity Ratio	Total Debt	Equity	0.63	0.25	153.84%	(b)
C. Liquidity Ratio						
Current ratio	Current Assets	Current liabilities excl. current Borrowings	2.33	2.49	-6.30%	
D. Activity Ratios						
Inventory Turnover	Cost of goods sold	Average Inventory	7.17	6.58	8.97%	
Debtors Turnover	Sale of Products and Services	Avg. Trade Receivables	11.14	10.09	10.41%	
Trade Payables Turnover ratio	Net Credit Purchases	Avg. Accounts payables	4.47	4.39	1.85%	

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

(a) Return on Capital Employed decreased on account of increase in assets capitalised during the year.

(b) Debt-Equity Ratio increased on account of increase in short-term borrowings during the year.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

43 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, 2022	As at 31st March, 2021
Current assets		
Inventories		
Raw Material	116.46	84.53
Finished Goods	365.28	410.06
Work-in-Progress	29.61	23.18
Total Current assets pledged as security	**511.35**	**517.77**

44 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, 2022 (₹ crore)	Balance outstanding as at 31st March, 2021 (₹ crore)	Relationship with the struck off company, if any, to be disclosed
Shreeskanda Systems Pvt Ltd	Payables	0.00	0.00	-
Kapson Power Technology Pvt Ltd	Payables	0.00	0.00	-
Trikaal Marketing Private Limited	Payables	0.00	0.00	-
Kiapco Infrastructure Pvt Ltd	Payables	-	0.00	-

Name of the struck off company	Nature of transactions with struck off company	Transaction during the year
Kiapco Infrastructure Pvt Ltd	Balance written off	0.00

(Amount shown as ₹ 0.00 crore represents amount below ₹ 50,000)

45 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, other bank balances and current investments. Total equity comprises all components of equity.

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

The Company's adjusted net debt-to-equity ratio at 31st March, 2022 was as follows:

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total equity	**2,455.66**	**1,918.99**
Total borrowings (including current portion of long-term debts)	1,555.25	478.79
Less: cash and cash equivalents	170.09	252.99
Less : Other bank balances	733.69	341.53
Total debt	**651.47**	**(115.73)**
Overall financing	3,107.13	1,803.26
Gearing ratio	**0.21**	**(0.06)**

46 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, 2022	Proportion of direct ownership as on 31st March, 2021
1	Pinnacles Lighting Project Private Limited	India	100%	100%
2	Nexustar Lighting Project Private Limited	India	100%	100%
3	Butterfly Ganthimathi Appliances Limited	India	55%	0%

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

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

49 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

Notes to the Standalone Financial Statements

for the year ended 31st March, 2022

50 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, received Presidential assent on September 28, 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 November 13, 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.

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

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

As per our report attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai, 27th May, 2022

For and on behalf of Board of Directors

H.M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
M. No. A17167

Mumbai, 27th May, 2022

Independent Auditor's Report

To the Members of **Crompton Greaves Consumer Electricals Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Crompton Greaves Consumer Electricals Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Purchase Price Allocation ('PPA') for the acquisition of stake in Butterfly Gandhimathi Appliances Limited** Refer to Note 39 to the Consolidated Financial Statements – "Business Combination" On March 30, 2022, the Company acquired a substantial stake in Butterfly Gandhimathi Appliances Limited, an equity listed company pursuant to the Share Purchase Agreement ("SPA"). The Company determined the acquisition to be within the scope of Ind AS 103 'Business Combinations' which requires that identified assets and liabilities be recognized at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair value of recognized assets and liabilities as goodwill.	Our audit procedures with respect to this matter included, but were not limited to, the following: a) Evaluated the competence, capabilities and objectivity of management's expert engaged for the PPA, obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence. b) Traced the value of the consideration transferred with reference to the SPA. c) Involved our valuation experts ("auditor's expert") to: (i) assess the reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date and

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	The Company appointed independent professional valuers to perform valuation of assets for the purpose of allocation of the consolidated purchase price to the respective assets and liabilities acquired (hereinafter referred to as 'the purchase price allocation' or 'the PPA'). The Management of the company determined that the fair values of the net identifiable assets acquired was ₹ 956.33 crore as part of the PPA and accordingly, the consideration paid in excess of the net assets acquired resulted in recognition of Goodwill of ₹ 423.34 crore. Significant assumptions and estimates are used as of the date of acquisition in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction. Significant judgements were made by the management of the company in respect of the future projections and the discount rate used in assessing the carrying value of the net assets acquired. Accordingly, this is considered to be a key audit matter.	(ii) review the management's assessment/ method including the key assumptions related to the projections, the discount rate used in the assessment of the carrying values as at the year end. d) Verified the mathematical accuracy of management's calculations of Goodwill. e) Assessed the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements in compliance with the requirements of Ind AS 103: "Business Combinations".
2	**Goodwill** (Refer Notes 2 and 42 to the Consolidated Financial Statements) On demerger of the Consumer Business from Crompton Greaves Limited (CGL) (now CG Power and Industrial Solutions Limited) and in terms of the 'Scheme of Arrangement', the assets and liabilities of the Consumer Business along with certain brand usage rights were transferred to Crompton Greaves Consumer Electricals Limited (CGCEL). The excess of liabilities over net assets based on fair value and the share capital amounting to ₹ 779.41 crore was recorded as Goodwill in the books of CGCEL. The Company has adopted the policy of amortizing the goodwill in the books of account, based on the outcome of impairment test if there is an indication of impairment as at the reporting date. Based on the valuation done by the management's expert, the value of goodwill is more than its book value as at March 31, 2022 and hence there is no indication of impairment. This is a key area of judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows, determination of discount and terminal growth rates, which are the basis for computing the value of goodwill and the assessment of recoverability. In view of the above, the Company has carried out an impairment assessment of goodwill 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. Accordingly, this is considered as a key audit matter.	Our audit procedures with respect to this matter included, but were not limited to, the following: a) Assessed reasonableness of the future revenue and margins, the historical accuracy of the estimates and the company's ability to produce accurate long-term forecasts. b) Involved our valuation experts ("auditor's expert") to assist in examining the Company's valuation model and analyzing the underlying key assumptions, including long-term growth rates and discount rates. c) 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. d) Compared the future operating cash flow forecasts with the business plan and budgets approved by the Board and tested the mathematical accuracy of management's calculations. e) Assessed the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3	**Estimates – Provision for Warranty** Refer note 23 to Consolidated Financial Statement The Company's business involves the sale of products under warranty. The Company also has back-to-back contractual arrangements with its vendors for recovery of cost relating to products supplied by the vendors. Warranty provisions, which are inherently judgmental in nature, are provided by the Group to record an appropriate estimate of the ultimate costs of repairing and replacing products and spares that is ascertained to be defective. Warranty cost and recovery being of a material amount and involving significant judgement 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 and assessed the design, implementation and tested the operating effectiveness of internal controls over the provision for warranties. b) Reviewed the historical data of costs incurred to the product sales, the trend of claims over the warranty period and the provisions previously recognized to assess the quality of the management estimates. Also, we reviewed the historical data of recoveries from vendors against warranty claims and defective returns. c) Performed enquiry procedures and reviewed relevant documents in evaluating the accuracy of historical information prepared by the management. d) 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. e) Assessed the adequacy and appropriateness of the relevant disclosures made in the Consolidated Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.
4	**Ongoing litigations and related disclosure of contingent liabilities, including provision for tax** (Refer Note 34 of Consolidated Financial Statement) The Company's unsettled tax positions include matters under dispute which involves significant judgment to determine the possible outcome of these disputes. These provisions are estimated using a significant degree of management judgement in interpreting the various relevant rules, regulations, and practices. 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 2021-22. b) Reviewed the processes and 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 tax experts ("auditor's expert") to discuss with the appropriate management to critically evaluate the key assumptions in estimating the tax provisions and assessed the possible outcome of the assessment / demands of the disputed claims. Our tax experts considered past precedence and other rulings in evaluating Company's position on these uncertain tax positions.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
		d) Assessed whether the Company's disclosures in Note 33 to the financial statements - Contingent liabilities and commitments, adequately disclose the relevant facts and circumstances and potential liabilities of the Company. e) Further, considered the effect of all the information in respect of uncertain tax positions as at March 31, 2022 and provision for tax to evaluate whether it was necessary to revise the Company's position on these uncertainties.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management report, Chairman's statement, Director's report etc but does not include the Consolidated Financial Statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report etc is expected to be made available to us after the date of this auditor's report. Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Chairman's statement, Director's report etc report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information' and we need to describe actions as per applicable laws and regulations

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

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

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

Other Matters

a. We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 562.03 crores as at March 31, 2022, total revenues of ₹ 30.03 crores and net cash out flows amounting to ₹ 9.27 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

b. The Consolidated Financial Statements of the Group for the year ended March 31, 2021, were audited by another auditor whose report dated May 21, 2021, expressed an unmodified opinion on those statements.

   Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, – Refer Note 34 to the Consolidated Financial Statements.

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

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

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

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

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries that are Indian companies under the Act, interim dividend declared and paid by the Holding Company, its subsidiaries, during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

2. As required by the Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of two subsidiaries, as the provisions of the aforesaid section is not applicable to private companies.

3. According to the information and explanations given to us, the details of Qualifications made by the respective auditors of the subsidiary companies in the Companies (Auditor's Report) Order (CARO) Reports of the subsidiary companies included in the Consolidated Financial Statements are as follows:

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

FOR M S K A & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132
UDIN: 22207132AJSPXT6649

Place: Mumbai
Date: May 27, 2022

Annexure 'A' to the Independent Auditor's Report

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the year ended March 31, 2022 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: 22207132AJSPXT6649

Place: Mumbai
Date: May 27, 2022

Annexure 'B' to the Independent Auditor's Report

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Crompton Greaves Consumer Electricals Limited on the Consolidated Financial Statements for the year ended March 31, 2022]

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

Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to Consolidated Financial Statements of Crompton Greaves Consumer Electricals Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2022, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

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

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

Other Matters

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

FOR M S K A & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 105047W

Srividya Vaidison
Partner
Membership No. 207132
UDIN: 22207132AJSPXT6649

Place: Mumbai
Date: May 27, 2022

Consolidated Balance Sheet

As at 31st March, 2022

₹ crore

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2	404.53	97.43
(b) Capital work-in-progress		13.00	10.86
(c) Right of use assets	2	71.10	35.33
(d) Goodwill	2	1,285.46	779.41
(e) Other intangible assets	2	1,512.38	2.82
(f) Financial assets			
(i) Investments	3	0.34	-
(ii) Other financial assets	4	15.39	11.39
(g) Deferred tax assets (net)	24	-	58.55
(h) Non-current tax assets (net)		13.83	2.03
(i) Other non-current assets	5	32.51	20.09
Total non-current assets		**3,348.54**	**1,017.91**
(2) Current assets			
(a) Inventories	6	721.04	518.64
(b) Financial assets			
(i) Investments	7	623.83	769.73
(ii) Trade receivables	8	615.43	460.81
(iii) Cash and cash equivalents	9	171.62	262.42
(iv) Bank balances other than (iii) above	10	743.57	341.53
(v) Loans	11	1.23	-
(vi) Other financial assets	12	14.16	8.36
(c) Current tax assets (net)		23.81	18.69
(d) Other current assets	13	185.36	199.34
Total current assets		**3,100.05**	**2,579.52**
TOTAL ASSETS		**6,448.59**	**3,597.43**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14	126.68	125.54
(b) Other equity	15	2,326.28	1,805.89
Equity attributable to equity holders of parent		**2,452.96**	**1,931.43**
(c) Non-controlling interests	16	782.45	-
Total equity		**3,235.41**	**1,931.43**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	4.56	298.78
(ii) Lease Liabilities	37	44.14	23.88
(b) Deferred tax liabilities (net)	24	39.43	-
(c) Provisions	18	109.55	112.40
Total non-current liabilities		**197.68**	**435.06**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	1,602.95	180.00
(ii) Lease Liabilities	37	34.08	15.45
(iii) Trade payables			
- Due to micro and small enterprises	20	120.18	44.62
- Due to creditors other than micro and small enterprises	20	897.60	775.80
(iv) Other financial liabilities	21	44.84	58.11
(b) Other current liabilities	22	133.61	54.56
(c) Provisions	23	182.24	102.40
Total current liabilities		**3,015.50**	**1,230.94**
Total liabilities		**3,213.18**	**1,666.00**
TOTAL EQUITY AND LIABILITIES		**6,448.59**	**3,597.43**
The accompanying notes form an integral part of the financial statements			

As per our report attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai, 27th May, 2022

For and on behalf of Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
Membership No. A17167

Mumbai, 27th May, 2022

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

₹ crore

Particulars	Notes	2021-22	2020-21
Income			
I. Revenue from operations	25	5,394.11	4,803.51
II. Other income	26	72.65	75.75
III. Total Income (I+II)		**5,466.76**	**4,879.26**
IV. Expenses			
Cost of materials consumed	27	1,193.91	986.31
Purchase of stock-in-trade	28	2,467.57	2,320.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	40.30	(39.07)
Employee benefits expense	30	362.39	336.58
Finance costs	31	35.31	42.91
Depreciation and amortisation expense	2	42.28	29.69
Other expenses	32	560.49	479.21
Total Expenses (IV)		**4,702.25**	**4,155.63**
V. Profit before exceptional items and tax		**764.51**	**723.63**
Exceptional items	33	12.97	-
VI. Profit before tax		**751.54**	**723.63**
VII. Tax expense:			
Current tax		159.52	192.30
Adjustment of tax relating to earlier periods		3.97	(76.69)
Deferred tax	24	9.67	(8.63)
Total Tax expense (VII)		**173.16**	**106.98**
VIII. Profit for the year (VI-VII)		**578.38**	**616.65**
IX. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) on defined benefit plans		2.74	2.93
(ii) Income tax related to items that will not be reclassified to profit or loss		(0.69)	(0.74)
Other comprehensive income for the year (net of tax) (IX)		**2.05**	**2.19**
X. Total comprehensive income for the year (VIII+IX)		**580.44**	**618.84**
Profit attributable to:			
Owners of the Holding Company		578.38	616.65
Non-controlling interests	39	-	-
Other Comprehensive income attributable to:			
Owners of the Holding Company		2.05	2.19
Non-controlling interests	39	-	-
Total Comprehensive income attributable to:			
Owners of the Holding Company		580.44	618.84
Non-controlling interests	39	-	-
XI. Earnings per equity share	41		
1. Basic (₹)		9.21	9.83
2. Diluted (₹)		9.17	9.75
The accompanying notes form an integral part of the financial statements			

As per our report attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai, 27th May, 2022

For and on behalf of Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
Membership No. A17167

Mumbai, 27th May, 2022

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

(A) EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	Amount ₹ crore	No. of Shares	Amount ₹ crore
Balance as at the beginning of the reporting period	62,76,91,353	125.54	62,72,83,972	125.46
Changes in equity share capital during the year	57,14,606	1.14	4,07,381	0.08
Balance as at the end of the reporting period	**63,34,05,959**	**126.68**	**62,76,91,353**	**125.54**

(B) OTHER EQUITY

₹ crore

Particulars	Reserves and Surplus					Other comprehensive income	Equity attributable to equity holders of the parent	Non-Controlling Interest	Total Other Equity
	Capital Reserve	Securities premium	Employee stock options outstanding account	Debenture redemption reserve	Retained earnings	Remeasurement gain / (loss) on defined benefit plans			
Balance as at 31-03-2020	**0.05**	**13.36**	**141.24**	**75.00**	**1,114.23**	**(1.01)**	**1,342.87**	**-**	**1,342.87**
Profit for the year	-	-	-	-	616.65	-	616.65	-	616.65
Dividends paid	-	-	-	-	(188.20)	-	(188.20)	-	(188.20)
Securities premium received	-	7.21	-	-	-	-	7.21	-	7.21
Amount transferred to Securities premium	-	3.44	(3.44)	-	-	-	-	-	-
Amount transferred to Retained earnings	-	-	(0.44)	-	0.44	-	-	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	2.19	2.19	-	2.19
Employee compensation expense for the year (Refer Note 30)	-	-	25.17	-	-	-	25.17	-	25.17
Balance as at 31-03-2021	**0.05**	**24.01**	**162.53**	**75.00**	**1,543.12**	**1.18**	**1,805.89**	**-**	**1,805.89**
Profit for the year	-	-	-	-	578.38	-	578.38	-	578.38
Additions on account of acquisition through business combination (Refer Note 39)	-	-	-	-	-	-	-	782.45	782.45
Dividends paid	-	-	-	-	(156.96)	-	(156.96)	-	(156.96)
Securities premium received	-	59.20	-	-	-	-	59.20	-	59.20
Amount transferred to Securities premium	-	61.66	(61.66)	-	-	-	-	-	-
Amount transferred to Retained earnings	-	-	-	-	-	-	-	-	-
Movement in Other comprehensive income for the year	-	-	-	-	-	2.05	2.05	-	2.05
Employee compensation expense for the year (Refer Note 30)	-	-	37.76	-	-	-	37.76	-	37.76
Balance as at 31-03-2022	**0.05**	**144.87**	**138.63**	**75.00**	**1,964.51**	**3.23**	**2,326.28**	**782.45**	**3108.77**

As per our report attached

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

Srividya Vaidison
Partner
Membership No. 207132
Mumbai, 27th May, 2022

For and on behalf of Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer

Mumbai, 27th May, 2022

Pragya Kaul
Company Secretary
Membership No. A17167

Consolidated Statement of Cash Flows

for the year ended 31st March, 2022

₹ crore

Particulars		2021-22	2020-21
[A] CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**751.54**	723.63
Adjustments for:			
Depreciation and amortisation expense		42.29	29.69
Finance Cost		35.31	42.91
Loss on sale of property, plant and equipment		0.14	0.16
Share-based Payments to employee		37.76	25.17
Net gain on sale/ fair valuation of investments		(36.94)	(43.66)
Interest income		(28.52)	(31.37)
Unrealised exchange (gain) / loss (net)		1.12	(3.21)
		51.16	**19.69**
Cash Generated from operations before working capital changes		**802.70**	**743.32**
Adjustments for:			
(Increase) / Decrease in trade and other receivables		(45.28)	(77.24)
Decrease / (Increase) in inventories		7.29	(55.03)
Increase / (Decrease) in trade and other payables		121.76	232.22
Increase / (Decrease) in provisions		16.73	44.52
		100.50	**144.47**
Cash generated from operations		**903.20**	**887.79**
Taxes paid (net of refunds)		(179.82)	(57.50)
Net cash generated from / (used in) operating activities	**[A]**	**723.38**	**830.29**
[B] CASH FLOWS FROM INVESTING ACTIVITIES			
Add: Inflows from investing activities			
Interest received		37.03	26.73
Sale of property, plant and equipment		0.56	0.41
		37.59	**27.14**
Less: Outflows from investing activities			
Investment in Subsidiaries		1,380.00	-
(Sale) / Purchase of current investments (net)		(182.85)	185.25
Increase / (Decrease) in other bank balances and term deposits		392.17	317.44
Purchase of property, plant and equipment and intangible assets		171.15	20.18
		1,760.47	**522.87**
Net Cash (used in) / generated from investing activities	**[B]**	**(1,722.88)**	**(495.73)**

Consolidated Statement of Cash Flows

for the year ended 31st March, 2022

₹ crore

Particulars		2021-22	2020-21
[C] CASH FLOWS FROM FINANCING ACTIVITIES			
Add: Inflows from financing activities			
Proceeds from issue of equity shares		60.33	7.27
Proceeds from issue of debentures		-	300.00
Proceeds from short-term borrowings (net)		1,406.90	-
		1,467.23	**307.27**
Less: Outflows from financing activities			
Payment of dividend including dividend distribution tax		156.35	187.39
Repayment of debentures		330.00	170.00
Repayment of lease liability		23.01	11.90
Interest paid		50.53	34.15
		559.89	**403.44**
Net Cash generated / (used in) from financing activities	**[C]**	**907.34**	**(96.17)**
Net (decrease)/increase in cash and cash equivalents	**(A+B+C)**	**(92.16)**	**238.39**
Consolidated Cash and cash equivalents movement (without Butterfly Gandhimathi Appliances Limited balance)			
(a) Cash and cash equivalents at beginning of the year		262.42	24.03
(b) Cash and cash equivalents at end of the year		170.26	262.42
(c) Net (decrease)/Increase in cash and cash equivalents (c = b-a)		**(92.16)**	**238.39**
(d) Cash and cash equivalents of Butterfly Gandhimathi Appliances Limited at the end of year		**1.36**	**-**
Consolidated Cash and cash equivalents movement (with Butterfly Gandhimathi Appliances Limited balance)			
(e) Cash and cash equivalents at end of the year	**(e = b+d)**	**171.62**	**262.42**

Notes:

1 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).

2 Additions to property, plant and equipment include movements of capital work-in-progress during the year.

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

As per our report attached

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai, 27th May, 2022

For and on behalf of Board of Directors

H. M. Nerurkar
Chairman
DIN: 00265887

Shantanu Khosla
Managing Director
DIN: 00059877

D. Sundaram
Director
DIN: 00016304

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Sandeep Batra
Chief Financial Officer

Pragya Kaul
Company Secretary
Membership No. A17167

Mumbai, 27th May, 2022

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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.

The consolidated financial statements comprise the financial statements of Crompton Greaves Consumer Electricals Limited (the 'Company') and its subsidiaries (collectively, the 'Group'). Refer Note 40 for list of subsidiaries.

1. Significant Accounting policies

1) Statement of compliances and basis of preparation and presentation

a) Statement of compliance

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

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

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

b) Basis of presentation and consolidation

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

The consolidated financial statements of the Group for the year ended 31st March 2022 were approved for issue in accordance with the resolution of the Board of Directors on 27th May 2022.

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

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

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

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

i) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

ii) The non - controlling interest's share of movements in equity since the date parent subsidiary relationship came into existence. The profit/loss and other comprehensive income attributable to non- controlling interests of subsidiaries are shown separately in the consolidated statement of profit and loss and consolidated statement of changes in equity.

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

c) Basis of measurement

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

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

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

iii) Share based payment transactions

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

d) Fair Value Measurement:

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

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

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

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

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

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

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

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

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

2) Rounding of amounts

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

3) Key estimates and assumptions

The preparation of consolidated financial statements requires the management to make judgments, use estimates and assumptions that affect the reported

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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

a) Goodwill impairment

For testing of impairment of goodwill, if events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the Cash Generating Units (CGUs) (including allocated goodwill) is compared with its recoverable amount by the Group. The recoverable amount is the higher of fair value less costs to sell and value in use, both of which are calculated by The Group using a discounted cash flow analysis. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimation and judgment involve, but is 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 23)

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

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 43)

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 Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. (Refer Note 24)

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 38)

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

f) Contingent Liability

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

4) Foreign currency translation

a) Functional and presentation currency

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

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

b) Transactions and balances

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

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

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

5) 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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

c) Depreciation

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

6) 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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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

Intangible assets with finite useful life are amortized on a straight-line basis over their estimated useful life as under:	Useful life (in years)
Computer Software	5-10
Non-compete*	5
Distribution Networks*	8
Trademark	Indefinite
Technical knowhow/R&D	Indefinite
Brand*	Indefinite

* Intangible assets acquired through Business combination

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

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

(d) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. (Refer Note 42 for a description of impairment testing procedures)

e) Research and development cost

i) Research cost

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

ii) Development cost

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

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

b) The Group has intention to complete the development of intangible asset and use or sell it;

c) The Group has ability to use or sell the intangible asset;

d) the manner in which the probable future economic benefit will be generated 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;

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

f) The Group has 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 a period of five years, 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 Intangibles under development.

7) Impairment of non-financial assets

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

8) 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.

9) 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.

10) Inventories

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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.

11) 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.

12) 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 Group classifies its financial assets in the following measurement categories:

i) those measured at amortised cost, and

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

Initial recognition and measurement

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

Subsequent measurement

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

Debt instruments

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

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

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

Subsequent measurement

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

- **Amortised cost**

  Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

and interest, are measured at amortised cost. A gain or loss on a debt investment (unhedged) that is subsequently measured at amortised cost is recognised in the Statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate (EIR) method.

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

De-recognition

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

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) The Group has transferred substantially all the risks and rewards of the asset, or (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When The Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, The Group continues to recognize the transferred asset to the extent of The Group's continuing involvement. In that case, The Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that The Group has retained.
- Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that The Group could be required to repay.
- On derecognition of financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.
- If The Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized and the proceeds received are recognised as a collateralized borrowing.

Impairment of financial assets

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

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits and bank balances

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any.

(b) Financial liabilities

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

Classification

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

Initial recognition and measurement

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

Subsequent measurement

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

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

Derecognition

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

Other financial liabilities

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

Offsetting of financial instruments

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

Derivative financial instruments

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

Financial guarantee contracts

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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

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

13) Provisions, contingent liabilities, contingent assets and commitments

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

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

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

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

14) Revenue recognition

a) Revenue from goods and services:

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

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and allowances, trade discounts and volume rebates. Goods and Services tax is recorded separately.

Rendering of services

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

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

b) Interest income

Financial assets measured at amortised cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

c) Other income

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

15) Government grants & incentives

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

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

16) Employee benefit plans

a) Short-term employee benefits:

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

b) Post-employment benefits:

Defined contribution plans:

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

Defined benefit plans:

Defined benefit schemes in the form of gratuity liability and post-retirement medical benefits, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit 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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for the year ended 31st March, 2022

c) Long-term employee benefits:

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

d) Termination benefits:

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

e) Share-based Payments:

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

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

17) Leases

The Group as a lessee:

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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

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

For the short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

18) 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.

a) Current tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Group'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).

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

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

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

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

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for the year ended 31st March, 2022

19) Earnings per share (EPS)

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

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

20) Exceptional items:

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

21) Segment accounting

a) Segment accounting policies:

Segment accounting policies are in line with the accounting policies of the group. The Group identifies primary business segment based on the different risks and returns, the organization structure and the internal reporting systems. Secondary segments are identified on the basis of geography in which sales have been effected. In addition, the following specific accounting policies have been followed for segment reporting:

i) Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter-segment revenue.

ii) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result. Expenses which relate to The Group as a whole and not allocable to segments are included under unallocable expenditure.

iii) Income which relates to The Group as a whole and not allocable to segments is included in unallocable income.

iv) Segment results include margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Group.

v) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to The Group as a whole and not allocable to any segment.

b) Inter-segment transfer pricing:

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.

22) Statement of cash flows

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

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.

23) Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Holding Company to obtain control of a business is calculated as the sum of the fair values of assets transferred, liabilities incurred

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

and the equity interests issued by the Company as at the acquisition date i.e. date on which it obtains control of the acquiree which includes the fair value of any asset or liability arising from a contingent consideration arrangement.

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

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for the year ended 31st March, 2022

2 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

₹ crore

ASSETS	Gross block (Cost)					Depreciation/ Amortisation				Net Block	
	As at 1st April, 2021	Additions	Acquisition through Business Combination*	Deductions	As at 31st March, 2022	Upto 31st March, 2021	For the year	Deductions	Upto 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
(i) Property, plant and equipment											
Owned assets:											
Freehold land	4.41	95.11	78.88	-	178.40	-	-	-	-	178.40	4.41
Leasehold land	2.69	-	-	-	2.69	0.78	0.03	-	0.82	1.87	1.91
Buildings	45.92	4.52	44.14	0.40	94.18	8.06	2.15	0.38	9.83	84.35	37.86
Leasehold Improvements	-	5.79	-	-	5.79	-	0.55	-	0.55	5.24	-
Right of use assets	54.89	59.87	1.76	13.11	103.41	19.56	21.00	8.25	32.31	71.10	35.33
Plant and equipments	82.28	22.69	33.85	7.03	131.79	38.80	12.34	6.40	44.75	87.04	43.48
Tools and Dies	-	-	18.38	-	18.38	-	-	-	-	18.38	-
Furniture and fixtures	4.74	1.94	3.06	0.46	9.27	2.66	0.61	0.21	3.06	6.21	2.08
Electrical Installations and Equipment	-	-	4.47	-	4.47	-	-	-	-	4.47	-
Office equipments	14.64	5.02	2.08	1.04	20.70	8.95	3.14	0.92	11.16	9.54	5.69
Vehicles	4.23	3.77	4.47	1.05	11.43	2.23	0.97	0.82	2.40	9.03	2.00
Sub-total (i)	**213.80**	**198.71**	**191.09**	**23.09**	**580.50**	**81.04**	**40.80**	**16.97**	**104.88**	**475.63**	**132.76**
(ii) Intangible assets											
Goodwill	779.41	-	506.05	-	1,285.46	-	-	-	-	1,285.46	779.41
Subtotal (ii)	**779.41**	**-**	**506.05**	**-**	**1,285.46**	**-**	**-**	**-**	**-**	**1,285.46**	**779.41**
(iii) Other Intangibles											
Computer software	9.77	0.80	0.78	-	11.35	7.00	1.48	-	8.50	2.85	2.77
Technical knowhow	1.90	-	-	-	1.90	1.89	-	-	1.89	0.01	0.01
Research and development	0.68	-	-	0.00	0.68	0.64	-	0.00	0.64	0.04	0.04
Trademarks	-	32.91	-	-	32.91	-	-	-	-	32.91	-
Brand	-	-	1,163.06	-	1,163.06	-	-	-	-	1,163.06	-
Non-Compete	-	-	108.45	-	108.45	-	-	-	-	108.45	-
Distribution Networks	-	-	205.06	-	205.06	-	-	-	-	205.06	-
Sub-total (iii)	**12.35**	**33.71**	**1,477.35**	**0.00**	**1,523.41**	**9.53**	**1.48**	**0.00**	**11.02**	**1,512.38**	**2.82**
Total (i) + (ii)+(iii)	**1,005.56**	**232.42**	**2,174.49**	**23.10**	**3,389.37**	**90.57**	**42.28**	**16.97**	**115.90**	**3,273.47**	**914.99**

*Refer note 39- Business Combination

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for the year ended 31st March, 2022

₹ crore

ASSETS		Gross block (Cost)					Depreciation/ Amortisation				Net Block	
		As at 1st April, 2020	Additions	Acquisition through Business Combination*	Deductions	As at 31st March, 2021	Upto 31st March, 2020	For the year	Deductions	Upto 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
(i)	**Property, plant and equipment**											
	Owned assets:											
	Freehold land	4.41	-	-	-	4.41	-	-	-	-	4.41	4.41
	Leasehold land	2.69	-	-	-	2.69	0.75	0.03	-	0.78	1.91	1.94
	Buildings	35.03	10.90	-	0.01	45.92	6.28	1.78	0.00	8.06	37.86	28.75
	Right-of-Use assets	50.75	4.14	-	-	54.89	9.28	10.28	-	19.56	35.33	41.47
	Plant and equipment	65.63	17.00	-	0.35	82.28	27.58	11.43	0.21	38.80	43.48	38.05
	Furniture and fixtures	4.63	0.23	-	0.12	4.74	2.17	0.56	0.07	2.66	2.08	2.46
	Office equipment	11.40	3.35	-	0.11	14.64	6.21	2.83	0.09	8.95	5.69	5.19
	Vehicles	4.44	0.45	-	0.66	4.23	1.65	0.89	0.31	2.23	2.00	2.79
	Sub-total (i)	**178.98**	**36.07**	**-**	**1.25**	**213.80**	**53.92**	**27.80**	**0.68**	**81.04**	**132.76**	**125.06**
(ii)	**Intangible assets**											
	Goodwill	779.41	-	-	-	779.41	-	-	-	-	779.41	779.41
	Subtotal (ii)	**779.41**	**-**	**-**	**-**	**779.41**	**-**	**-**	**-**	**-**	**779.41**	**779.41**
(iii)	**Other Intangibles**											
	Computer software	9.56	0.21	-	-	9.77	5.11	1.89	-	7.00	2.77	4.45
	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
	Sub-total (iii)	**12.14**	**0.21**	**-**	**-**	**12.35**	**7.64**	**1.89**	**-**	**9.53**	**2.82**	**4.50**
	Total (i) + (ii)+(iii)	**970.53**	**36.28**	**-**	**1.25**	**1,005.56**	**61.56**	**29.69**	**0.68**	**90.57**	**914.99**	**908.97**

*Refer note 39- Business Combination

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

Notes:

(a) Carrying amount of property, plant and equipment and intangible assets given as collateral for borrowings is ₹ 795.35 crore; (Previous year ₹ 785.41 crore).

(b) Details of title deeds of immovable property not held in name of the Group.

Description of item of property	Gross carrying value (₹ crore)		Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	In the books of	Reason for not being held in the name of the Group
	31st March, 2022	31st March, 2021					
Freehold Land	0.34	0.34	Crompton Greaves Limited	No	01-01-2016	Crompton Greaves Consumer Electricals Limited	Free hold land acquired consequent to the "Scheme of Arrangement" in respect of which the deed of conveyance is yet to be completed. The matter is in dispute with Stamp Authorities of Gujarat.
Building	0.67	0.67	Crompton Greaves Limited	No	01-01-2016	Crompton Greaves Consumer Electricals Limited	Title deeds of Office premise was not transferred at the time of "Scheme of Arrangement" in year 2015, in the name of the Company. However, the same is in possession of the company. The matter is in dispute with Stamp Authorities of Gujarat.
Land	0.10	0.10	Hercules Metal Processors	Erstwhile Directors are partners of the firm	21-03-1990	Butterfly Gandhimathi Appliances Limited	For want of original revenue records (name change is under process)

(c) Capital work-in-progress (CWIP) Ageing schedule as on 31st March, 2022

₹ crore

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	10.88	2.00	0.12	-	13.00
Projects temporarily suspended	-	-	-	-	-

CWIP Ageing schedule as on 31st March, 2021

₹ crore

CWIP	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	7.49	3.37	-	-	10.86
Projects temporarily suspended	-	-	-	-	-

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

3 NON-CURRENT - FINANCIAL ASSETS -INVESTMENTS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Measured at Fair value through Profit and Loss		
Investment in Mutual funds (Quoted)	0.34	-
	0.34	**-**
Aggregate amount of quoted investments:		
Book value	0.20	-
Market value	0.34	-

4 NON-CURRENT FINANCIAL ASSETS - OTHERS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security deposits	14.18	11.39
Deposits with banks (with maturity period of more than 12 months)	-	-
Others (including Margin Money)	1.21	-
Total	**15.39**	**11.39**

5 OTHER NON-CURRENT ASSETS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital advances (net)	9.84	5.29
Amount Paid under Protest	22.67	14.80
Total	**32.51**	**20.09**

6 INVENTORIES

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
(At lower of cost and net realisable value)		
Raw materials	141.47	75.44
Add: Goods-in-transit	4.21	3.56
	145.68	**79.00**
Work-in-progress - manufacturing	**46.16**	**23.18**
Finished goods - manufacturing	194.58	117.69
Add: Goods-in-transit	12.31	15.06
	206.89	**132.75**
Stock-in-trade	233.73	242.22
Add: Goods-in-transit	31.31	37.05
	265.04	**279.27**
Stores, spares and packing materials	**57.27**	**4.44**
	721.04	**518.64**

Note: Inventories are hypothecated with the bankers against working capital facilities & secured bank loan (Refer Note 17)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

7 CURRENT FINANCIAL ASSETS - INVESTMENTS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Measured at Fair value through Profit and Loss		
Investment in Bonds (Quoted)	32.08	31.17
Investment in Mutual funds (Unquoted)	591.75	738.56
	623.83	**769.73**
Aggregate amount of quoted investments:		
Book value	32.08	31.17
Market value	32.08	31.17
Aggregate amount of unquoted investments:		
Book value (accounted based on NAV)	591.75	738.56
Market value	-	-

(Refer Note 45 A for information about fair value measurement and Note 45 D (ii) for credit risk of investments)

8 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured		
Considered good	615.43	460.81
Considered doubtful	43.06	21.24
	658.49	**482.05**
Less: Allowance for doubtful trade receivables	(43.06)	(21.24)
Total	**615.43**	**460.81**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

Trade Receivables Ageing

₹ crore

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

₹ crore

As at 31st March, 2021	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	332.38	50.03	33.62	-	-	-	416.03
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	21.59	-	-	21.59
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	33.58	10.00	43.58
(iv) Disputed Trade receivables - considered good	0.00	0.13	0.08	-	-	-	0.21
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	0.60	-	-	0.60
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	0.04	-	0.04
Allowance for doubtful trade receivables							(21.24)
Total	**332.39**	**50.16**	**33.70**	**22.19**	**33.62**	**10.00**	**460.81**

Note:

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 Secured Bank loan (Refer Note 17).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

9 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with banks :		
In current accounts	27.06	15.54
In deposit accounts (with less than 3 months maturity)	143.99	246.85
In Margin Money	0.15	-
Cash on hand*	0.42	0.03
Total	**171.62**	**262.42**

*Includes INR equivalent of Foreign Currency

10 CURRENT FINANCIAL ASSETS- OTHER CASH AND CASH EQUIVALENTS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Deposits with maturity more than 3 months but less than 12 months	64.00	339.03
Earmarked balances with banks		
Unclaimed dividend account	3.47	2.50
Others (Escrow account)	666.58	-
Bank Balance as Margin money	9.52	-
Total	**743.57**	**341.53**

11 LOANS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured considered good		
Others	1.23	-
Total	**1.23**	**-**

12 CURRENT FINANCIAL ASSETS - OTHERS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Security deposits	14.16	7.91
Mark to Market Derivative Assets	-	0.45
Total	**14.16**	**8.36**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

13 OTHER CURRENT ASSETS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance to suppliers	37.89	51.03
Balances with Indirect tax authorities	19.58	5.16
Expected recoverable from vendors against warranty	64.08	50.36
Prepaid expenses	10.08	4.10
Contract Assets	23.76	35.45
Others	29.97	53.24
Total	**185.36**	**199.34**

14 SHARE CAPITAL

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	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	63,34,05,959	126.68	62,76,91,353	125.54
Total	**63,34,05,959**	**126.68**	**62,76,91,353**	**125.54**

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Outstanding at the beginning of the year	62,76,91,353	125.54	62,72,83,972	125.46
Shares issued on account of exercising Employee stock option schemes	57,14,606	1.14	4,07,381	0.08
Outstanding at the end of the year	**63,34,05,959**	**126.68**	**62,76,91,353**	**125.54**

b. Rights, preferences and restrictions on shares

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each fully paid				
Macritchie Investments Pte Ltd	3,76,12,367	5.94%	3,76,12,367	5.99%
SBI Mutual Fund	3,60,86,076	5.70%	3,84,09,761	6.12%
Amalfiaco Limited	-	0.00%	3,36,67,802	5.36%

d. Shares reserved for issuance under Stock Option Plans of the Group at face value of ₹ 2 (Also Refer Note 43)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number	Amount ₹ crore	Number	Amount ₹ crore
Crompton Stock Option Plan 2016 (ESOP 2016)	18,93,854	0.38	26,33,826	0.53
Crompton Performance Share Plan 1 2016 (PSP 1)	55,38,176	1.11	1,06,27,872	2.13
Crompton Performance Share Plan 2 2016 (PSP 2)	30,79,392	0.62	30,79,392	0.62
Crompton Stock Option Plan 2019 (ESOP 2019)	82,64,317	1.65	74,96,499	1.50

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

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

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

h. The Board of Directors have recommended payment of final dividend of ₹ 2.50 (Rupees two and Paisa fifty only) per equity share of the face value of ₹ 2 each for the financial year ended 31st March, 2022.

i. Promoter Shareholding

Shares held by promoters as at 31st March, 2022			% change during the year
Promoter name	No. of shares	% of total shares	
Amalfiaco Limited	-	-	Sold-off their entire stake in June 2021 Reclassified as public in Jan 2022
Nirsinia Limited	-	-	Sold-off their entire stake in Sept 2021 Reclassified as public in Jan 2022
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 Consolidated Financial Statements

for the year ended 31st March, 2022

Shares held by promoters as at 31st March, 2021		
Promoter name	**No. of shares**	**% of total shares**
Amalfiaco Limited	3,36,67,802	5.36%
Nirsinia Limited	22,410	0.00%
Macritchie Investments Pte Ltd	3,76,12,367	5.99%
Total	**7,13,02,579**	**11.35%**

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

15 OTHER EQUITY

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital reserve	0.05	0.05
Securities premium	144.87	24.01
Employee stock option outstanding account	138.63	162.53
Retained earnings	1,964.51	1,543.12
Other comprehensive income	3.23	1.18
Debenture redemption reserve	75.00	75.00
Total	**2,326.28**	**1,805.89**

Note: For movements in reserves - refer Consolidated 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 group has earned till date, net-off less any transfers to general reserve, dividends or other distributions paid to shareholders.

Debenture redemption reserve

Debenture redemption reserve is a Statutory Reserve (as per the Companies Act, 2013) created out of profits of the group for the purpose of redemption of debentures issued by the group. The group is required to maintain a Debenture Redemption Reserve of 25% of the value of debenture issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the group except to redeem debentures. On completion of redemption, the reserve is transferred to retained earnings.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

16 NON CONTROLLING INTEREST

₹ crore

Particulars	2021-22	2020-21
Balance at beginning of the year	-	-
Acquisition of non controlling interest (Refer Note 39)	782.45	-
Balance at end of the year	**782.45**	**-**

During the year ended 31st March, 2022, the Company has acquired 98,33,754 equity shares (55% stake) in Butterfly Gandhimathi Appliances Limited through Business combination.(Refer Note 39).

The table below provides information in respect of subsidiary as at 31st March, 2022:

Name of Subsidiary	Country of incorporation and operation	% of non-controlling interests	Non-controlling interests
Butterfly Gandhimathi Appliances Limited	India	45%	782.45

17 FINANCIAL LIABILITIES - BORROWINGS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Measured at amortized cost		
i) Non-Current Borrowings		
Secured (Refer Note below)		
7.25% Series A Redeemable Non-Convertible Debentures	-	149.39
7.25% Series B Redeemable Non-Convertible Debentures	-	149.39
Term Loan - from Bank	4.54	-
Term Loan - from Financial Institution	0.02	-
Total	**4.56**	**298.78**
ii) Current maturities of Borrowings - (Refer Note 19)		
7.25% Series B Redeemable Non-Convertible Debentures	149.86	-
8.95% Series C Redeemable Non-Convertible Debentures	-	180.00
Term Loan - from Bank	4.80	-
Total	**159.22**	**478.78**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

Notes:

a) Debentures

Terms of Debentures:

Particulars of Debentures	Series B (2020 issue)
Face value per debenture (₹)	10,00,000
Date of allotment	29th May, 2020
As at 31st March, 2022 (₹ crore)	150.00
As at 31st March, 2021 (₹ crore)	150.00
Interest	7.25% p.a. payable annually
Terms of repayment	Due for redemption on 29-05-2023, with call option on 27-05-2022

Debentures are secured by:

(a) Charge on 'Crompton' Brand and Registered Trade Marks of the Company; and

(b) Charge by way of equitable mortgage by deposit of title deeds of immovable properties situated in the State of Maharashtra, Himachal Pradesh and Goa.

Series A Non-Convertible Debentures (NCDs), issued on 29th May, 2020, amounting to ₹ 150 crores were redeemed on 29th Nov, 2021

b) Term Loan from Bank

Term Loans from Banks (including vehicle loans) are repayable over a period of 2 to 6 years. Term Loans from Banks are Secured by First charge by way of hypothecation of specific Plant and Machinery and Other Fixed Assets/Vehicles acquired out of loans and Equitable Mortgage of certain Land and Building of the Group at Pudupakkam , Collateral security of ₹ 1 crore in fixed deposit with IndusInd bank against the term loan & Personal Guarantee of the Erstwhile Promoter Directors.

c) Term Loan from Financial Institution

Term Loans from other (including vehicle loans) are repayable over a period of 3 to 7 years. Vehicle Loans are Secured by hypothecation of vehicles purchased out of such loans. Other Term Loans are Secured by hypothecation of first and exclusive charge on movable fixed assets purchased out of the said loan and Equitable Mortgage of Undivided share of Land and office complex Building at Egattur & Personal Guarantee of the erstwhile Directors.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

18 NON-CURRENT PROVISIONS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits (post retirement medical benefits, compensated absences, etc)	21.37	21.44
Provision for Warranty (Refer Note 23)	84.56	89.59
Provision for Statutory Dues (Refer Note 23)	3.62	1.37
Total	**109.55**	**112.40**

19 CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Working capital demand loan from bank (Refer Note below)	292.56	-
Current maturities of (Refer Note 17)		
Non-convertible debentures	149.86	180.00
Term Loan - from Bank	4.80	-
Unsecured		
Commercial Paper	1,155.73	-
Total	**1,602.95**	**180.00**

Note:

a) Working capital demand loan is secured by way of charge on the Group's inventories and trade receivables.

b) Secured by hypothecation by way of a first charge on Inventories, book debts, present and future and collateral paripassu charge of Land and Buildings and also by the paripassu second charge on other Fixed Assets, other than the Fixed Assets mentioned in the note 17 above, of the Group at Pudupakkam along with personal Guarantee of erstwhile Directors.

(b) Funds raised from Commercial paper are utilised for long term purposes and spent for the purpose it were obtained.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

20 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Acceptances	245.48	101.62
Due to micro and small enterprises (Refer Note below)	120.18	44.62
Due to creditors other than micro and small enterprises	652.12	674.18
Total	**1,017.78**	**820.42**

Note:

(a) Micro, Small and Medium enterprises have been identified by the Group on the basis of the information available. Total outstanding dues to suppliers which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) as at 31st March, 2022. The disclosure pursuant to the said Act is as under:

₹ crore

Particulars	31st March, 2022/2021-22	31st March, 2021/2020-21
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	120.18	44.62
Interest	0.01	-
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	4.55	3.76
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	-	0.01
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.09	0.08
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	0.01	-

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

Trade Payables Ageing ₹ crore

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

₹ crore

As at 31st March, 2021	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	40.01	4.61	-	-	-	44.62
(ii) Others	667.88	82.08	0.46	9.89	15.49	775.80
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**707.89**	**86.69**	**0.46**	**9.89**	**15.49**	**820.42**

21 CURRENT FINANCIAL LIABILITIES - OTHERS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest accrued but not due on borrowings	9.46	30.65
Security deposits	31.92	27.46
Creditors for Capital Goods and Services	1.27	-
Financial Guarantee Liability	0.28	-
Mark to Market Derivative Liabilities	1.91	-
Total	**44.84**	**58.11**

22 OTHER CURRENT LIABILITIES

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances from customers	9.68	5.86
Statutory dues payables	90.49	16.44
Unpaid dividend	3.11	2.50
Employee benefit payables	28.85	29.28
Others	1.48	0.48
Total	**133.61**	**54.56**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

23 CURRENT PROVISIONS

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits (post retirement medical benefits, compensated absences, etc)	2.61	2.01
Other provisions (Refer Note below)		
Provision for Warranty	113.70	87.68
Provision for Statutory Dues	12.67	12.65
Provision for Other litigation Claims	0.06	0.06
Provision for Others	53.20	-
Total	**182.24**	**102.40**

Note:

₹ crore

(1) Movement of provisions	Warranty	Sales tax / VAT/ Other taxes	Other litigation claims
Carrying amount as at 01st April, 2021	177.27	14.02	0.06
Addition through Business Combination	8.43		
Provision made during the year (net)	140.33	2.27	-
Amounts used during the year	(122.80)	-	-
Unused amounts reversed during the year	(4.97)	-	-
Carrying amount as at 31st March, 2022	**198.26**	**16.29**	**0.06**
Current	113.70	12.67	0.06
Non-Current (Refer Note 18)	84.56	3.62	-

₹ crore

Movement of provisions	Others	Total
Carrying amount as at 01st April, 2021	-	191.35
Addition through Business Combination	53.20	61.63
Provision made during the year (net)	-	142.60
Amounts used during the year	-	(122.80)
Unused amounts reversed during the year	-	(4.97)
Carrying amount as at 31st March, 2022	**53.20**	**267.81**
Current	53.20	179.63
Non-Current (Refer Note 18)	-	88.18

(2) Nature of provisions:

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

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

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

(d) Others represent provision of expenses.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

24 INCOME TAXES

(a) Tax expense recognised in Statement of profit and loss comprises :

₹ crore

Particulars	2021-22	2020-21
Current income tax charge net of writebacks	159.52	192.30
Adjustment of tax relating to earlier periods	3.97	(76.69)
Deferred tax (asset) / liability (net)		
Origination and reversal of temporary differences	9.67	(8.63)
Tax expense for the year	**173.16**	**106.98**

(b) Amounts recognised in Other comprehensive income

₹ crore

Particulars	2021-22			2020-21		
	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	2.74	(0.69)	2.05	2.93	(0.74)	2.19
	2.74	**(0.69)**	**2.05**	**2.93**	**(0.74)**	**2.19**

(c) Reconciliation of effective tax rate

₹ crore

Particulars	2021-22	2020-21
Profit before tax	764.51	723.63
Applicable tax rate	25.17%	25.17%
Computed tax expense	192.40	182.12
Adjustment of tax relating to earlier periods*	3.97	(76.69)
Corporate social responsibility disallowance	3.10	2.77
Allowance of dividend received from subsidiaries	(2.98)	-
Impact of Share based payment expense	(26.06)	(1.02)
Others	2.73	(0.20)
Income tax expense for the current year	**173.16**	**106.98**
Effective tax rate	**22.65%**	**14.78%**

* Adjustment of tax relating to earlier periods pertain to Education cess claimed as allowance in previous years being provided owing to explanation as inserted by Finance Act, 2022.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(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, 2022	As at 31st March, 2021	2021-22	2020-21
(a)	Employee stock option outstanding	32.23	38.25	(6.02)	5.36
(b)	Provision allowed under tax on payment basis	12.68	10.86	0.77	1.00
(c)	Provision for doubtful debts and advances	10.83	5.35	1.97	(0.50)
(d)	Difference between Written down value of Property, Plant and Equipment and Intangible assets as per books of accounts and Income Tax	(18.56)	(0.72)	(0.21)	1.16
(e)	Fair valuation of Investments	(10.95)	(7.84)	(3.11)	(4.29)
(f)	Impact of Revenue Recognition, Right of use Assets & Lease Liabilities	7.94	8.59	(0.41)	2.40
(g)	Difference between fair value & book value of Property, plant and equipment and Intangible assets acquired through Business Combination (Refer Note 39)	(82.71)	-	-	-
(h)	Provision for Advances	0.33	-	-	-
(i)	Financial Guarantee	0.10	-	-	-
(j)	MAT Credit Entitlement	7.97	-	-	-
(k)	Other temporary differences	0.71	4.06	(2.66)	3.50
	Deferred tax income /(expense)			**(9.67)**	**8.63**
	Net deferred tax assets / (liabilities)	**(39.43)**	**58.55**		

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

₹ crore

Sr. no.	Particulars	2021-22	2020-21
(a)	Opening balance as at 1st April	58.55	50.67
(b)	Tax (income)/expense during the period recognised in:		
	(i) Statement of profit and loss in profit or loss	(9.67)	8.63
	(ii) Statement of profit and loss under OCI	(0.69)	(0.74)
	(iii) Impact of Business Combination	(87.62)	-
(c)	**Closing balance as at 31st March**	**(39.43)**	**58.55**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

25 REVENUE FROM OPERATIONS

₹ crore

Particulars	2021-22	2020-21
A. Sales of products and services		
Revenue from contract with customers		
Sale of products (excluding Goods and Service tax)		
(i) Electric consumer durables	4,291.75	3,746.98
(ii) Lighting products	1,073.57	1,039.86
	5,365.32	**4,786.84**
Sale of services		
(i) Electric consumer durables	1.12	0.52
(ii) Lighting products	7.62	4.83
	8.74	**5.35**
	5,374.06	**4,792.19**
B. Other operating revenue		
Export benefits and other incentives	2.95	1.43
Scrap sales	17.10	9.89
	20.05	**11.32**
Total	**5,394.11**	**4,803.51**

26 OTHER INCOME

₹ crore

Particulars	2021-22	2020-21
Interest income	28.52	31.37
Net gain on sale of investments	23.42	26.51
Net gain on fair valuation of investments	13.52	17.15
Others	7.19	0.72
Total	**72.65**	**75.75**

27 COST OF MATERIALS CONSUMED

₹ crore

Particulars	2021-22	2020-21
Opening stock	79.00	64.03
Add: Purchases	1,179.84	946.79
Less: Closing stock	111.83	79.00
Cost of raw materials consumed	1,147.01	931.82
Add: Sub-contracting charges	46.90	54.49
Total	**1,193.91**	**986.31**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

28 PURCHASE OF STOCK-IN-TRADE

₹ crore

Particulars	2021-22	2020-21
Electric consumer durables	1,922.26	1,814.18
Lighting products	545.31	505.82
Total	**2,467.57**	**2,320.00**

29 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ crore

Particulars	2021-22	2020-21
Opening Stock :		
Finished goods	132.75	105.70
Stock-in-trade	279.27	273.78
Work-in-progress	23.18	16.65
	435.20	**396.13**
Less:		
Closing Stock:		
Finished goods	134.74	132.75
Stock-in-trade	230.55	279.27
Work-in-progress	29.61	23.18
	394.90	**435.20**
Changes in inventories:		
Finished goods	(1.99)	(27.05)
Stock-in-trade	48.72	(5.49)
Work-in-progress	(6.43)	(6.53)
	40.30	**(39.07)**

30 EMPLOYEE BENEFITS EXPENSE

₹ crore

Particulars	2021-22	2020-21
Salaries, wages, bonus and other benefits	283.88	276.65
Contribution to provident and other funds	13.53	12.21
Staff welfare expenses	22.02	16.94
Gratuity	2.68	2.61
Privilege Leave	2.52	3.00
Share-based Payments to employees (Refer Note 43)	37.76	25.17
Total	**362.39**	**336.58**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

31 FINANCE COSTS

₹ crore

Particulars	2021-22	2020-21
Interest on borrowing	28.79	39.34
Interest Expense on lease liability	6.40	3.15
Others	0.12	0.42
Total	**35.31**	**42.91**

32 OTHER EXPENSES

₹ crore

Particulars	2021-22	2020-21
Consumption of stores and spares*	15.80	11.37
Power and fuel	5.73	4.56
Rent	11.61	14.66
Repair to property, plant and equipment*	2.89	2.54
Insurance	3.57	3.63
Rates and taxes	2.22	2.24
'Freight and forwarding outward	144.43	135.16
Packing materials	69.07	62.77
After sales service	57.57	44.07
Sales promotion	29.24	51.80
Corporate social responsibility expenses (Refer Note 36)	12.47	10.99
Advertising	60.21	30.40
Legal and professional charges	84.50	59.50
Payment to the auditors (Refer Note below)	1.02	0.84
Bad Debts written off	6.01	14.14
Allowance for doubtful debt	8.97	(1.99)
Miscellaneous expenses*	45.18	32.53
Total	**560.49**	**479.21**

*includes expenditure on research and development (Refer Note 35)

Payment to the auditors	2021-22	2020-21
Auditors' remuneration (excluding Goods and Service tax)		
Statutory Audit fees	0.53	0.42
Tax audit fees	0.10	0.08
(i) Certification work	0.07	0.02
(ii) Others	0.28	0.30
Reimbursement of expenses	0.04	0.02
Total	**1.02**	**0.84**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

33 EXCEPTIONAL ITEMS

₹ crore

Particulars	2021-22	2020-21
Cost of acquisition (Refer Note 39)	12.97	-
Total	**12.97**	**-**

34 CONTINGENT LIABILITIES AND COMMITMENTS

₹ crore

Sr. no.	Particulars	As at 31st March, 2022	As at 31st March, 2021
A	**Contingent Liabilities:** (to the extent not provided for)		
(a)	Claims against the Group not acknowledged as debts	23.46	23.72
(b)	Income tax liability that may arise in respect of matters in appeal	29.01	29.01
(c)	Excise duty/ customs duty / service tax liability that may arise in respect of matters in appeal	8.85	5.96
(d)	GST/ Entry Tax/ Sales tax / VAT liability that may arise in respect of matters in appeal	119.12	112.97
(e)	Employee State Insurance and Labour matter	0.50	-
B	**Commitments:**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	11.22	6.48

Notes:

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

35 EXPENDITURE ON RESEARCH AND DEVELOPMENT

₹ crore

Sr. no.	Particulars	2021-22	2020-21
(a)	**Capital expenditure**	13.76	1.40
	Sub-total (a)	**13.76**	**1.40**
(b)	**Revenue expenditure**		
	Raw materials consumed	1.19	-
	Employee benefits	19.66	13.18
	Depreciation and amortisation	3.98	3.32
	Other expenses		
	Consumption of stores and spares	1.19	0.89
	Repairs and maintenance	0.98	0.02
	Miscellaneous expenses	10.10	4.23
	Sub-total (b)	**37.10**	**21.64**
	Total (a) + (b)	**50.86**	**23.04**

36 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

₹ crore

Particulars	2021-22	2020-21
Gross amount required to be spent by the Group during the year	12.47	10.99
Amount of expenditure incurred by the Group during the year		
(i) Construction / acquision of any asset		
(ii) On purposes other than (i) above:		
Nature of CSR activities		
Community Development	1.52	1.03
Monitoring & Evaluation	0.15	-
Promotion of Health and Response to Covid 19 Pandemic	2.54	5.85
Skill Development	0.34	1.09
Water Conservation	7.44	2.93
Administration	0.46	0.09
Other provisions (Refer Note below)	0.02	-
Total CSR expenditure	**12.47**	**10.99**
Details of related party transactions- contribution to a trust controlled by the Group in relation to CSR expenditure as per Ind AS 24, Related Party Disclosures (contributed to Crompton (CSR) Foundation)	11.96	9.96

Note:

₹ crore

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

37 LEASES

Group as lessee

(a) Right of use assets

₹ crore

Cost	2021-22	2020-21
Opening Balance	54.89	50.75
Additions	59.87	4.14
Acquisition through Business Combination	1.76	
Disposal / derecognized during the year	(13.11)	-
Closing Balance	**103.41**	**54.89**
Accumulated depreciation		
Opening Balance	19.56	9.28
Depreciation expense	21.00	10.28
Disposal / derecognized during the year	(8.25)	-
Closing Balance	32.31	19.56
Closing Balance	**71.10**	**35.33**

(b) Lease liabilities

₹ crore

Particulars	2021-22	2020-21
Opening Balance	39.32	43.94
Additions	59.87	4.14
Acquisition through Business Combination	1.05	-
Accreditation of interest	6.40	3.15
Payments	(23.01)	(11.90)
Adjustments for disposals	(5.41)	-
Closing Balance	**78.22**	**39.33**
Current maturities of lease liabilities	34.08	15.45
Non-Current Lease Liability	44.14	23.88

(c) Amounts recognised in Statement of profit and loss

₹ crore

Particulars	2021-22	2020-21
Depreciation expense of Right of use assets (Refer Note 2)	21.00	10.28
Interest expense on lease liabilities (Refer Note 31)	6.40	3.15
Short term and low value leases	11.61	14.65
	39.01	**28.08**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(d) Maturity analysis of lease liabilities (undiscounted)

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than one year	28.83	12.68
One to five years	59.98	31.85
More than five years	2.60	2.15
Total	**91.41**	**46.68**

(e) Amounts recognised in statement of Cash Flows

₹ crore

Particulars	2021-22	2020-21
Total Cash outflow for leases	23.01	11.90

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

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

38 EMPLOYEE BENEFITS

(a) Defined contribution plans (Refer Accounting Policy Note 1.16).

Amount of ₹ 16.66 crore (Previous year ₹ 15.91 crore) is recognised as an expense and included in Employee benefits expense as under the following defined contribution plans: (Refer Note 30)

₹ crore

Benefits (Contribution to)	2021-22	2020-21
Provident fund	8.74	7.47
Superannuation fund	1.23	1.26
Employee state insurance scheme	0.24	0.25
Labour welfare scheme	0.00	0.01
Gratuity	2.68	2.61
National Pension Scheme	0.64	0.61
Privilege Leave	2.52	3.00
Post retirement medical benefits	0.61	0.70
Total	**16.66**	**15.91**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

(b) Defined Benefit Plans (Refer Accounting Policy Note 1.16) as per Actuarial Valuation are as under:

₹ crore

Sr. no.	Particulars	Gratuity		Post Retirement Medical Benefits	
		2021-22 (Funded)	2020-21 (Funded)	2021-22 (Non funded)	2020-21 (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	25.50	22.85	6.93	6.44
	Amount recognised in statement of profit and loss	-	-	-	-
	Interest cost	1.64	1.56	0.48	0.44
	Current service cost	2.91	2.49	0.46	0.45
	Past service cost	-	-	-	-
	Amount recognised in other comprehensive income	-	-	-	-
	Actuarial (gains) / losses	(1.32)	0.91	(0.44)	(0.21)
	Benefits paid	(1.91)	(2.31)	(0.32)	(0.19)
	Present Value of defined benefit obligation at the end of the year	26.82	25.50	7.11	6.93
II	**Change in fair value of plan assets during the year**				
	Fair value of plan assets at the beginning of the year	29.08	21.10	-	-
	Expected return on plan assets	1.87	1.44	-	-
	Contributions	-	3.00	-	-
	Benefits paid from the fund	(1.91)	(0.09)	-	-
	Amount recognised in other comprehensive income	-	-	-	-
	Actuarial gain / (loss)	0.98	3.63	-	-
	Fair value of plan assets at the end of the year	30.02	29.08	-	-
III	**Actual return on plan assets**			-	-
	Expected return on plan assets	1.87	1.44	-	-
	Actuarial gain / (loss)	0.98	3.63	-	-
	Actual return on plan assets	2.85	5.07	-	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

₹ crore

Sr. no.	Particulars	Gratuity		Post Retirement Medical Benefits	
		2021-22 (Funded)	2020-21 (Funded)	2021-22 (Non funded)	2020-21 (Non funded)
IV	**Net asset / (liability) recognised in the balance sheet**				
	Present Value of defined benefit obligation at the end of the year	(26.82)	(25.50)	(7.11)	(6.93)
	Fair value of plan assets at the end of the year	30.02	29.08	-	-
	Asset / (Liability) recognised in the balance sheet	3.20	3.58	(7.11)	(6.93)
	Asset / (Liability) recognised in the balance sheet (Butterfly Gandhimathi Appliances Limited)	(0.14)	-	-	-
V	**Expenses recognised in the Statement of profit and loss**				
	Current service cost	2.91	2.49	0.46	0.45
	Interest cost	(0.23)	0.12	0.48	0.44
	Past Service cost	-	-	-	-
	Net Expense/(Income) For the Period Recognized in Statment of proft and loss	**2.68**	**2.61**	**0.94**	**0.89**
VI	**Expenses recognised in the Other comprehensive income**				
	Actuarial (Gains)/Losses on Obligation For the Period	(1.32)	0.90	(0.44)	(0.20)
	Return on Plan Assets, Excluding Interest Income	(0.98)	(3.63)	-	-
	Change in Asset Ceiling	-	-	-	-
	Net (Income)/Expense For the Period Recognized in OCI	**(2.30)**	**(2.73)**	**(0.44)**	**(0.20)**
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	(1.53)	(1.56)	(0.91)	(0.85)
	1% decrease in discount rate	1.71	1.76	1.17	1.08
	1% increase in salary escalation rate	1.71	1.75	-	-
	1% decrease in salary escalation rate	(1.55)	(1.58)	-	-
	1% increase in employee turnover rate	0.02	(0.04)	-	-
	1% decrease in employee turnover rate	(0.03)	0.03	-	-
	1% increase in Medical inflation rate	-	-	1.18	1.09
	1% decrease in Medical inflation rate	-	-	(0.93)	(0.86)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

₹ crore

Sr. no.	Particulars	Gratuity		Post Retirement Medical Benefits	
		2021-22 (Funded)	2020-21 (Funded)	2021-22 (Non funded)	2020-21 (Non funded)
IX	**Maturity profile of defined benefit obligations**	-	-	-	-
	Within the next 12 months	3.30	2.31	-	-
	Between 1 and 5 years	10.51	11.41		
	Between 5 and 10 years	13.02	11.78		
X	**Actuarial assumptions**				
	Discount rate (p.a.)	6.98%	6.44%	7.40%	6.91%
	Expected Return on Plan Assets (p.a.)	6.98%	6.44%	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 (2006-08)	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
	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 Group 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 Group's Gratuity Scheme. Vesting occurs upon completion of five years of service.

(e) The Group 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, 2022 and 31st March, 2021. 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 Group expects to fund nil (Previous year: nil) towards its gratuity plan during the year 2022-23.

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

39 BUSINESS COMBINATION

Refer Note 1.23 for accounting policy on Business Combination

On 30th March, 2022, the Company has acquired 55% stake in Butterfly Gandhimathi Appliances Limited ("BGMAL") pursuant to a Share Purchase Agreement ("SPA") dated 22nd February, 2022.

The fair values of identifiable assets and liabilities acquired as at the date of acquisition (30th March, 2022) were:

₹ crore

Particulars	Fair value as on acquisition date
Non Current Assets	
Property, Plant and Equipment	191.09
Capital Work - In Progress	5.50
Other Intangible Assets	1,477.35
Financial Assets	2.50
Other Non Current Assets	2.57
	1,679.01
Current Assets	
Inventories	209.69
Trade Receivables	92.87
Other Financial Assets	13.93
Current Tax Assets	1.81
Other Current Assets	24.55
	342.85
Total Assets (A)	**2,021.86**
Non Current Liabilities	
Borrowings	4.56
Deferred Tax Liabilities (Net)	4.90
	9.46
Current Liabilities	
Borrowings	47.70
Trade Payables	138.04
Other Financial Liabilities	6.81
Other Current Liabilities	19.30
Provisions	61.76
	273.61
Total Liabilities (B)	**283.08**
Fair Value of Identifiable net assets [C = A - B]	**1,738.78**
% Equity Holding of the Company in BGMAL [D]	**55.00%**
Fair Value of Identifiable net assets attributable to the company [E = C * D]	**956.33**
Consideration Paid * (F)	**1,379.68**
Goodwill [G = F - E]	**423.34**
% of Non Controlling Interest in BGMAL	**45.00%**
Share of Non Controlling Interest in BGMAL	**782.45**

* The company has paid ₹ 1,379.68 crores as purchase consideration towards purchase of 98,33,754 equity shares of BGMAL.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

Acquisition related costs of ₹ 12.97 crores incurred by the Company have been recognised as an expense in the consolidated statement of profit and loss as an Exceptional items.

An open offer is made by the Company to public shareholders of BGMAL to acquire equity share carrying voting rights up to 26% (46,48,684 shares) at a price of ₹ 1,433.90 per equity share. The open offer is also a part of SPA. Pursuant to this, the Company has dispatched the letter of offer to the shareholder and the tendering period for the same is from 23rd May, 2022 to 3rd June, 2022.

Accordingly, goodwill is recognised on provisional basis in the Consolidated Financial Statements as at 31st March, 2022. Based on the subscription of open offer by BGMAL public shareholders, the amount of purchase consideration and goodwill recorded as at 31st March, 2022 is subject to change and the effect will be taken in next accounting year.

The Group has recognised Deferred Tax Liability in the Consolidated Financial Statements on account of difference in book value and fair value of net asset acquired, which is adjusted against goodwill recognised in books.

Items causing temporary differences

₹ crore

Particulars	Amount
Differences in Book value and Fair Value of Asset acquired	328.64
Income Tax @ 25.17% thereon	82.71
Deferred tax liability created	82.71
Amount adjusted from Goodwill as at March 31, 2022 (H)	82.71
Goodwill after adjustment of Deferred Tax Liability as at 31st March, 2022 (G+H)	**506.05**

40 RELATED PARTY DISCLOSURES

i) Other Related Parties:

ASK Wealth Advisors Private Limited (upto 23rd July, 2021)

Crompton (CSR) Foundation

DFM Foods Ltd. (upto 28th January, 2022)

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

Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust

Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund

Butterfly Gandhimathi Appliances Limited Employees Group Gratuity Trust Fund

iii) Key Management Personnel:

Crompton Greaves Consumer Electricals Limited

Mr. H. M. Nerurkar, Chairman and Independent Director

Mr. D. Sundaram, Independent Director

Mr. P. M. Murty, Independent Director

Ms. Smita Anand, Independent Director (from 10th December, 2018)

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)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

Mr. Sahil Dalal, Non-Executive Director (upto 23rd July, 2021)

Mr. Promeet Ghosh, Non-Executive Director

Mr. Shantanu Khosla, Managing Director

Mr. Mathew Job, Executive Director and Chief Executive Officer

Mr. Sandeep Batra, Chief Financial Officer (upto 30th May, 2022)

Ms. Pragya Kaul, Company Secretary

Butterfly Gandhimathi Appliances Limited

Mr. M. Padmanabhan, Independent Director

Mr. A. Balasubramanian, Independent Director

Mr. G.S. Samuel, Independent Director

Mr. T.R. Srinivasan, Independent Director

Mrs. Maheshwari Mohan, Independent Director

Mr. Rangarajan Sriram, Managing Director (from 30th March, 2022)

Mr. R. Nagarajan, Chief Financial Officer (CFO)

Mrs. Priya Varshinee V M, Deputy Company Secretary cum Compliance Officer

iv) Details of related party transactions:

₹ crore

Sr. no.	Nature of transaction	2021-22	2020-21
1	**Services received**		
	ASK Wealth Advisors Private Limited	-	0.20
	Total	**-**	**0.20**
2	**Contributions (Employer's) to Post Retirement Funds**		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	-	3.00
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	1.23	1.26
	Total	**1.23**	**4.26**
3	**Compensation to Key Management Personnel**		
	Short-term benefits*	178.84	15.49
	Share-based Payments (Refer Note b below)	19.28	17.99
	Director's sitting fees	0.70	0.42
	Commission	1.00	0.72
	Total	**199.82**	**34.62**
4	**Donations Paid**		
	Crompton (CSR) Foundation	11.96	9.96
	Total	**11.96**	**9.96**

*Short-term benefits for the current year include ₹ 153.69 crores (previous year: ₹ 3.25 crores) on account of exercise of stock options

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

Notes:

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

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

v) Amount due to / from related parties

₹ crore

Sr. no.	Nature of transaction	As at 31st March, 2022	As at 31st March, 2021
1	**Other Receivable**		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	3.20	3.58
	Total	**3.20**	**3.58**
2	**Other Payable**		
	Crompton Greaves Consumer Electricals Limited Employees' Gratuity Trust	-	-
	Crompton Greaves Consumer Electricals Limited Employees' Superannuation Fund	0.08	0.10
	Total	**0.08**	**0.10**

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

41 EARNINGS PER SHARE (EPS)

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

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

	Particulars		2021-22	2020-21
(a)	**Basic earnings per share**			
	Numerator for earnings per share			
	Profit after tax	₹ crore	578.38	616.65
	Denominator for earnings per share			
	Weighted number of equity shares outstanding during the year	Nos	62,82,28,014	62,73,66,090
	Earnings per share - Basic (one equity share of ₹ 2 each)	₹	9.21	9.83
(b)	**Diluted earnings per share**			
	Numerator for earnings per share			
	Profit after tax	₹ crore	578.38	616.65
	Denominator for earnings per share			
	Weighted number of equity shares outstanding for basic EPS during the year	Nos	62,82,28,014	62,73,66,090
	Add: Weighted average number of potential equity shares on account of Employee Stock Option Schemes	Nos	27,83,037	53,40,705
	Weighted number of equity shares outstanding for diluted EPS during the year	Nos	63,10,11,051	63,27,06,795
	Earnings per share - Diluted (one equity share of ₹ 2 each)	₹	9.17	9.75

42 IMPAIRMENT OF ASSETS

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

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Electric Consumer Durables	590.10	590.10
Lighting Products	189.31	189.31
Butterfly Gandhimathi Appliances Limited (Refer Note 39)	506.05	-
Total	**1,285.46**	**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.

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for the year ended 31st March, 2022

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

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

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

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

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

Based on the above assumptions and analysis, no impairment was identified for any of the cash generating unit as at 31st March 2022 and 31st March, 2021 as the recoverable value of the cash generating unit exceeded the carrying value.

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

43 SHARE-BASED PAYMENTS

Employee stock options - equity settled

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

Disclosures:

₹ crore

Particulars	31st March, 2022/2021-22	31st March, 2021/2020-21
Charge for the year	37.76	25.17
Employee Stock option outstanding	138.63	162.53

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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

Particulars	31st March, 2022				31st March, 2021			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Date of Shareholder's approval	19th January, 2020	22nd October, 2016	22nd October, 2016	22nd October, 2016	19th January, 2020	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							

(c) Options movement during the year:

Particulars	2021-22				2020-21			
	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	74,96,499	26,33,826	1,06,27,872	30,79,392	3,70,000	34,15,883	1,07,53,536	30,86,725
No. of options granted during the year	14,20,000	-	-	-	71,62,750	-	-	-
No. of options forfeited / lapsed during the year	6,23,182	1,44,062	-	-	3,894	5,07,033	25,664	7,333
No. of options vested during the year	8,90,868	2,65,938	-	-	19,249	17,63,826	1,06,27,872	30,79,392
No. of options exercised during the year	29,000	5,95,910	50,89,696	-	32,357	2,75,024	1,00,000	-

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Particulars	2021-22				2020-21			
	ESOP 2019	ESOP 2016	PSP 1	PSP 2	ESOP 2019	ESOP 2016	PSP 1	PSP 2
Money realised by exercise of options (₹)	76,40,785	12,31,83,176	47,24,76,480	-	83,69,138	5,50,88,628	92,83,000	-
No. of options outstanding at the end 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 exercisable at the end of the year	8,81,117	14,33,854	55,38,176	30,79,392	19,249	17,63,826	1,06,27,872	30,79,392
Weighted Average Remaining Contractual Life (in years)	7.21	3.36	2.71	2.52	7.92	4.15	3.55	3.52

(d) Weighted average information for year:

Particulars	2021-22				2020-21			
	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 (₹)	413.59	-	-	-	405.95	-	-	-
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 (₹)	168.44	-	-	-	160.01	-	-	-
Exercise price is greater than market price (₹)	-	-	-	-	-	-	-	-
Exercise price is less than market price (₹)	-	-	-	-	-	-	-	-

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

Particulars	2021-22	2020-21
	ESOP 2019	ESOP 2019
Price of the underlying share in market at the time of the option grant (₹)	413.59	405.95
Exercise price (₹)	413.59	405.95
Risk free interest rate (based on government securities) (%)	6.13	5.64
Expected life (years)	5.81	5.64
Expected volatility (%)	33.08	33.25
Dividend yield (%)	0.60	0.49

(f) Number and Weighted Average Exercise Price of Options

Particulars	2021-22		2020-21	
	Number of options	Weighted Average Exercise Price (₹)	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	2,38,37,589	215.17	1,76,26,144	137.24
Granted during the year	14,20,000	413.59	71,62,750	405.95
Forfeited during the year	7,67,244	373.49	5,43,924	229.52
Exercised during the year	57,14,606	105.57	4,07,381	178.56
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,87,75,739	257.07	2,38,37,589	215.17
Exercisable at the end of the period	1,09,32,539	158.88	1,54,90,339	123.86

(g) Weighted average share price of options exercised during the year is ₹ 394.70 (Previous year ₹ 375.04).

44 OPERATING SEGMENTS

A. General Information

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

a) Electric Consumer Durables

b) Lighting Products

c) Butterfly Gandhimathi Appliances Limited (Acquisition through business Combination)

The above business segments have been identified considering:

a) the nature of products and services

b) the differing risks and returns

c) the internal organisation and management structure, and

d) the internal financial reporting systems.

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

B. Information about reportable segments

₹ crore

2021-22	Reportable segments			
Particulars	Electric Consumer Durables	Lighting Products	Butterfly Gandhimathi Appliances Limited	Total
Revenue				
External Customers	4,311.00	1,083.11	-	5,394.11
Inter-segment	-	-	-	-
Total revenue	**4,311.00**	**1,083.11**	**-**	**5,394.11**
Segment profit	**826.70**	**127.82**	**-**	**954.52**
Segment profit includes:				
Depreciation and amortization expense	10.39	5.77	-	16.16
Segment assets	**961.74**	**442.03**	**1,058.51**	**2,462.28**
Segment liabilities	**1,039.96**	**398.10**	**1,045.55**	**2,483.61**
Other disclosures				
Capital expenditure	33.60	11.99	18.73	64.32

₹ crore

2020-21	Reportable segments		
Particulars	Electric Consumer Durables	Lighting Products	Total
Revenue			
External Customers	3,757.13	1,046.38	4,803.51
Inter-segment	-	-	-
Total revenue	**3,757.13**	**1,046.38**	**4,803.51**
Segment profit	**739.22**	**131.73**	**870.95**
Segment profit includes:			
Depreciation and amortization expense	7.78	6.52	14.30
Segment assets	**920.25**	**411.82**	**1,332.07**
Segment liabilities	**697.04**	**386.47**	**1,083.51**
Other disclosures			
Capital expenditure	17.71	4.56	22.27

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

C. Reconciliations of information on reportable segments

₹ crore

Particulars	2021-22	2020-21
(a) Income		
Total income for reportable segments	5,394.11	4,803.51
Elimination of inter-segment revenue	-	-
Total income (Refer Note 25)	**5,394.11**	**4,803.51**
(b) Profit before tax		
Total profit before tax for reportable segments	954.52	870.95
Unallocated amounts:		
Expense on Employee Stock Option Scheme	(37.76)	(25.17)
Finance costs	(35.31)	(42.91)
Other unallocable expenditure net of unallocable Income	(116.94)	(79.24)
Total profit before tax from operations as reported in Statement of profit and loss	**764.51**	**723.63**

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
(c) Assets		
Total assets for reportable segments	2,462.28	1,332.07
Other unallocated amounts		
Goodwill	1,285.46	779.41
Other assets	2,700.85	1,427.40
Deferred tax assets (net)	-	58.55
Total assets as reported in Balance sheet	**6,448.59**	**3,597.43**
(d) Liabilities		
Total liabilities for reportable segments	2,483.61	1,083.51
Other unallocated amounts		
Borrowings	159.22	478.78
Other liabilities	570.35	103.71
Total liabilities as reported in Balance sheet	**3,213.18**	**1,666.00**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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

₹ crore

Particulars	2021-22	2020-21
Revenue as per contracted price	5,463.24	4,882.29
Less: Cash discount	(89.18)	(90.10)
Total revenue from contract with customers	**5,374.06**	**4,792.19**

E. Disaggregation of revenue based on products

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

F. Geographic information

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

G. Information about major customers

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

45 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, 2022	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Non Current Investment (Mutual funds)	0.34	-	0.34	0.34	-	-	0.34
Security deposits	-	14.18	14.18	-	-	-	-
Others	-	1.21	1.21	-	-	-	-
Current financial assets							
Cash and cash equivalents	-	171.62	171.62	-	-	-	-
Bank balance other than cash and cash equivalents	-	743.57	743.57	-	-	-	-
Current investments (Bonds/Mutual funds)	623.83	-	623.83	623.83	-	-	623.83
Trade receivables	-	615.43	615.43	-	-	-	-
Loans	-	1.23	1.23	-	-	-	-
Derivative assets	-	-	-	-	-	-	-
Other current financial assets	-	14.16	14.16	-	-	-	-
	624.17	**1,561.40**	**2,185.57**	**624.17**	**-**	**-**	**624.17**

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

₹ crore

As at 31st March, 2022	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities							
Non-current financial liabilities							
Lease Liabilities	-	44.14	44.14	-	-	-	-
Current financial liabilities							
Borrowings	-	1,607.51	1,607.51	-	-	-	-
Trade payables	-	1,017.78	1,017.78	-	-	-	-
Lease Liabilities	-	34.08	34.08	-	-	-	-
Derivative liabilities	1.91	-	1.91	1.91	-	-	1.91
Other current financial liabilities	0.28	42.64	42.93	-	-	0.28	0.28
	2.20	**2,746.15**	**2,748.35**	**1.91**	**-**	**0.28**	**2.20**

₹ crore

As at 31st March, 2021	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Non-current financial assets							
Security deposits	-	11.39	11.39	-	-	-	-
Others	-	-	-	-	-	-	-
Current financial assets							
Cash and cash equivalents	-	262.42	262.42	-	-	-	-
Bank balance other than cash and cash equivalents	-	341.53	341.53	-	-	-	-
Current investments (Bonds/Mutual funds)	769.73	-	769.73	769.73	-	-	769.73
Trade receivables	-	460.81	460.81	-	-	-	-
Derivative assets	0.45	-	0.45	0.45	-	-	0.45
Other current financial assets	-	7.91	7.91	-	-	-	-
	770.18	**1,084.06**	**1,854.24**	**770.18**	**-**	**-**	**770.18**
Financial liabilities							
Non-current financial liabilities							
Lease Liabilities	-	23.88	23.88	-	-	-	-
Current financial liabilities							
Borrowings	-	478.78	478.78	-	-	-	-
Trade payables	-	820.41	820.41	-	-	-	-
Lease Liabilities	-	15.45	15.45	-	-	-	-
Derivative liabilities	-	-	-	-	-	-	-
Other current financial liabilities	-	58.11	58.11	-	-	-	-
	-	**1,396.63**	**1,396.63**	**-**	**-**	**-**	**-**

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

B. Fair value hierarchy

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.

C. Measurement of fair values

Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

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D. Financial risk management

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

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

i. Risk management framework

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

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

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

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

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

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Fixed-rate instruments		
Financial assets		
Bank deposits	885.45	585.88
Total	**885.45**	**585.88**
Financial liabilities		
Non-current borrowings	4.56	298.78
Current borrowings	1,310.38	180.00
Variable Rate Instruments		
Financial liabilities		
Current borrowings	292.57	-
Total	**1,607.51**	**478.78**

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Fair value sensitivity analysis for fixed-rate instruments

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

Fair value sensitivity analysis for variable-rate instruments

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

₹ crore

Particulars	2021-22
Interest Expenses arising on account of variable rate of interest on short term borrowings	3.56
Impact on Interest Cost:	
Increase by 100 basis point (Increase in Interest Cost)	0.64
Decrease by 100 basis points (Decrease in Interest Cost)	(0.64)

ii. Credit risk

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

Trade receivables

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

Summary of the Group's trade receivables by age of the outstanding from various customers is as follows:

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Not past due	499.71	332.38
Past due 1–360 days	86.65	83.86
Past due 361- 720 days	39.51	22.19
more than 720 days	32.62	43.62
	658.49	482.05

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Expected credit loss assessment

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

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

₹ crore

Particulars	Amount
Balance as at 1st April, 2020	**23.24**
Impairment loss recognised/ (reversed)	12.14
Write-off of bad debts	(14.14)
Balance as at 31st March, 2021	**21.24**
Addition due to Business Combination (net)	12.85
Impairment loss recognised	14.98
Write off of bad debts	(6.01)
Balance as at 31st March, 2022	**43.06**

Cash and cash equivalents and bank deposits

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

Derivatives

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

Investment in mutual funds

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

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

iii. Liquidity risk

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

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

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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, 2022	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities						
Long Term Borrowings (including interest)	4.56	4.56	-	4.45	0.11	-
Current financial liabilities						
Short term Borrowings (including interest)	1,612.41	1,612.41	1,612.41	-	-	-
Trade payables	1,017.78	1,017.78	1,017.78	-	-	-
Other financial liabilities	34.12	34.12	34.12	-	-	-

₹ crore

As at 31st March, 2021	Contractual cash flows					
	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non current financial liabilities						
Long Term Borrowings (including interest)	509.43	561.36	236.15	21.75	303.46	-
Current financial liabilities						
Trade payables	820.41	820.41	820.41	-	-	-
Other financial liabilities	27.46	27.46	27.46	-	-	-

iv. Market risk

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

v. Currency risk

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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

Category	Instrument	Currency	Cross Currency	Amounts ($ in million)	Buy/Sell	Period
Hedges of recognised liabilities	Option Contract	USD	INR	8.81	Buy	As at 31st March, 2022

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, 2022	As at 31st March, 2021
Financial assets		
Trade receivables	5.07	6.61
	5.07	**6.61**
Financial liabilities		
Trade payables	79.33	55.73
	79.33	**55.73**
Net foreign currency exposure	**(74.26)**	**(49.12)**

Sensitivity analysis

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

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

Effect in ₹ crore	Profit or loss		
	Movement	Strengthening	Weakening
As at 31st March, 2021			
USD	5%	(2.46)	2.46
		(2.46)	2.46

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

46 FINANCIAL PERFORMANCE RATIOS:

Particulars	Numerator	Denominator	31st March, 2022/2021-22	31st March, 2021/2020-21	Variance	Refer Note
A. Performance Ratios						
Net Profit Margin (in %)	Profit after tax	Sale of Products and Services	10.58%	12.64%	-16.29%	
Net Capital Turnover ratio	Net Sales	Working Capital	3.24	3.19	1.49%	
Return on Capital Employed	Earnings before interest and taxes	Tangible Capital Employed	166.18%	60.11%	176.46%	(a)
Return on equity	Net Profit after Taxes	Average Shareholder's Equity	22.39%	36.28%	-38.28%	(b)
Return on Investment	Net gain on investment	Weighted average investments	4.71%	5.48%	-14.10%	
Debt Service Coverage Ratio (in times)	Profit After Tax + Interest + Depreciation	Finance Cost + Repayments made during the year	3.54	3.24	9.35%	
B. Leverage Ratio						
Debt-Equity Ratio (in times)	Total Debt	Equity	0.50	0.25	100.43%	(c)
C. Liquidity Ratio						
Current ratio (in times)	Current Assets	Current liabilities excl. current Borrowings	2.19	2.45	-10.59%	
D. Activity Ratios						
Inventory Turnover (in times)	Cost of goods sold	Average Inventory	5.97	6.65	-10.23%	
Debtors Turnover (in times)	Sale of Products and Services	Avg. Trade Receivables	10.02	10.09	-0.69%	
Trade Payables Turnover ratio	Net Credit Purchases	Avg. Accounts payables	4.03	3.88	3.86%	

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

(a) Return on Capital Employed increased on account of acquisition of net assets of BGMAL

(b) Return on equity decreased on account of addition of Non-controlling interest (due to Business combination)

(c) Debt-Equity Ratio increased on account of increase in short-term borrowing during the year

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

47 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, 2022	As at 31st March, 2021
Current assets		
Inventories		
Raw Material	116.46	84.53
Finsished Goods	365.28	410.06
Work-in-progress	29.61	23.18
Inventories & Book debts (Butterfly Gandhimathi Appliances Limited)	173.38	-
Total Current assets pledged as security	**684.73**	**517.77**

48 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, 2022 (₹ crore)	Balance outstanding as at 31st March, 2021 (₹ crore)	Relationship with the struck off company, if any, to be disclosed
Shreeskanda Systems Pvt Ltd	Payables	0.00	0.00	-
Kapson Power Technology Pvt Ltd	Payables	0.00	0.00	-
Trikaal Marketing Private Limited	Payables	0.00	0.00	-
Kiapco Infrastructure Pvt Ltd	Payables	-	0.00	-

Name of the struck off company	Nature of transactions with struck off company	Transaction during the year
Kiapco Infrastructure Pvt Ltd	Receivables	0.00

(Amount shown as ₹ 0.00 crore represents amount below ₹ 50,000)

49 CAPITAL MANAGEMENT

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

The Group's adjusted net debt-to-equity ratio at 31st March, 2022 was as follows:

₹ crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total equity	**3,235.41**	**1,931.43**
Total borrowings (including current portion of long-term debts)	1,607.51	478.78
Less : Cash and cash equivalents	171.62	262.42
Less : Other bank balances	743.57	341.53
Total debt	**692.32**	**(125.17)**
Overall financing	3,927.73	1,806.26
Gearing ratio	**0.18**	**(0.07)**

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

For the year ended 31st March, 2022

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

For the year ended 31st March, 2021

Name of Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)	As % of consolidated net assets	Amount (₹ crore)
Parent Company								
Crompton Greaves Consumer Electricals Limited	98.62%	1,904.78	98.07%	604.74	100.00%	2.19	98.08%	606.93
Indian Subsidiaries								
Pinnacles Lighting Project Private Limited	0.70%	13.51	1.03%	6.37	0.00%	-	1.03%	6.37
Nexustar Lighting Project Private Limited	0.68%	13.14	0.90%	5.54	0.00%	-	0.90%	5.54
Butterfly Gandhimathi Appliances Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-

51 Group Information

The following subsidiary companies are considered while preparing consolidated financial statements -

Sr. no.	Name of the subsidiary companies	Principal place of business	Proportion of direct ownership as on 31st March, 2022	Proportion of direct ownership as on 31st March, 2021
1	Pinnacles Lighting Project Private Limited	India	100%	100%
2	Nexustar Lighting Project Private Limited	India	100%	100%
3	Butterfly Gandhimathi Appliances Limited	India	55%	0%

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

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

54 Utilisation of Borrowed funds and share premium

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

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

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2022

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

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

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

55 The Group has complied with the number of layers prescribed under the Companies Act, 2013.

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

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

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

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

Srividya Vaidison
Partner
Membership No. 207132

Mumbai, 27th May, 2022

H. M. Nerurkar
Chairman
DIN: 00265887

Mathew Job
Executive Director and
Chief Executive Officer
DIN: 02922413

Shantanu Khosla
Managing Director
DIN: 00059877

Sandeep Batra
Chief Financial Officer

Mumbai, 27th May, 2022

D. Sundaram
Director
DIN: 00016304

Pragya Kaul
Company Secretary
Membership No. A17167

Notes

Notes

Crompton

Crompton Greaves Consumer Electricals Limited

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